

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of San Marcos
ATTN: City Clerk
1 Civic Center Drive
San Marcos, CA 92069-2949

Recorded Without Fee Per GC §27383

Above Space Reserved for Recorder's Use
A.P.N. _____

AGREEMENT REGARDING REAL PROPERTY

THIS AGREEMENT REGARDING REAL PROPERTY ("Agreement") is dated as of the ____ day of _____, 2025, by and between Interfaith Community Services, Inc., a California nonprofit, public benefit corporation ("Interfaith"), the San Marcos United Methodist Church, a 501(c)(3) religious organization ("Methodist Church"), and the City of San Marcos, a chartered municipal corporation ("City"), as follows:

RECITALS

A. The Methodist Church is the owner of the real property ("Property") generally located at 800 W. Mission Road in San Marcos, California, which is more particularly described on Exhibit A, attached hereto.

B. The Methodist Church has determined it will allow Interfaith to utilize approximately 5 acres of the Property to operate a San Marcos Recovery and Wellness Center, a Substance Use Disorder Recovery facility, proposed by Interfaith to house and assist persons in recovery from drug and alcohol addiction (collectively, "the Program") in facilities and associated buildings that will accommodate up to and not exceeding 150 beds and all associated residential, meeting, counseling, recreational, office, and storage uses (collectively, "the Facilities"), which Interfaith has proposed being offered on a referral-only basis as described herein, with no walk-up services available to the general public.

C. Interfaith and the Methodist Church recognize, understand, acknowledge, and agree that the Program and/or the Facilities may raise concerns among residents and businesses in the vicinity of the Property and Facilities, as well as the City and its residents in general, and desire to address concerns about the proposed Program and Facilities on a proactive basis as set forth herein to address and ameliorate such concerns concerning potential adverse issues to the extent feasible, to enable the proposed Program and Facilities to be built upon and operated on the Property to receive the support of the City's leaders, citizens, and businesses.

C. Interfaith, the Methodist Church, and the City desire to enter into this Agreement to set forth their agreement with respect to operation of the Program, the Facilities, and the Property in a mutually agreeable manner, which will achieve the Methodist Church's mission and goals as well as Interfaith's mission and programmatic goals, and which will also achieve the

City's public purposes to further the health, safety, and welfare of the City and its residents, and serve as a vehicle to enable City's full support of the Program.

NOW, THEREFORE, in furtherance of the recitals stated above and the mutual covenants set forth below the parties, and each of them, agree, promise, and declare as follows:

1. Term. The term ("Term") of this Agreement shall commence upon its execution and shall continue in full force and effect for as long as the Program operates at the Property. The Methodist church and Interfaith understand and agree that any expansion of the Program and/or the Facilities will require the submission and processing of amendments to any entitlements that are issued by the City for the Program, and that such entitlements and/or amendments may also require the amendment of this Agreement to incorporate applicable revisions, additions, or modifications, if any.

2. Interfaith Responsibilities.

(a) Recovery & Wellness Center Operations. Interfaith warrants and represents that it shall utilize the Property and the Facilities only to operate the Program on a referral-only basis not to include walk-in services without appointment, which will provide Substance Use Disorder treatment services and temporary housing for the up to but not exceeding 150 individuals participating in the Program, and for the general management, administration, and oversight of the Property and the Program. The Property shall only be occupied by persons participating in the Program or administering the Program. Interfaith warrants and represents that it is in charge of and will be administering the Program and the Facilities, and that it will bear sole responsibility for the same, and that it will bear responsibility for the Property as described herein.

(b) Referrals for Services. Interfaith warrants and represents that the Facilities and the Program will be provided to prospective Program participants only on an appointment basis or on the basis of referrals from law enforcement, medical providers, and service providers, with an emphasis on referrals from the State Route 78 corridor cities of San Marcos, Escondido, Vista, Carlsbad, and Oceanside ("Permitted Referral Sources"). Interfaith further warrants and represents that the Facilities and the Program will not be made available on a walk-up basis to individuals who have not been referred for service or made an appointment for services.

(c) Licenses, Certifications for Program, Facilities, and/or Personnel. Interfaith shall be responsible for securing any and all of the necessary licenses, certifications, and/or permits from any federal, state, or local authority for any affected aspect of the Program and/or the Facilities at its sole cost and expense, and for timely securing any extensions and/or renewals of the same at its sole cost and expense, such that the Program and/or Facilities, as applicable are in compliance with the same at all times. Interfaith shall also be responsible for ensuring that any personnel employed in connection with the Program and/or Facilities has secured any licenses, certifications, or permissions that may be required by any local, state or federal authority in connection with the performance of their work for the Program and/or within Facilities, and that such license, certification, or permission remains current at all times.

(d) Security Services. Interfaith, at its sole cost and expense, will provide 24-hour security commensurate with the number of persons located in and the activities being performed at or in the Property and/or the Facilities, with such services to include walking the Facilities and the Property on an ongoing basis, and coordination with law enforcement if and as needed.

(e) Staffing Level. Interfaith warrants and represents that it will cause the Program and the Facilities located on the Property to be appropriately staffed with qualified personnel holding any necessary licenses, certifications, and/or permits as described in section 2(c), above, sufficient in number to ensure safe and secure operation of the Program, Facilities, and/or Property at and/or above the standard in the industry, and that Interfaith will ensure that such appropriate level of staffing is maintained throughout the Term of this Agreement.

(f) Property Maintenance. Interfaith, at its sole cost and expense, shall maintain the Facilities and the portion of the Property housing the Facilities, or shall cause the same to be maintained, in clean, sanitary, good order, repair and operation including, without limitation, any and all furnishings, fixtures, equipment thereon or therein, and the adjoining exterior spaces, sidewalks and curbs, throughout the Term without expense to the City. Interfaith, at its sole expense, shall perform or cause to be performed all repairs, maintenance, and replacements necessary to maintain and preserve the Facilities and the Property in a decent, safe, and sanitary condition, in compliance with all applicable laws, in good order, repair, and operation including, without limitation, all furnishings, fixtures, and/or equipment thereon or therein, and the adjoining driveways, sidewalks, and curbs. Interfaith, at its sole expense, shall maintain the exterior areas of the Facilities and the Property, or shall cause the exterior areas of the Facilities and the Property to be maintained, in a sightly and appealing manner, shall cause any and all trash, vandalism, and graffiti to be removed and shall maintain all landscaping in a healthy condition. Interfaith shall not permit rubbish, waste, and/or garbage of any kind whatsoever to accumulate at or in the Facilities and/or in or on the Property at any time, irrespective of the source of the same.

(g) Release and Rehousing. No persons participating in the Program at the Property shall be released, evicted, or otherwise removed from the Program, the Facilities, and/or the Property, including, without limitation, any persons departing, graduating from, or otherwise completing or departing the Program, without providing such persons with the means and method to return to the last residential housing or community-based location they occupied prior to entering the Program. If such housing is no longer available, Interfaith will make every effort to provide a reasonable opportunity to relocate to a safe, decent, and sanitary replaced dwelling that has been identified and located in advance of such release, eviction, or removal. Discharge Planning is required to begin upon admission to ensure participants have identified resources for recovery and relocation identified. If necessary, Interfaith will supply an exiting Program participant with a paid means (e.g., ticket) to the location described in this section 2(f). Interfaith maintain personally de-identified, HIPPA-compliant records of program participant exit data, and will provide that information to the City as requested.

(h) Neighborhood Courtesy. In addition to monitoring the Facilities and Property as required by section 2(c), above, Interfaith will also monitor the immediately surrounding area to ensure that its Program participants, employees, visitors, and/or staff do not place or discard refuse, trash, or other items that are no longer desired in areas that are open to the public and/or to public view. Should such items be placed in such areas, Interfaith shall remove and appropriately dispose of the same at its sole cost and expense.

3. Methodist Church Responsibilities.

(a) The Methodist Church agrees that it will coordinate with and assist Interfaith as needed to meet Interfaith's obligations under sections 2(b), 2(d), 2(e), 2(f), 2(g), and 2(h), above. As the lessee of the Property, Interfaith understands and agrees that in any event it will be

responsible for the condition of the Property and Facilities, including fulfilling the obligations of this Agreement.

4. Indemnity. Interfaith shall indemnify, defend, and hold City and its council members, officers, employees, agents, representatives, directors, and attorneys ("City Indemnitees") and each of them, respectively, harmless from and against any injury, loss, damage, or liability (or any claims with respect to the same), costs or expenses (including reasonable attorneys' fees and court costs) which may be asserted, imposed upon, or incurred by City Indemnitees by reason of the tis Agreement, the Program, the Facilities, the Property, and/or operation of any and/or all of the same, during the Term of this agreement as described herein. Further, Interfaith shall be responsible for all injuries to persons and/or all damages to real or personal property of the City or others, caused by or resulting from the negligence, other wrongful act or omission, and/or breach of this Agreement, by Interfaith, Interfaith's employees, officers, contractors, and/or subcontractors, and/or by Interfaith's agents during the Term, except those arising from the sole active negligence or sole willful misconduct of the City Indemnitees and/or Indemnified City Party.

(a) Definitions.

(1) Claims. "Claims" means any and all threatened, pending or completed claims, actions, suits, proceedings, arbitrations, grand jury proceedings or investigations, damages, liabilities, injunctive relief, injuries to person or property, fines, penalties, causes of action, losses, costs, expenses and judgments whether civil, criminal, administrative or investigative, and any one or more appeals therefrom.

(2) Expenses. "Expenses" means reasonable attorneys' fees, retainers, court costs, staff time, transcripts, reasonable fees of experts, reasonable witness fees, arbitration fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all and all other direct or indirect costs and disbursements associated with any Claims, including without limitation expenses of establishing a right to indemnification.

(3) Indemnified Parties. "City Indemnitees" means the City and all of its respective councilmembers, officers, employees, agents, representatives, directors, and attorneys (individually an "Indemnified City Party").

(4) Liabilities. "Liabilities" means the obligations (including an obligation incurred by way of settlement) to pay any judgment, settlement, penalty, interest, assessment, Claim, cost, expert witness fee and award of attorneys' fees.

(b) Indemnification. Interfaith hereby agrees to indemnify, defend, protect and hold harmless the City Indemnitee and/or Indemnified City Party from and against any and all Claims incurred by or asserted against any City Indemnitee and/or Indemnified City Party, which arise directly or indirectly, in whole, in part or in any way, from this Agreement, the Program, the Facilities, the Property, and/or operation of any and/or all of the same except to the extent of the sole active negligence or sole willful misconduct of a City Indemnitee and/or Indemnified City Party.

(c) Payment of Liabilities and Expenses. Interfaith further agrees to pay any and all Liabilities and Expenses incurred by any and all City Indemnitees with respect to any Claims which arise directly or indirectly, in whole, in part or in any way from this Agreement, the Facility, Property, or the Program and/or operation thereof, except to the extent of the sole active negligence or sole willful misconduct of a City Indemnitee and/or Indemnified City Party.

(d) Separate Rights of Action. A separate right of action hereunder shall arise each time each City Indemnitee and/or Indemnified City Party acquires knowledge of any matters described herein. Separate and successive actions may be brought hereunder to enforce any of the provisions hereof at any time and from time to time. No action hereunder shall preclude any subsequent action.

(e) Right to Defend. Each City Indemnitee and/or Indemnified City Party shall have the right, but not the obligation, to conduct its own defense with respect to any Claims and to retain legal counsel of its own choosing. Interfaith shall pay for or reimburse any such City Indemnitee and/or Indemnified City Party for any and all Expenses and Liabilities incurred by such City Indemnitee and/or Indemnified City Party, as such Expenses and Liabilities are incurred. An election by a City Indemnitee and/or Indemnified City Party to defend itself as provided in this Section, shall not in any way limit the Interfaith's obligation to reimburse and pay for any and all Liabilities and Expenses incurred by the City Indemnitee and/or Indemnified City Party with respect to any Claims; provided, however, any City Indemnitee and/or Indemnified City Party may elect in its sole discretion to demand that the Interfaith defend and pay all Expenses with respect to any Claims, provided the Claims if determined adversely to such City Indemnitee and/or Indemnified City Party, would be covered by the foregoing indemnification provisions. Upon any such demand by any City Indemnitee and/or Indemnified City Party, Interfaith shall defend and pay all Expenses and Liabilities with respect to such Claims; such defense shall be at the Interfaith's sole cost and expense and by counsel reasonably approved by such City Indemnitee and/or Indemnified City Party.

(f) Survival. Interfaith's duty to indemnify shall survive and remain an outstanding obligation of Interfaith upon the termination of this Agreement.

5. Notices Regarding Agreement Performance, Dispute Resolution. In the event the City determines that there have been violations of the warranties, representations, and covenants contained in sections 2 and/or 3 of this Agreement, or deficiencies in the performance of the same which need to be addressed, it will notify the parties in accordance with section 6, below. Recognizing the impact that such deficiencies and/or violations may affect the area in the vicinity of the Property and Facilities, as well as the City and its residents in general, Interfaith and the Methodist Church warrant and represent that any such deficiencies and/or violations will be promptly addressed within twenty-four (24) hours if feasible, and if not then within the shortest feasible time period to correct the same. Should Interfaith and/or the Methodist Church believe that any such deficiencies and/or violations do not exist, they covenant to meet and confer with the City in an effort to resolve any inconsistencies in the parties' respective views and understandings of the subject in question, and the parties agree that they will pursue such discussions in good faith in an effort to determine how to proceed. This covenant, warranty, and representation by the parties, and each of them, shall constitute a covenant running with the operation of the Program.

6. Governmental Requirements Superior. This Agreement does not waive or limit any rights of the City with respect to the Property, Facilities, and/or Program. All provisions of this Agreement shall be subject and subordinate to any and all applicable federal, state and local statutes, regulations and ordinances and shall be subject to modification to comply therewith.

67 Notices. All notices under this Agreement shall be in writing and sent (a) by certified or registered U.S. mail, return receipt requested, (b) overnight by a nationally recognized overnight courier such as UPS Overnight or FedEx, or (c) by personal delivery. All notices shall be effective

upon receipt (or refusal to accept delivery). With respect to notices issued under section 5 above, **and only as to that section**, such notices may be made by internet email to the other parties at the email notices set forth below, and shall be deemed delivered as of the date such notice was sent, unless the same was sent after usual business hours, in which case it will be deemed to have been delivered on the following date. All notices shall be delivered to the following addresses or such other addresses as changed by any party from time to time by written notice to the other parties hereto:

Interfaith:

Attn: _____

Email: _____

Methodist Church

San Marcos United Methodist Church

Attn: _____

800 W. Mission Road

San Marcos, California _____

Email: _____

City:

City of San Marcos

Attn. City Manager

One Civic Center Drive

San Marcos, California 92069

Email: _____

7. General Provisions.

(a) Severability. If any provision of this Agreement is deemed to be invalid or unenforceable by a court of competent jurisdiction, that provision shall be severed from the rest of this Agreement and the remaining provisions shall continue in full force and effect.

(b) Nonwaiver of Rights. No right, remedy, or power of in this Agreement shall be deemed to have been waived by any act or conduct on the part of either party or by any failure to exercise or delay in exercising such right, remedy, or power. Every such right, remedy or power shall continue in full force and effect until specifically waived or released by an instrument in writing executed by the party waiving or releasing such right, remedy or power.

(c) Counterparts. This Agreement may be executed in any number of counterparts and, as so executed, the counterparts shall constitute one and the same agreement. The parties agree that each such counterpart is an original and shall be binding upon all the parties, even though all of the parties are not signatories to the same counterpart.

(d) Waiver and Amendment. No provision of this Agreement, or breach of any provision, can be waived except in writing. Waiver of any provision or breach shall not be deemed to be a waiver of any other provision, or of any subsequent breach of the same or other provision. Except as otherwise provided herein, this MOU may be amended, modified or rescinded only in writing signed by Interfaith and the City Manager.

(e) Capacity and Authority. All individuals signing this Agreement for a party which is a corporation, limited liability company, partnership or other legal entity, or signing under a power of attorney, or as a trustee, guardian, conservator, or in any other legal capacity, covenant to the other party hereto that all necessary approvals have been secured, and that they have the necessary capacity and authority to act for, sign and bind the respective entity or principal on whose behalf they are signing by their signature alone.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first set forth above.

INTERFAITH:

San Diego Interfaith Housing Foundation, a California nonprofit, public benefit corporation

By: _____
Print Name: _____
Its: _____

METHODIST CHURCH:

San Marcos United Methodist Church, a 501(c) religious organization

By: _____
Print Name: _____
Its: _____

CITY:

City of San Marcos, a chartered municipal corporation

By: _____
Michelle Bender, City Manager

Exhibit "A"

Property Description

That certain real property situated in the City of San Marcos, County of San Diego, State of California, described as follows:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness.

[illegible]

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

[seal]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness.

[illegible]

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

[seal]

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness.

[illegible]

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

[seal]