

INTERGOVERNMENTAL AGREEMENT

by and between

the

COUNTY OF YOLO,

as County and Lessee

and

NEW HOPE CORPORATION,

as New Hope and Lessor

INTERGOVERNMENTAL AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT (“**Agreement**”) is executed as of July 31, 2024 (the “**Effective Date**”), by and between the COUNTY OF YOLO, a political subdivision of the State of California (“**County**”), and NEW HOPE COMMUNITY DEVELOPMENT CORPORATION, a California 501(c)(3) non-profit corporation (“**New Hope**”), with respect to the following recitals.

RECITALS

- A. County and New Hope have been working cooperatively to use Mental Health Services Act (“**MHSA**”) Capital Facilities funds to acquire a building known and referred to as “Pine Tree Gardens-West” for exclusive use as an Adult Residential Facility, as defined in 22 Cal. Code Regs § 85000 *et seq.* (the “**Project**”). The Project site is located at 607 11th Street within the City of Davis, California, and is identified in County records as Assessor’s Parcel No. 070-141-003 (the “**Property**”).
- B. Under a separate exclusive negotiating agreement dated March 26, 2024, the County and the current owner of the Property, the 2023 Kathleen Marie Williams-Fossdahl Revocable Trust (“**Owner**”), agreed to negotiate in good faith to determine the terms for a sale of the Property to County or New Hope and County provided a deposit of \$8,250 toward acquisition costs.
- C. New Hope will enter into an agreement with Owner for the transfer of fee title to the Property to New Hope. Using funds provided to it by County pursuant to this Agreement, New Hope will ensure timely payment to Owner in connection with the transfer and performance of other obligations described in this Agreement. Owner is a third-party beneficiary of this Agreement for this limited purpose, as described below.
- D. New Hope will lease the Property to County or directly to an adult residential treatment service provider selected by the County (“**Operator**”), at County’s option, in accordance with the terms and conditions in this Agreement, and provide property management services as set forth more specifically herein.
- E. If County elects to ease the property from New Hope, County will sublease the Property to a service provider (“**Operator**”) to provide adult residential treatment services on the Property.

NOW, THEREFORE, County and New Hope agree as follows:

1. Acquisition. In close coordination with County and in compliance with this Agreement, New Hope will take all actions necessary and appropriate to acquire fee title to the Property by August 30, 2024. As of the execution date of this Agreement, the Parties expect at least the following to occur:

- New Hope will retain the services of a qualified real estate agent and title company for assistance with the acquisition;
- New Hope, through its agent or otherwise, will undertake all actions necessary to negotiate a written purchase agreement (the “**Purchase Agreement**”) for the Property with Owner. The Purchase Agreement will note that the County provided a deposit of \$8,250 toward

the acquisition and it will otherwise contain all provisions customary for the acquisition of residential property within the City of Davis, including but not limited to an overall purchase price based on negotiations with Owner (not to exceed \$100,000, less the deposit amount), due diligence period and right of entry, contingencies, representations and warranties, and escrow, title, and closing language. The Purchase Agreement will include language allowing payment to Owner up to 90 days after the closing, recognizing that County must complete certain procedural steps to authorize the use of MHSA funding before it can be provided to New Hope;

- New Hope will complete all due diligence and other tasks necessary to enable acquisition of the Property in accordance with the Purchase Agreement; and
- County will transfer the full balance of the purchase price to New Hope for the purposes set forth in this Agreement, including acquisition of the Property in accordance with the Purchase Agreement and all related expenses, including any commission(s) described in the Purchase Agreement and New Hope's share of escrow, title, and closing costs. Owner is a third-party beneficiary of this Agreement with full rights of enforcement solely with respect to County's obligation to transfer the full balance of the purchase price to New Hope.

Recognizing that circumstances may change as the transaction proceeds, the Parties may modify the foregoing tasks during the course of the transaction through an exchange of emails or other informal writings, without the need for an amendment to this Agreement. Notwithstanding the foregoing, however, any change that significantly increases the duties or liabilities of either party shall require a written amendment to this Agreement.

2. Effective Date; Termination Prior to Closing. This Agreement shall become effective upon the Effective Date. It may be terminated thereafter by mutual written agreement of the Parties prior to the closing of the Property acquisition. Additionally, prior to the Closing, either party may terminate this Agreement upon five (5) days advance written notice to the other if the terminating party determines, in its sole discretion, that Owner will not enter into or continue negotiations for a sale of the Property or if either party otherwise determines that the transaction will not be completed in a manner acceptable to that party.

Upon termination under this Section 2, this Agreement shall be null and void and of no further force or effect. New Hope shall return all funds provided by County to New Hope under this Agreement within ten days after the termination of the Agreement.

3. MHSA Covenant. New Hope acknowledges that, concurrently with the closing, County will record a mutually satisfactory covenant or other similar document sufficient to satisfy all MHSA requirements relating to the future operation of the Property, including but not limited to dedicating the Property for at least 20 years to housing for the mentally ill consistent with MHSA requirements for the use of capital funds and state licensing requirements. The parties acknowledge that County intends to propose a longer term for the use restriction than required by the MHSA law, up to the full 99-year term of this Agreement, and the parties agree to cooperate in connection with the preparation, review, and recording of the covenant. The final covenant shall be substantially similar to the draft included herewith as **Exhibit E**.

4. Lease of Property; Delivery and Acceptance. No later than the closing date, County will notify New Hope of whether it elects to directly lease the Property from New Hope and sublease it to a qualified service provider, as described in the Recitals. If it so elects, concurrently with the

closing of the purchase, New Hope will lease and demise the Property to County, and County will lease and accept the Property from New Hope, for the term, at the annual rent and upon the other covenants and conditions set forth in this Agreement. New Hope shall deliver the Property to County on the "**Commencement Date**". The Commencement date shall be the date on which Owner conveys New Hope fee title to the Property.

If County does not elect to lease the Property from New Hope, New Hope will lease the property directly to a service provider selected by the County. County will collaborate in good faith with New Hope in selecting a service provider and will strive to select a mutually acceptable provider. Any such lease shall include all customary terms and provisions and shall comply with the terms and provisions of Sections 9.2 and 9.3, below.

5. Lease Term; Termination. If County exercises the option in Section 4, above, the term of all leasing, improvement, and maintenance provisions of this Agreement shall commence on the Commencement Date and shall expire on the 99th anniversary thereof (the "**Term**"), unless sooner terminated by mutual agreement of the Parties or, alternatively, due to the occurrence of a funding shortfall within the scope of Section 9.3, below, that the parties are unable to resolve despite their good faith efforts. In the latter circumstance, New Hope is entitled to terminate this Agreement upon at least 90 days advance written notice to the County.

In the event of early termination for either of the reasons set forth herein, County shall have a right of first refusal to purchase the Property from New Hope at the price of \$10.00, along with payment by County of all outstanding costs and expenses owed to New Hope by County under this Agreement. County shall have 30 days following the execution of an agreement to terminate or its receipt of New Hope's notice of termination to exercise this right of first refusal by providing written notice to New Hope. New Hope shall thereafter have 60 days to transfer title to the County, including title to the real property and all improvements and fixtures thereon (excepting only those fixtures purchased by New Hope, which shall remain its sole property). County shall bear all costs of escrow or other expenses incurred in the transfer of title. This provision may be enforced by obtaining a court judgment for specific performance. Further, the right of first refusal may be assigned to a third party in County's sole discretion.

If County fails to exercise its right of first refusal, New Hope shall have the right to maintain title or sell the Property, in its sole discretion. Both County and New Hope shall cooperate in any sale of the Property to ensure the highest reasonable price is obtained.

6. New Hope Constructed Repairs and Tenant Improvements. Through an agreement with a third party, County intends to make funding available to New Hope for repairs in the amount of \$35,000. Any additional funding for matters covered by this section is within the sole discretion of the Yolo County Board of Supervisors. County shall provide the funding following the closing to New Hope for the repair of the highest priority deficiencies described in the property assessment performed by County, as determined by New Hope in consultation with the County. If any County funding remains available after the highest priority deficiencies described in Exhibit D are addressed, New Hope may use the funding to address additional deficiencies described in the property assessment included as Exhibit D.1. The following terms apply to all such work:

6.1 Work. Subject to County's confirmation of available funding, New Hope shall, before the six-month anniversary of the Commencement Date, complete, or cause to be completed, all work (collectively, the "**Work**") required to perform the repairs described in Exhibit D and any additional repairs or improvements covered by this Section 6. Through an exchange of e-mails or other informal writings as set forth in Section 1, above, the Parties may amend

Exhibit D at any time up to 30 days after the closing (or later, if necessary to address pre-closing conditions discovered during performance of the Work) to include any additional tasks subsequently determined to be needed to restore the Property to good, sanitary condition and state of repair, to the extent consistent with the third-party agreement negotiated by County to obtain such repair funding. The six-month period may be extended pursuant to Section 31, below, or by mutual agreement of the parties for good cause including but not limited to increases in the amount or complexity of work needed, phasing to reduce inconveniences to tenants, and any other reasons that may constitute good cause. Additionally, within a defined period of time to be agreed upon by the Parties in good faith, New Hope shall also construct tenant improvements agreed upon by the Parties collectively, the “**Improvements**”). The Work shall be performed pursuant to written contracts with competent contractors duly licensed under the laws of the State of California (collectively, the “**Construction Contracts**”). New Hope shall obtain, with funds provided under this Agreement, all permits and approvals necessary to perform the Work. New Hope shall indemnify, defend and hold harmless County from and against any claims or liability in any way arising out of the performance of the Work. Each Construction Contract entered into by, or on behalf of, New Hope shall contain, or be subject to, substantially the following nondiscrimination or nonsegregation clause: “There shall be no discrimination against or segregation of any person or group of persons on account of sex, marital status, race, age, disability, color, religion, creed, sexual orientation, national origin or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land, nor shall the transferee himself or any person claiming under or through him, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy, of tenants, subtenants, sublessees or vendees of the land.”

6.2 Quality of Work; Compliance. New Hope shall cause the Work and Improvements to be performed (a) diligently (i.e., no more than fourteen (14) consecutive days shall pass without Work being performed, subject to additional extensions in accordance with Section 31, below) to completion; (b) in a good and workmanlike manner; (c) in compliance with all applicable building codes and other laws, statutes, ordinances, rules, regulations and orders of all federal, state, county and local governmental agencies having jurisdiction over the Property (collectively, “**Applicable Laws**”), and (d) in compliance with all applicable insurance requirements.

6.3 Plan; Notices of Nonresponsibility. For all Work or Improvements performed after the repair of items described in Exhibit D or D.1, New Hope shall give County not less than 30 days advance notice of the commencement thereof (including the delivery of building materials to the Property in connection therewith). Any such notice shall include the projected schedule for the completion of such Work or Improvements. County shall have the right to post and maintain on the Property, and to record as required by Applicable Laws, any notice or notices of nonresponsibility provided for by the mechanics’ lien laws of the State of California. Nothing in this Section 6.3 applies to routine or emergency repair and maintenance work, which may be performed upon reasonable advance notice to the Operator (typically at least 24 hours for routine maintenance and as little as one hour or less for emergency repairs).

6.4 Mechanics’ Liens. New Hope shall keep the Work and the Improvements free and clear of all liens, and claims of liens, for labor performed and/or materials supplied in connection therewith. Should New Hope fail to pay and discharge or cause the Property to be released from any such lien, or claim of lien, within 30 days after notice from County to do so, County may pay, adjust, compromise or otherwise discharge any such lien, or claim of lien, on such terms and conditions as County may deem appropriate. In such event, New Hope shall reimburse County for the full amount paid by County in connection therewith upon demand.

6.5 Insurance. New Hope shall ensure that the general contractor obtains and maintains, at all times while the Work is in progress and at the contractor's sole cost and expense, "all risk" builder's insurance and workmen's compensation insurance in connection with the Work and Improvements. All such insurance shall be obtained and maintained as otherwise provided in Section 14.

6.6 Ownership. Consistent with its overall ownership of the Property, any Improvements shall be the sole property of New Hope free and clear of all claims thereto by County or any third party. New Hope shall not commit or permit any waste of, or otherwise destroy, the Improvements during the term of this Agreement without the consent of the County, which may not be unreasonably withheld.

6.7 Financing. Promptly following the full execution of this Agreement, County will take all steps necessary to release the full amount of MHSA Capital Facilities funds of up to \$91,750 (the total purchase price of \$100,000 less the deposit of \$8,250). New Hope shall use the funds for purposes authorized by this Agreement, including acquisition of the Property and to pay for the Work and the Improvements. If this Agreement automatically terminates under Section 2 of this Agreement for Owner's failure to convey fee title of the Property or other reasons set forth in said Section, the New Hope shall promptly return the funds to County.

7. Utilities. County will ensure that the service provider with responsibility for treatment services on the property is legally obligated to pay or reimburse the monthly cost of all utilities, including gas, electricity, water, garbage collection, sewer and cable television. New Hope shall either pay the utility bills and provide proof of billing and payment for reimbursement, or shall send utility bills directly to the service provider for payment.

8. Fixtures. Notwithstanding anything herein to the contrary, New Hope acknowledges and agrees that it shall have no ownership or other interest in the furniture, trade fixtures, equipment, machinery, signs and other articles of personal property placed or installed in, on, or about the Property (collectively, the "**Fixtures**"), and that with the prior approval of New Hope, which shall not be unreasonably withheld, Fixtures may be placed or installed, at no cost or expense to New Hope, in, on or about the Property for use in the business being conducted therein. Fixtures that can be removed without structural damage to the Property may be removed or replaced at any time prior to the Expiration or the Termination. Any damage occasioned to the Property by the removal of Fixtures therefrom shall be fully repaired at no cost or expense to New Hope. At the Expiration or the Termination, so long as an "Event of Default" (as defined below) is not continuing, County and Operator may remove their Fixtures from the Property to the extent the same are not permanently affixed thereto; provided, however, that any such removal shall be completed at County or for Fixtures owned by Operator) Operator's risk, cost and expense (including the repair of any damage to the Property caused thereby) for all Fixtures removed. The Fixtures that are either permanently affixed to the Property or not removed from the Property within 60 days following the Expiration or the Termination shall become the sole property of New Hope.

9. Rent. This Section applies is County elects to directly lease the Property from New Hope, as provided in Sections 4-5, above. If County does not so elect, only Section 9.2 and 9.3 shall apply in the manner described in Section 4, above.

9.1 Beginning on the Commencement Date, County shall pay to New Hope \$1.00 (the "**Rent**") per year, payable on or before the Commencement Date and every anniversary thereof during the term of this Agreement. This Agreement may create a possessory or personal property tax interest. All costs and expenses arising out of the use and occupancy of the Property, including

possessory interest and ad valorem taxes, maintenance and repair costs and expenses, utility charges and insurance premiums, are payable by County before delinquency to the taxing authority. Without limiting the generality of the foregoing, County shall pay all costs, expenses, charges, fees, premiums, taxes and assessments of every kind and nature against, or relating to the use and/or operation of the Property, which may arise, accrue or become due from and after the Commencement Date until the Expiration or the Termination, or which may pertain to this transaction, whether or not now customary or contemplated, and which, except for the execution and delivery of this Agreement, would have been payable by New Hope.

9.2 Also on the Commencement Date or as soon thereafter as is reasonably possible New Hope will enter into an agreement with the Operator regarding the payment of rent to New Hope in an amount be mutually agreed upon by those parties. The payment of rent shall not commence until New Hope notifies the Operator and County that any residual balance of MHSA funds provided by County pursuant to Section 1, above, has been fully depleted and is no longer available to cover it's the costs set forth in this Section 9.2. New Hope will use its best efforts to negotiate an arrangement that provides sufficient rental income over time to cover its property management and maintenance costs, fund a reasonable capital reserve, operating reserve, and other reasonable and customary costs. All such costs may be adjusted by New Hope from time to time as necessary to ensure its rental income remains sufficient for those purposes.

If requested by New Hope, County will provide any support necessary to ensure the timely completion of the agreement described in the preceding paragraph.

9.3 In the event New Hope is unable to obtain sufficient rent through a separate agreement with the Operator to cover the costs set forth in Section 9.2, above, it will advise County and the parties will meet and confer in good faith regarding potential solutions. Such solutions may include, but are not limited to, identifying and working collaboratively to obtain additional funding from public or private sources, a commitment by County to provide supplemental funding, or alternative leasing arrangements (consistent with the covenant described in Section 3, above, as may be amended from time to time). If the parties are unable to address funding shortfalls despite good faith effort under this Section 9.3, New Hope shall be entitled to terminate this Agreement pursuant to Section 5, above.

10. Property Management. New Hope will provide all property management services for the Property including day-to-day maintenance and repairs and security of the Property and to hold County harmless therefrom. County shall have no responsibility for any work relating to the Property except as expressly set forth herein.

11. Use. County shall have the right to use the Property for any lawful purpose, subject to compliance with this Agreement and the Declaration of Covenants and Restrictions provided for herein.

12. Maintenance and Repair; Compliance with Applicable Laws.

12.1 Good Order, Condition and Repair. New Hope shall, at its sole cost and expense, keep and maintain the Property (including all structural, nonstructural, interior, exterior, landscaped areas, systems, equipment, facilities, sidewalks, patios, fences lights and signs) in good order, condition and repair (whether or not the portion of the Property requiring repairs, or the means of repairing the same, are reasonably or readily accessible to County). New Hope's maintenance obligations shall include restorations, replacements and renewals when necessary to keep the Property and all improvements thereon in good order, condition and repair, excluding

fixtures installed by the County or Operator (which shall remain the maintenance obligation of those parties and not New Hope).

12.2 Compliance with Applicable Laws. County shall, at its sole cost and expense, keep and maintain the Property in compliance with all Applicable Laws.

12.3 Non-Discrimination. County shall refrain from restricting the use of the Property on the basis of age, sex, disability, marital status, race, color, religion, creed, ancestry, sexual orientation or national origin of any person.

13. Demolition, Alteration and Replacement. County may demolish, remove, alter, replace or reconstruct the Improvements as they exist after the completion of the Work.

14. Damage or Destruction. If the Property is totally or partially damaged or destroyed by fire, earthquake, accident or other casualty, New Hope shall restore the Property by repair or rebuilding.

15. Assignment and Transfer. County may, without obtaining the prior consent of New Hope, assign or sublease the Property.

16. Insurance.

16.1 New Hope Insurance. New Hope, at its sole cost and expense, shall insure its activities in connection with this Agreement and obtain, keep in force, and maintain insurance as follows:

A. Commercial Form General Liability Insurance (contractual liability with minimum limits as follows):

1. Each Occurrence: \$1,000,000.00
2. General Aggregate: \$2,000,000.00

If the above insurance is written on a claims-made form, it shall continue for three years following termination of this Agreement. The insurance shall have a retroactive date of placement prior to or coinciding with the Commencement Date.

B. Property Insurance, Fire and Extended Coverage Form in an amount equal to 100% of the full replacement value of the building in which the Property are located to conform with then current codes and the costs of demolition and debris removal, excluding the tenant improvements made pursuant to this Agreement, land and the footings, foundations and installations below the basement level.

C. Worker' Compensation as required by California law. The coverages required herein shall not limit the liability of New Hope.

16.2 All insurance required by this Section 16 shall be effected under valid and enforceable policies issued by insurers of recognized responsibility and authorized to do business in the State of California and shall (a) contain language to the effect that (i) the insurer waives the right of subrogation against County and it elected officials, officers, employees, agents and representatives; and (ii) the policy is primary and noncontributing with any insurance carried by County; and (b) name County as an additional insured as follows: "The County of Yolo and its elected officials, officers and employees."

16.3 Nothing in this Agreement shall prevent New Hope from taking out insurance of the kind and in the amount required by this Section 16 under a blanket insurance policy or policies that can cover other properties as well as the Property.

16.4 All proceeds received under any insurance policy required by this Section 16 shall be first applied to the payment of the cost of repair, reconstruction or replacement of the Improvements and/or the Fixtures that are damaged or destroyed. Any remaining proceeds shall be immediately paid to, and be the sole property of, New Hope.

17. Indemnity. Each party shall indemnify, defend, protect, hold harmless, and release the other, their elected bodies, officers, agents, and employees, from and against any and all claims, losses, proceedings, damages, causes of action, liability, costs, or expense (including attorneys' fees and witness costs) arising from or in connection with, or caused by any negligent act or omission or willful misconduct of such indemnifying party. This indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages or compensation payable to or for the indemnifying party under workers' compensation acts, disability benefit acts, or other employee benefit acts.

18. [Intentionally Omitted]

19. New Hope's Right of Inspection. Following the Commencement Date, New Hope may, at any reasonable time and from time to time by providing County and posting the Property (or specific units, if appropriate) with at least 24 hours advance written notice (except in the event of an emergency), of its intent to enter upon the Property for the purpose of inspecting the same and for such other purposes as may be necessary or proper for the reasonable protection of its interests therein, subject, however, to County's reasonable requirements regarding security and the need to protect its business affairs and those of its subtenants and other occupants of the Property from unreasonable interference or interruption or invasion of privacy.

20. [Intentionally Omitted]

21. [Intentionally Omitted]

22. [Intentionally omitted]

23. No Waiver. No waiver of any default under this Agreement shall constitute or operate as a waiver of any subsequent default hereunder, and no delay, failure or omission in exercising or enforcing any rights, privilege, or option under this Agreement shall constitute a waiver, abandonment or relinquishment thereof or prohibit or prevent any election under or enforcement or exercise of any right, privilege or option hereunder. No waiver of any provision hereof by New Hope or County shall be deemed made unless and until such waiver shall have been reduced to writing and signed by New Hope or County, as the case may be.

24. [Intentionally omitted]

25. No Partnership. It is expressly understood and agreed that nothing contained herein shall make or constitute New Hope, in any way or for any purpose, a partner of County in the conduct of County's business, or otherwise, or a joint venturer or a member of a joint enterprise with County.

26. Covenants Run With Land. The covenants, conditions and restrictions contained herein are, and shall be deemed to be, covenants running with the land and shall be binding upon and shall inure to the benefit of New Hope and County. All references in this Agreement to “County” or “New Hope” shall be deemed to refer to and include their respective successors and assigns without specific mention thereof.

27. Notices. Any notice, request, direction, instruction, demand, consent, waiver, approval or other communication required or permitted to be given hereunder shall not be effective unless it is given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, (c) by facsimile, or (d) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and addressed to the parties at the addresses stated below, or at such other address as either party may hereafter notify the other in writing as aforementioned:

To County: County of Yolo

Attention:
Facsimile:

To New Hope: New Hope

Attention:
Facsimile:

Service of any such notice or other communications so made shall be deemed effective on the day of actual delivery (whether accepted or refused) as evidenced by confirmed answerback if by facsimile (provided that if any notice or other communication to be delivered by facsimile is unable to be transmitted because of a problem affecting the receiving party’s facsimile machine, the deadline for receiving such notice or other communication shall be extended through the next business day), as shown by the addressee’s return receipt if by certified mail, and as confirmed by the courier service if by courier; provided, however, that if such actual delivery occurs after 5:00 p.m. (local time where received) or on a non- business day, then such notice or demand so made shall be deemed effective on the first business day immediately following the day of actual delivery. No communications via electronic mail shall be effective to give any notice, request, direction, demand, consent, waiver, approval or other communications hereunder.

28. [Intentionally omitted]

29. Estoppel Certificates. County or New Hope, as the case may be, shall execute, acknowledge and deliver to the other and/or any lender, promptly upon request, its certificate certifying (a) that this Agreement is unmodified and in full force and effect (or, if there have been modifications, that this Agreement is in full force and effect, as modified, and stating the modifications), (b) the dates, if any, to which all rental due hereunder has been paid, (c) whether there are then existing any charges, offsets or defenses against the enforcement by New Hope of any agreement, covenant or condition hereof on the part of County to be performed or observed (and, if so, specifying the same), (d) whether there are then existing any defaults by County in the performance or observance by County of any agreement, covenant or condition hereof on the part of County to be performed or observed and whether any notice has been given to County of any default which has not been cured (and, if so, specifying the same) and (e) such other matters

as may be reasonably requested by New Hope, County or any lender, as the case may be. A prospective purchaser, mortgagee or trustee or beneficiary under a deed of trust of the Property and/or the County Fixtures may rely upon any such certificate.

30. Expiration.

30.1 Holding Over. This Agreement shall automatically (i.e., without further notice) terminate upon the Expiration, and any holding over by County after the Expiration shall not constitute a renewal hereof or give County any rights hereunder.

30.2 Surrender of Property. At the Expiration, County shall surrender the Property in good condition and repair, reasonable wear and tear excepted, and shall deliver to New Hope any keys thereto in its possession.

31. Unavoidable Delays – Force Majeure. If either party shall be delayed or prevented from the performance of any act required by this Agreement by reason of acts of God, acts of the public enemy, war, terrorism, strikes, lockouts, labor troubles, inability to secure materials, restrictive governmental laws or regulations, or other cause, without fault and beyond the reasonable control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay; and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The party delayed or prevented from the performance of any act as above described shall notify the other of such delay or prevention within 15 days of the inception thereof, and shall thereafter keep such party regularly informed of the status of such delay or prevention.

32. General Provisions.

32.1 Broker. The parties represent and warrant to each other that, other than an agent or broker used by New Hope in connection with acquisition of the Property, no broker or finder was instrumental in arranging or bringing about this transaction. There are no claims or rights for brokerage commissions or finder's fees in connection with this Agreement. If any person or entity brings a claim for a commission or finder's fee based upon any contact, dealings or communication with County or New Hope, then the party through whom such person or entity makes its claim shall defend the other party (the "**Indemnified Party**") from such claim, and shall indemnify the Indemnified Party and hold the Indemnified Party harmless from and against any and all costs, damages, claims, liabilities or expenses (including reasonable attorneys' fees and disbursements) incurred by the Indemnified Party in defending against the claim.

32.2 Further Assurances. The parties agrees that, upon the other party's request, each party shall cooperate with the other and take any actions reasonably requested by the other party, including the execution of documents, instruments and applications: (a) to enable a party to obtain permits, approvals and other authorizations reasonably necessary for the use and occupancy of the Property and the construction of the Improvements and (b) to enable either party to take such other reasonable actions in connection with the use, occupancy and improvement of the Property.

32.3 Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had not been contained herein.

32.4 Independent Effect. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any one of such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitations of, another covenant shall not avoid the occurrence of an Event of Default if such action is taken or condition exists.

32.5 Time of the Essence. Time is of the essence of each and all of the agreements, covenants and conditions of this Agreement. Wherever the time for performance of any obligation hereunder or if, pursuant to this Agreement, a party must act by a particular time, or an act is effective only if done by a particular time, and the last date for the performance of such obligation or the doing or effectiveness of such act falls upon a day other than a business day, the time for the performance of such obligation or the doing or effectiveness of such act shall be extended to the next succeeding business day. The time in which any act is to be done under this Agreement is computed by excluding the first day and including the last day. All time periods identified herein, unless expressly provided to the contrary, shall end at 5:00 p.m., California time.

32.6 Consents and Approvals. Whenever in this Agreement the consent or approval of either New Hope or County is required or permitted, unless expressly stated to the contrary, the party requested to give such consent or approval shall not unreasonably withhold, condition or delay its consent or approval.

32.7 Captions. The captions used herein are for convenience only and are not a part of this Agreement and do not in any way limit or amplify the terms and provisions hereof.

32.8 References. References to any document or instrument defined herein are to such documents or instruments as amended, modified, restated or supplemented from time to time. References to any statutory section(s) or act(s) herein are to such section(s) or act(s) as amended and/or recodified as well as to any successor statutes thereto. References to "Sections" and "Exhibits" are to sections and exhibits of this Agreement, unless otherwise specifically provided.

32.9 Incorporation. The preamble, recitals and exhibits hereto are hereby incorporated into this Agreement.

32.10 Interpretation. This Agreement shall be interpreted in accordance with and governed by the laws of the State of California. New Hope, County and their respective advisors believe that this Agreement is the product of all of their efforts, that it expresses their agreement and that it should not be interpreted in favor of or against either New Hope or County. New Hope and County further agree that this Agreement will be construed according to its fair meaning and not strictly for or against New Hope or County and to effectuate the normal and reasonable expectations of sophisticated tenants and landlords.

32.11 Entire Agreement; Modification. This Agreement constitutes the entire agreement between New Hope and County with respect to the subject matter hereof and supersedes all prior offers and negotiations, oral and written. This Agreement may only be modified in by an instrument in writing signed by New Hope and County.

32.12 Third Party Beneficiaries. Except as expressly stated herein in Section 1 with respect to Owner, neither Owner nor any other third-party shall be a beneficiary of any of the rights, duties, or obligations set forth in this Agreement or have any related legal or equitable rights.

32.13 Governing Law. This Agreement shall be construed in accordance with and be governed by the provisions of the laws of the State of California.

32.14 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, New Hope and County have executed this Agreement as of the date first set forth above.

COUNTY: COUNTY OF YOLO, a political subdivision of the State of California

Lucas Frerichs, Chair
Yolo County Board of Supervisors

ATTEST:
Julie Dachtler, Sr. Deputy Clerk
Yolo County Board of Supervisors

APPROVED AS TO FORM:

By: _____
Deputy (Seal)

Philip J. Pogledich, County Counsel

NEW HOPE:

NEW HOPE COMMUNITY DEVELOPMENT CORPORATION, a California 501(c)(3) non-profit corporation

By: _____
Name: _____
Its: _____

APPROVED AS TO FORM:

Kimberly Hood, Chief Assistant County Counsel
Attorney for New Hope

EXHIBIT "A"

MAP OF PROPERTY

EXHIBIT "B"

LEGAL DESCRIPTION

EXHIBIT "C"

MEMORANDUM OF COMMENCEMENT DATE

THIS MEMORANDUM OF COMMENCEMENT DATE ("**Memorandum**") is made as of _____, 2020, by the COUNTY OF YOLO ("**County**"), and NEW HOPE CORPORATION, a California non-profit corporation ("**New Hope**"), with respect to the following:

RECITALS

A. County and New Hope entered into that certain Intergovernmental Agreement dated as of _____, 2024, with respect to certain Property located at _____, Davis, California (the "**Agreement**").

B. Pursuant to Section 2 of the Agreement, County and New Hope agreed to execute and record this Memorandum in order to establish the actual date that the Agreement became operative, which date is also used to fix the duration of the term of the Agreement. Initially capitalized words or terms used but not defined in this Memorandum shall have the meanings assigned to such words or terms in the Agreement.

AGREEMENT

NOW, THEREFORE, the parties agree as follows:

1. Commencement Date; Term. The "**Commencement Date**" shall mean _____, 20____. Therefore, the Term shall expire at 11:59 p.m. (California time) on _____, 20____, unless sooner terminated or extended as provided in the Agreement. If the Agreement terminates earlier or is extended, the parties shall record an amendment to this Memorandum.

2. Modification. Except as modified hereby, the Agreement shall each remain unaffected and unchanged by reason of this. If there is any conflict between the terms and conditions of this Memorandum and the terms and conditions of the Agreement, the terms and conditions of this Memorandum shall prevail. No provision of this Memorandum may be modified except in a writing signed by the parties.

3. Counterparts. This Memorandum may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, taken together, shall be deemed to be one and the same instrument.

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IN WITNESS WHEREOF, County and New Hope have executed this Memorandum of Commencement Date as of the date first set forth above.

COUNTY: COUNTY OF YOLO, a political subdivision of the State of California

By: _____
Name: _____
Its: _____

NEW HOPE: NEW HOPE COMMUNITY DEVELOPMENT CORPORATION, a California 501(c)(3) non-profit corporation

By: _____
Name: _____
Its: _____

BOARD REVIEW DRAFT (7/15/2024)

EXHIBIT "D" AND "D.1"

DESCRIPTION OF HIGHEST PRIORITY REPAIRS AND PROPERTY ASSESSMENT

EXHIBIT "E"

DRAFT MHSA DEED RESTRICTION

RECORDING REQUESTED BY:

County of Yolo
625 Court Street, Room 202
Woodland, CA 95695

WHEN RECORDED MAIL TO:

County Administrator
County of Yolo
625 Court Street, Room 202
Woodland, CA 95695

**DECLARATION OF COVENANTS AND RESTRICTIONS (DEED RESTRICTION)
MENTAL HEALTH SERVICES ACT**

WHEREAS, the undersigned, New Hope Community Development Corporation (“New Hope” or “Property Owner”), a California non-profit corporation, is the owner of certain real property within the County of Yolo located at 607 11th Street, Davis, CA 95616, Assessor’s Parcel No. 070-141-003 (the “Property”); and

WHEREAS, New Hope acquired fee title to the Property on or about August 30, 2024 through a transaction involving a binding commitment by the County of Yolo (“County”) to provide acquisition funding using capital facilities funds allocated to the County under the California Mental Health Services Act and its accompanying regulations (“MHSA”) in connection with the County’s Three-Year Program and Expenditure Plan then in effect (the “Three-Year Program”); and

WHEREAS, pursuant to a July 31, 2024 Intergovernmental Agreement (the “IGA”) between the County and New Hope, the Property will be used as an adult residential facility as defined in 22 Cal. Code Regs. § 85000 *et seq.* and operated for at least 20 years, commencing July 1, 2020, as housing for the mentally ill consistent with the MHSA, IGA, and the Three-Year Program; and

WHEREAS, Section 3 of the IGA further contemplates the recording of an “MHSA Covenant” to ensure use of the Property in the manner described in the preceding recital for up to 99 years after the closing of New Hope’s acquisition of fee title, with a minimum restriction period of 20 years pursuant to the MHSA;

WHEREAS, this deed restriction shall constitute the MHSA Covenant required by Section 3 of the IGA and is intended to implement and satisfy the requirements of the IGA, the Three-Year Program, and the MHSA, as set forth above; and

NOW, THEREFORE, in consideration of the benefits received by New Hope and the public purposes served by the IGA, the Three-Year Program, and the MHSA, New Hope and the County (the “Parties”) hereby agree as follows:

1. Use Restriction. The use of the Property is limited to housing for the mentally ill consistent with the MHSA and Three-Year Program, and consistent with the IGA it shall be used and operated exclusively as an adult residential facility as defined in 22 Cal. Code Regs. § 85000 *et seq.* during term of this deed restriction.

During the term hereof, the Parties hereby declare their express intent that the covenants and restrictions set forth in this deed restriction shall run with the land, and shall pass to and be binding upon all parties having or subsequently acquiring any interest in the Property, including all successors in title to the Property. Each and every contract, deed, lease, and other instrument covering, conveying, or otherwise transferring the Property or any interest therein, as the case may be, shall conclusively be held to have been executed, delivered and accepted subject to this deed restriction, regardless of whether the other party or parties to such contract have actual knowledge of this deed restriction.

2. Term; Termination. Pursuant to the MHSA, including but not limited to 9 Cal. Code Regs. § 3630.10 and other authorities, this deed restriction shall be valid commencing August 30, 2024 (the “Effective Date”). Thereafter, the Property shall be used for the purposes described in Section 1, above, for a minimum period of 20 years (the “Statutory Restriction Period”). The Statutory Restriction Period may not be reduced or otherwise modified by the Parties in a manner that would jeopardize compliance with the MHSA or the Three-Year Program.

Commencing upon expiration of the Statutory Restriction Period, the Parties agree that all the terms and provisions of this deed restriction shall extend for an additional 79 years (the “Public Benefit Restriction Period”) for a total restriction period of 99 years commencing on the Effective Date. At any time after the Public Benefit Restriction Period commences, it may be reduced, modified, or canceled through the amendment or rescission of this deed restriction by the mutual consent of the Parties through public actions of their governing boards (or equivalent). The County shall ensure that any such action occurs during a public meeting held pursuant to the requirements of the Ralph M. Brown Act (Cal. Gov. Code § 54950 *et seq.*). As set forth in the IGA, including but not limited to Section 3 thereof, any such amendment or rescission of this deed restriction shall occur only for good cause, as determined by the Parties in their reasonable discretion.

3. Sale or Transfer. The sale or transfer of any interest in the Property by New Hope is prohibited without the prior written consent of the County, which may not be unreasonably withheld. The Parties agree that any conveyance must be consistent with the MHSA, the Three-Year Program, and this deed restriction. Notwithstanding the foregoing, in no circumstance is the County obligated to consent to a conveyance by New Hope that would result in its unjust enrichment (such as, by way of example only and without limitation, by retaining proceeds of the sale that exceed its own documented, unreimbursed expenditures in connection with authorized Property maintenance and improvements).

4. Cooperation Required. New Hope agrees to fully cooperate with the County in providing all information and access reasonably requested to assist the County in monitoring compliance with this deed restriction, the IGA, Three-Year Program and MHSA. The County

makes the same commitments to New Hope to the extent New Hope reasonably requires such information or access in connection with its duties under the IGA.

5. Enforcement. Any violation of this deed restriction may be enforced by either party through any proceedings at law or in equity, including through an action seeking the remedy of specific performance.

6. Third Party Beneficiaries. Nothing in this deed restriction, express or implied, is intended to or shall confer upon any person other than the Parties and their respective successors and permitted assigns any legal or equitable right, benefit or remedy of any nature. Notwithstanding the foregoing, nothing in this deed restriction is intended or shall be interpreted to alter, diminish, or in any way affect any rights of the State of California arising under the MHSA.

7. Amendments. This deed restriction may only be amended in writing signed and notarized by the Parties through their authorized representatives. Any such amendment shall be recorded with the Yolo County Recorder's Office.

8. Severability. If any provision of this deed restriction is held invalid, illegal, or unenforceable in any respect, then such provision shall be deemed severable from the remaining provisions contained in this restriction, and this instrument shall be interpreted as if such invalid, illegal, or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, the Parties have executed this deed restriction as of the Effective Date set forth in Section 2, above.

COUNTY OF YOLO

**NEW HOPE COMMUNITY
DEVELOPMENT CORPORATION**

By: _____
Its: _____

By: _____
Its: _____

NOTARIAL ACKNOWLEDGEMENTS ATTACHED