

**SECOND AMENDMENT TO AGREEMENT TO PROVIDE FINANCIAL SUPPORT
FOR THE CONSTRUCTION AND OPERATION OF A PERMANENT, YEAR-ROUND
SHELTER SERVING HOMELESS INDIVIDUALS**

This SECOND AMENDMENT TO AGREEMENT TO PROVIDE FINANCIAL SUPPORT FOR THE CONSTRUCTION AND OPERATION OF A PERMANENT, YEAR-ROUND SHELTER SERVING HOMELESS INDIVIDUALS ("Amendment") is entered into in Ventura County, California, as of March 19, 2024 by and among the CITY OF OXNARD, a municipal corporation ("City"), and the County of Ventura ("County") (City and County each a "Party" and collectively the "Parties").

RECITALS

A. WHEREAS, the Parties previously entered into that certain Agreement Number A-8462 to Provide Financial Support for the Construction and Operation of a Permanent, Year-Round Shelter Serving Homeless Individuals" on May 17, 2022, ("Agreement") and First Amendment to this Agreement effective May 17, 2022 ("Amendment #1"); and

B. WHEREAS, the Agreement was executed between the Parties to meet the growing challenge of homelessness by enabling the County to provide the City with financial assistance for the construction of tenant improvements, and operation costs for a permanent year-round shelter for homeless individuals on the bottom floor of the Casa de Carmen mixed-use development Project located at 241 West Second Street, Oxnard, CA 93030 ("Shelter"); and

C. WHEREAS, additional time and funding is needed by Mercy House, CHDO Inc. ("Shelter Operator") to complete the tenant improvements.

NOW, THEREFORE, for and in consideration of the foregoing premises, the covenants, representations, warranties and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto do hereby agree as follows:

1. Additional Shelter related improvement and administrative costs not previously anticipated are required for construction of the Shelter. As such, the last paragraph on the first page of "Exhibit A Tenant Improvements" is hereby deleted in its entirety and replaced with the following: "Tenant Improvements will also include the buildout of the shelter shell, a rooftop deck, grease interceptor, underground plumbing, signage and directories. Administrative costs required for the tenant improvements will include design costs, insurance, construction oversight services, permits and related fees, and legal fees. Shelter Operator expressly agrees to utilize funds for legal fees solely for the purpose of compensating attorneys for the review of general contractor work related to tenant improvements."
2. A budget increase is required to complete construction of the Shelter. As such, the Parties wish to amend the budget for "Tenant Improvement Costs" as shown in "Exhibit B" of the Agreement to reflect the new increased budget. The reference to "Exhibit B" everywhere it is listed in the Agreement is hereby amended to the new Exhibit B-1. Exhibit B is hereby disincorporated; instead, Exhibit B-1 is attached hereto and incorporated herein by reference.

3. Additional Shelter related improvement and administrative costs are required for construction of the Shelter. The City has agreed to pay for the additional improvement and administrative costs. City's total contribution to the Shelter's Tenant Improvement Costs is reflected in the "City Share" section of the new Exhibit B-1 budget. This has resulted in the City paying a larger share of the tenant improvement costs for construction of the Shelter than the County. Therefore, the first sentence in Section 1b of the Agreement "City and County agree to share the costs equally for the Tenant Improvements" is hereby deleted and replaced with "City and County agree to share the costs of Tenant Improvements as shown in the table in Exhibit B-1."
4. City wishes to increase the principal amount of the PLHA Loan Agreement to pay for the increased cost of constructing the Shelter. The first sentence in Section 1c of the Agreement "County acknowledges that the City shall enter into two loan agreements with the Shelter Operator for a combined sum of \$4,746,741" is hereby deleted and replaced with the following language "County acknowledges that the City shall enter into two loan agreements with the Shelter Operator for a combined sum \$5,284,308."
5. Construction and operation of the Shelter will take longer than previously anticipated. Both Parties wish to amend the end date of the Initial Term of the Agreement, as it is defined in Section 4a of the Agreement, to allow for additional time for the County to disburse funds for operation of the Shelter under the Initial Term. Therefore:
 - a. In the last sentence in Section 2a of the Agreement, the date "June 30, 2025" is hereby deleted and replaced with the phrase "the end of the Initial Term."
 - b. In the first sentence in Section 2cii of the Agreement, the date "June 30, 2025" is hereby deleted and replaced with the phrase "the Initial Term."
 - c. In the first sentence in Section 4a of the Agreement the phrase "and expire on June 30, 2025" is hereby deleted and replaced with the following language "and expire no later than eighteen months after the Shelter becomes operational."
6. Both Parties wish to amend the Anniversary Date of the Agreement, as it is defined in the second sentence of Section 4a of the Agreement. Therefore, the following language "Beginning July 1, 2025, and" is hereby deleted and replaced with "Beginning July 1, 2026"
7. Additional funding for operation of the Shelter and time for the County to disburse their share of the operational funds will be necessary once the Shelter is completed. As such, the Parties wish to amend the "Budget and County Payment" as shown in "Exhibit C" of the Agreement. Therefore, the reference to "Exhibit C" everywhere it is listed in the Agreement is hereby amended to the new Exhibit C-1. Exhibit C is hereby disincorporated; instead, Exhibit C-1 is attached hereto and incorporated herein by reference.
8. As so amended, the Agreement remains in full force and effect.

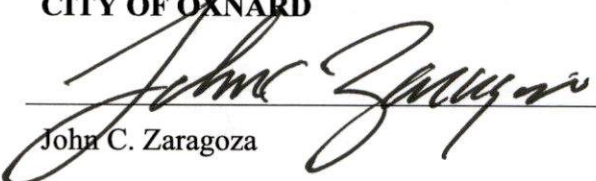
[signatures on following page]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives.

COUNTY OF VENTURA

Chair of the Board of Supervisors

CITY OF OXNARD



John C. Zaragoza

Mayor

ATTEST:

Deputy Clerk of the Board

County of Ventura

ATTEST:

 3/19/24

Rose Chaparro

City Clerk

APPROVED AS TO FORM

County Counsel

County of Ventura

APPROVED AS TO FORM



Stephen M. Fischer

City Attorney

EXHIBIT B-1
TENANT IMPROVEMENT COSTS

Description	County Share	City Share	Total
Shelter Shell	\$844,691	\$844,691	\$1,689,382
Rooftop Deck	\$20,806	\$20,806	\$41,612
Shelter Tenant Improvements	\$1,548,707	\$2,031,781	\$3,580,488
Design Costs	\$109,750	\$123,000	\$232,750
Construction Oversight	\$25,000	\$25,000	\$50,000
Insurance	\$36,500	\$51,500	\$88,000
Contingency	\$258,545	\$272,690	\$531,235
Land Costs	\$91,266	\$91,266	\$182,532
Credit Back to PSH Development		\$12,098	\$12,098
Total Cost	\$2,935,265	\$3,472,832	\$6,408,097

EXHIBIT C-1

BUDGET AND COUNTY PAYMENT

Parties expect shelter operation costs to fluctuate over time. Therefore, City and County staff agree to meet and to jointly determine the budget necessary to pay for Shelter operations and one-time onboarding costs inclusive of furnishings, fixings, equipment (FFE) and moving costs prior to completion of the Shelter development. Staff will then recommend to their governing bodies that it pay for fifty percent (50%) of one-time onboarding costs and an operational budget for a period of up to eighteen months.

The requirements specified above are memorialized in both Section 2ci of the Agreement and the Memorandum of Understanding executed between the Parties on April 27, 2021.