

**CONTRIBUTION AGREEMENT
BETWEEN COUNTY OF SOLANO AND SHELTER SOLANO, INC.**

THIS AGREEMENT (the "Agreement") is made as of _____, 2019 (the "Date of Agreement"), between the COUNTY OF SOLANO, a political subdivision of the State of California (the "County") and SHELTER SOLANO, INC., a California nonprofit corporation (the "Shelter"), collectively referred to as the "Parties" or individually as a "Party".

R E C I T A L S

WHEREAS, in May 2007, County contributed \$1 million to Mission Solano Rescue Mission, Inc. ("Mission Solano") towards the construction of Phase 1 of a transitional residential housing project, commonly referred to as the Bridge to Life Center ("BLC") at 310 Beck Avenue, Fairfield, CA (such facility, the "Shelter Facility"); and

WHEREAS, on May 29, 2009, County entered into an agreement ("the Original Loan") with Mission Solano in which County agreed to loan \$750,000 to Mission Solano to partly fund the construction Phase 2 of BLC, which was to be repaid no later June 30, 2014; and

WHEREAS, on June 12, 2012, the County and Mission Solano executed a second agreement (together with the related promissory note and Amended and Restated Deed of Trust with Assignment of Rents (the "Deed of Trust") dated June 12, 2012, the "Amended and Restated Loan Agreement") to modify the terms of the Original Loan by extending the repayment period and reducing the interest rate; and

WHEREAS, Mission Solano has since informed the County that it could no longer continue to operate the Shelter Facility;

WHEREAS, pursuant to the Termination, Assignment and Assumption of Lease, Landlords Consent and Conditional Release and Additional Agreements among Parties and to Ground Lease among Fairfield Housing Authority (the "Housing Authority"), Mission Solano, Sheldon Oil Company and the Shelter (the "Termination and Assignment Agreement"), ownership of the Improvements (as defined in the Lease, as such term is defined in the Termination and Assignment Agreement) constructed as Phase 1 and Phase 2 of BLC will vest in the Housing Authority; and

WHEREAS, Shelter is willing to use the Shelter Facility to provide emergency shelter and other services for individuals and families experiencing homelessness provided that the outstanding principal amount, and any accrued interest, of the Amended and Restated Loan Agreement is forgiven; and

WHEREAS, in recognition of the public benefit provided by Shelter's continued operation of the Shelter Facility and the emergency shelter and other services that complement and support County's own social service programs, County desires to excuse all outstanding obligations in exchange for the guarantee of one (1) dedicated bed at the Shelter Facility

for County clients for a period of ten (10) years.

COUNTY AND SHELTER MUTUALLY AGREE as follows:

1. OPERATION AND USE OF THE PROJECT AS EMERGENCY SHELTER

The County's hereby forgives and agrees to waive its right to seek any cash or other repayment of the outstanding loan balance, interest and other amounts under the Amended and Restated Loan Agreement. In consideration of and as a condition of the County's willingness to waive its right to seek any cash or other repayment of the outstanding loan balance under the Amended And Restated Loan Agreement or any interest or other amounts due thereunder, Shelter covenants and agrees for itself, its successors and its assigns to operate the Shelter Facility as emergency shelter for individuals and families experiencing homeless. Shelter further agrees to guarantee a minimum of one bed, available on a daily basis for the Term of this Agreement, for a County-placed client. This guaranteed bed is intended to be separate and distinct from any other bed purchased, rented, or paid for under separate contract by the County.

2. CONDITIONS OF CONTRIBUTION

Shelter acknowledges, understands and agrees that County's commitment to contribute funds that it is otherwise entitled to collect is conditioned upon the satisfaction of the following conditions precedent:

- a. Shelter, or a wholly-owned subsidiary of Shelter, possesses the right to use the Shelter Facility.
- b. The operation of the Shelter Facility as outlined and specified in this Agreement is permitted under applicable zoning.
- c. County has received and approved a copy of Shelter's organizational documents to document the power and authority of Shelter to enter into and perform its obligations under this Agreement and to operate the Shelter Facility.

3. TERM AND TERMINATION

- a. The Term of this Agreement is for a period of ten (10) years from the date of the commencement of services at the Shelter Facility by Shelter, unless it is terminated earlier as provided below.
- b. In the event that Shelter desires to cease operations of the Shelter Facility as an emergency shelter prior to the end the term, Shelter agrees to cooperate with the Housing Authority to transfer operation of the Shelter Facility to another operator approved by the Housing Authority.
- c. The County further agrees that the sole recourse for any amounts due under the Amended and Restated Loan Agreement shall be against the Real Property as defined in the Deed of Trust, and none of the Shelter or any of

its affiliates shall have any obligation to make any payments of principal or interest or other amounts due under the Amended and Restated Loan Agreement, in an Event of Default (as defined in the Amended and Restated Loan Agreement), upon termination of or an Event of Default under this this Agreement or otherwise. For the avoidance of doubt, the County shall not have any recourse against any Personal Property (as defined in the Deed of Trust) of the Shelter or any of its affiliates.

4. OBLIGATION TO REFRAIN FROM DISCRIMINATION

Shelter covenants and agrees for itself, its successors, its assigns and every successor in interest to the Shelter Facility or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons on account of race, color, creed, religion, sex, gender and/or gender identification, age, marital status, ancestry, national origin, physical handicap or other arbitrary factor in the use, occupancy, tenure or enjoyment of the Shelter Facility or any part thereof, nor shall Shelter itself or any person acting on its behalf establish or permit any such practice or practices of discrimination.

5. REPRESENTATIONS AND WARRANTIES

In order to induce County to enter into this Agreement, Shelter represents and warrants to County as follows:

a. Shelter is duly organized, validly existing, and in good standing under the laws of the State of California with the power to own its assets and to transact business in California.

b. Shelter has the authority and power to execute and deliver any document required under this Agreement and to perform any condition or obligation imposed under the terms of such documents.

c. The execution, delivery and performance of this Agreement and each document incident to this Agreement will not violate any provision of any applicable law, regulation, order, judgment, decree, article of incorporation, by-law, indenture, contract, agreement, or other undertaking to which Shelter is a party, or which purports to be binding on Shelter or its assets.

d. To the knowledge of Shelter, there is no action, suit, investigation, or proceeding pending or, to the knowledge of Shelter, threatened, against or affecting Shelter or any of its assets which, if adversely determined, would have a material adverse affect on the financial condition of Shelter or the operation of its business.

6. EVENTS OF DEFAULT.

An event of default will occur if any of the following events occurs:

- a. Any representation or warranty made by Shelter in this Agreement, or in any certificate, financial statement, or other statement furnished by Shelter to County is untrue in any material respect at the time when made and the County is materially harmed by it.
- b. Default in any material respect by Shelter in the observance or performance of any other covenant or agreement contained in this Agreement which is not cured within 30 days (or such longer period as is reasonably necessary) of receipt of written notice from County of such default.
- c. Termination of Shelter's sublease with the Housing Authority for the use of the Shelter Facility.
- d. Shelter (i) seeks entry of an order for relief as a debtor in a proceeding under the Bankruptcy Code; (ii) seeks, consents to, or does not contest the appointment of a receiver for itself or for all or any part of its property; (iii) files a petition seeking relief under the bankruptcy, arrangement, reorganization, or other debtor relief laws of the United States or any state or any other competent jurisdiction; (iv) makes a general assignment for the benefit of its creditors; or (v) states in writing its inability to pay its debts as they mature.

7. REMEDIES

Upon the occurrence of an event of default as defined above, upon 30 days' notice to Shelter, County will notify Shelter and request an appropriate cure. To the extent permitted by law, Shelter waives any rights to presentment, demand, protest, or notice of any kind in connection with this Agreement. No failure or delay on the part of County in exercising any right, power, or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power, or privilege.

8. NOTICE

Any written notice will be deemed effective on the date such notice is placed, first class, postage prepaid, in the United States mail, addressed to the party to which notice is being given as follows:

County: Solano County
Attn: County Administrator
675 Texas St., Suite 6500
Fairfield, CA 94533

Shelter: SHELTER Solano, Inc.
P.O. Box 5368
Concord, CA 94524
Attn.: Chief Executive Officer

9. INDEMNIFICATION

Shelter agrees to indemnify County with regard to any liability, including attorneys' fees and costs, on the part of the County which may arise from this Agreement, including costs incurred by County in connection with enforcing this Agreement.

10. GENERAL PROVISIONS

a. SURVIVAL OF TERMS. All representations and warranties made in this Agreement shall survive the execution and delivery of this Agreement. This Agreement will be binding upon and inure to the benefit of Shelter and County, their respective successors and assigns, except that Shelter may not assign or transfer its rights or delegate its duties under this Agreement without the prior written consent of County.

b. INSPECTION, ACCOUNTING, AND RETENTION OF RECORDS

i. Authorized representatives of County, the state and/or the federal government may inspect and/or audit Shelter's performance and/or records pertaining to this Agreement.

ii. Shelter agrees to provide to the extent such information is reasonably available to Shelter, on the 10th business day after request by the County, a list of Shelter's clients as of such date, which will include each client's city of origin and referring agency along with the specific use of the County's guaranteed bed in the prior month.

ii. All records shall be retained for a minimum of four years after termination of this Agreement.

c. CHOICE OF LAW

The parties have executed and delivered this agreement in the County of Solano, State of California. The laws of the State of California shall govern the validity, enforceability or interpretation of this Agreement. Solano County shall be the venue for any action or proceeding, in law or equity that may be brought in connection with this Agreement.

d. CHANGES AND AMENDMENTS

The parties may request changes in this Agreement. Any mutually agreed upon changes shall be effective when only incorporated in written amendments to this Agreement.

e. SEVERABILITY

If any term, provision, condition or covenant of this Agreement or its application to any party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

f. ENTIRE AGREEMENT

This Agreement, including any exhibits referenced, constitutes the entire agreement between the parties and there are no inducements, promises, terms, conditions or obligations made or entered into by County or Shelter other than those contained.

The parties have executed this Agreement on the day and year first written above.

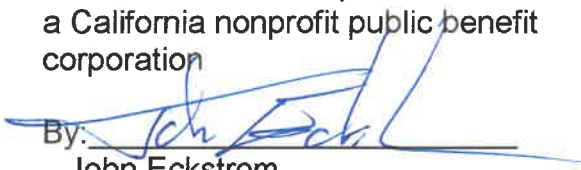
COUNTY:

COUNTY OF SOLANO, a Political
Subdivision of the State of California

By: _____
Birgitta E. Corsello,
County Administrator

Shelter:

SHELTER SOLANO, Inc.
a California nonprofit public benefit
corporation

By: 
John Eckstrom
Chief Executive Officer