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Contract Number

26-244

SAP Number

Community Development and Housing

Department Contract Representative	Rob Gilliam
Telephone Number	909-382-3983
Contractor	San Bernardino Regional Housing Trust
Contractor Representative	Monique Arellano
Telephone Number	909-884-8276
Contract Term	Effective the date on which the agreement is executed by at least three participating agencies and continuing until terminated by consent
Original Contract Amount	N/A
Amendment Amount	N/A
Total Contract Amount	N/A
Cost Center	N/A
Grant Number (if applicable)	N/A

Briefly describe the general nature of the contract: *Joint Exercise of Powers Agreement between the County and participating member agencies to establish the San Bernardino Regional Housing Trust as a separate legal entity to coordinate, leverage, and administer regional resources and financing tools that support the development and preservation of affordable housing and housing to assist persons experiencing homelessness throughout the County.*

FOR COUNTY USE ONLY

Approved/Reviewed by  Suzanne Bryant, Deputy County Counsel Date <u>March 30, 2026</u>	Reviewed for Contract Compliance _____ Date _____	Reviewed/Approved by Department _____ Rob Gilliam, Acting Director Date _____
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Joint Exercise of Powers Agreement

SAN BERNARDINO REGIONAL HOUSING TRUST

THIS JOINT EXERCISE OF POWERS AGREEMENT (“Agreement”) is made this [NUMBER] day of [MONTH], 2026 (“Effective Date”) pursuant to Government Code Section 6500 et seq., including but not limited to Government Code 6539.1, and other pertinent provisions of law, by and between San Bernardino County (the “County”) and those cities within San Bernardino County who become signatories to this Agreement (“Cities”), and relates to the joint exercise of powers among the signatories hereto, each of which is hereafter referred to as “Member Agency” and collectively referred to as “Member Agencies” or “Members.”

RECITALS

- A. The Member Agencies have determined that a shortage of affordable housing exists as a result of various causes and wish to provide additional housing opportunities in a coordinated and comprehensive manner. The Member Agencies acknowledge that an adequate supply of housing will provide social and economic benefits to residents and taxpayers of each Member Agency.
- B. Each Member Agency has the individual power to plan, acquire, manage, regulate, operate, finance and control the development, construction, and operations of affordable housing programs, including housing serving the workforce, moderate- and lower-income households, and those experiencing homelessness, generated within its jurisdictional boundaries, as well as to create and issue development agreements for such activities. Nothing contained in this Agreement shall preclude any Member Agency from establishing, maintaining or providing programs or services to its respective residents as it deems proper or necessary.
- C. The Member Agencies find it in their mutual economic interest to address housing needs of their residents on a regional level within the boundaries of San Bernardino County.
- D. The Member Agencies desire to act in the public interest to lessen the burden on government by reducing the need for each Member Agency to act individually, and to provide charitable support for housing within their geographic boundaries.
- E. California Government Code Section 6500 et seq. (“Joint Exercise of Powers Act” or “Act”) permits two or more public agencies to create joint powers authorities for the purposes set forth herein, permits the agencies to exercise jointly any power that the public agencies could exercise separately, and further grants certain additional powers to such joint powers authorities.
- F. California Government Code Section 6539.1 authorizes the creation of a regional housing trust pursuant to the Joint Exercise of Powers Act, subject to certain requirements regarding governing composition and annual financial and auditing requirements.
- G. Local land-use decisions remain solely with each Member Agency. Nothing in this Agreement deprives any party of its sovereign powers with respect to land use nor transfers such powers to this joint powers authority.

NOW, THEREFORE BE IT RESOLVED that the Member Agencies do hereby establish the entity to be known as the San Bernardino Regional Housing Trust, or SBRHT, to generate and/or maintain housing, disburse funding, and take other actions that will result in permanent additions to the housing stock within SBRHT's jurisdictional boundaries, and do hereby agree as follows:

1. Purpose.

- 1.1 The purpose of this Agreement is to establish a legal public entity separate from the Member Agencies that shall be responsible for the joint acquisition, management, operation, fundraising, planning, adoption, financing, administration, review, monitoring, and reporting of certain housing activities in the region for the benefit of those experiencing homelessness and extremely low-, very low-, low-, and moderate-income households, as defined in Section 50093 of the Health and Safety Code. By entering this joint powers authority Agreement, the Member Agencies seek to gain economic benefits not realized when operating individually. Further, the establishment of this joint powers authority provides for the economic viability and coordination of housing program financing and facilities throughout SBRHT's jurisdictional boundaries.
- 1.2 SBRHT shall be an entity which is legally independent from the parties to this Agreement and shall be responsible for the administration of this Agreement.
- 1.3 The assets, rights, debts, liabilities, and obligations of SBRHT shall not constitute assets, rights, debts, liabilities, and obligations of any of the Member Agencies. However, nothing in this Agreement shall prevent any of the Member Agencies from separately contracting for, or assuming responsibility for, specific debts, liabilities, or obligations of SBRHT, provided that the SBRHT Board of Directors ("Board") and the Member Agency approve, in writing signed by each party, such contract or assumption.

2. Powers.

- 2.1 General Powers. SBRHT shall have all the powers common to the Member Agencies of this agreement necessary or convenient, specified or implied, to accomplish the purpose of this Agreement as set forth in Section 1 above, subject to the restrictions set forth in Section 2.7. Said powers shall be exercised in the manner provided in the Joint Exercise of Powers Act, including without limitation all powers set forth in Government Code Section 6539.1.
- 2.2 Specific Powers. Without limiting the generality of the powers conferred in subdivision 2.1 of Section 2, SBRHT is authorized to act on any or all of the following matters, as each Member Agency could act separately, and as it deems in the best interest of its Members, to the extent permitted by any and all applicable laws, codes, ordinances, resolutions, and regulations:
 - a. Facilitate and assist the Member Agencies and others in the housing sector to acquire, construct, rehabilitate, finance, refinance, operate, regulate, and maintain affordable housing programs, projects, and facilities, as determined by the Board.

- b. Coordinate and collaborate with Member Agencies on funding solicitations and other opportunities for the purposes set forth in this Agreement to minimize and avoid, where possible, competition and redundancy in the pursuit of funding.
 - c. Facilitate the planning, study, and recommendation of proper and appropriate SBRHT programs, activities, and management practices; including the research and study of issues related to housing.
 - d. Educate the public, Member Agencies, and other agencies and entities on SBRHT programs.
 - e. Provide for or enter into agreements to provide for administrative, financial, construction, engineering, legal, audit, and any other professional services supporting any of the SBRHT programs or activities.
 - f. Solicit, apply for, accept, and receive grants, donations, advances, and contributions.
 - g. Sue and be sued in its own name.
 - h. Incur and discharge debts, liabilities, and obligations which may include but shall not be limited to being in the form of secured bonds, revenue bonds, or other forms of secured or unsecured debt.
 - i. Issue bonds or notes and associated covenants, for designated purposes.
 - j. Acquire or protect any necessary security or leasehold interests involved in loans, bonds, notes, or other financing methods implemented to carry out the purpose of this Agreement.
 - k. Acquire, hold, lease, improve, construct, rehabilitate, maintain, pledge, assign, mortgage, operate, and dispose of real and personal property as may be necessary and appropriate in connection with the creation, construction, financing, development, and maintenance of certain workforce and affordable housing and the programmatic needs of SBRHT.
 - l. Issue and receive loans.
 - m. Acquire such insurance protection as it deems necessary.
 - n. Adopt resolutions and ordinances necessary to carry out the purpose of this Agreement.
 - o. Establish advisory committees or subcommittees as necessary.
 - p. Form wholly-owned and controlled affiliate entities to accomplish any of its purposes.
 - q. Adopt bylaws and such other rules and procedures as may be deemed necessary.
 - r. Convey real and/or personal property interests and/or funds.
 - s. Any other acts necessary to carry out the above identified actions that each Member Agency is empowered to take individually.
- 2.3 SBRHT shall undertake, facilitate, and encourage the acquisition, creation, construction, development, and maintenance of affordable housing programs, projects, and facilities, as determined by the Board.

- 2.4 SBRHT shall implement programs, financing mechanisms, and funding criteria to support and advance affordable housing opportunities within the jurisdictional boundaries of the Member Agencies. These programs may include, but are not limited to, loan and grant programs, land acquisition and disposition programs, and other initiatives designed to increase the supply, preservation, and quality of affordable housing.
- 2.5 SBRHT may establish criteria, policies, and guidelines governing eligibility, funding priorities, and program administration, provided such criteria are consistent with the purposes of this Agreement and applicable state and federal laws.
- 2.6 Equitable Member Agency Investment. The SBRHT Board shall establish criteria to allow for the equitable distribution of funds, and shall not exclude any Member Agency based on its rural, suburban, or urban character, as defined by the Board. Funding programs will not be set up as a means to impose zoning or land use changes within the boundaries of the Member Agencies.
- 2.7 Limitation on Powers. This Agreement does not authorize, and expressly prohibits, SBRHT to do any of the following:
- a. Nothing in this Agreement shall be construed as transferring or delegating to SBRHT any land use, zoning, or development permitting power of the Member Agencies. Each member agency shall retain full and independent authority over land use decisions within its jurisdiction, including but not limited to general plan amendments, zoning classifications, entitlements, and project approvals. Any project or program funded or supported by SBRHT shall comply with the applicable general plans, zoning ordinances, and other land use regulations of the member agency within which the project is located, unless otherwise approved by the Member Agency.
 - b. Regulate land use within the jurisdiction of any of the Member Agencies;
 - c. Levy, or advocate or incentivize the levying of, any land use exaction, such as an impact fee, charge, dedication, reservation, or tax assessment, as a condition of approving the funding for or approval of, a development project;
 - d. Require inclusionary zoning requirements;
 - e. Fund or otherwise approve an agreement for a housing project that is not permitted by the Member Agency within whose jurisdiction the project is proposed to be located; or
 - f. Require any Member Agency to accept or provide any specific number of housing units as a prerequisite to joining or remaining a party to this Agreement.
 - g. Impose additional development standards for grant funding beyond what is already conditioned by another entity.
 - h. In the event that the SBRHT has employees, the creation of any employee pension plan or any other retirement plan other than a plan created under the federal Internal Revenue Code Sections 401(k), 403(b), 457(b), or Roth account plan.

3. Term and Termination

- 3.1 This Agreement shall be effective, and SBRHT shall come into existence, on the Effective Date, which shall be the date upon which this Agreement has been approved by three eligible Member Agencies.
- 3.2 This Agreement shall continue until terminated or dissolved pursuant to Section 3.3 of this Agreement. However, in no event shall the Member Agencies terminate or dissolve SBRHT if its termination or dissolution would conflict with or violate the terms or conditions of any bonds, financial instruments, or related documentation by or on behalf of SBRHT, including, without limitation, indentures, resolutions, and letter of credit agreements.
- 3.3 This Agreement may be terminated by consent of a majority of the Member Agencies, and upon full and complete liquidation of all liabilities, including, but not limited to, any bonds, consistent with Section 3.2. Upon termination of this Agreement, any surplus money or assets in possession of SBRHT, after payment of all liabilities, shall be distributed to the then-existing Member Agencies in proportion to the contributions made by each.

4. Governance

- 4.1 Members. The Member Agencies of SBRHT shall be the parties to this agreement who have not withdrawn from SBRHT, and such other entities that may join SBRHT after execution of this Agreement. New Members may join based on the terms and conditions set forth in Section 11.
- 4.2 Affiliates. Entities that are eligible to be a party to this Agreement may join the SBRHT as an affiliate. Entities that join as an affiliate are not eligible to have a member of their governing board serve on the Board of Directors, as described in Section 4.3, or receive funding for a project within their jurisdiction until such time, if ever, they become a Member of the SBRHT. An eligible entity may become an affiliate through written notice from the executive officer of the entity, but shall not be a party to this Agreement.
- 4.3 Board of Directors; Composition. SBRHT is governed and administered by a Board of Directors ("Board") that shall exercise all powers and authority on behalf of SBRHT. The membership of the Board of SBRHT shall be in accordance with Government Code Section 6539.1, and as it may be amended. As currently required at execution of this Agreement, the SBRHT Board shall consist of at least five (5) Directors, as follows:
- a. At least three (3) Directors shall be locally elected officials from their respective Member Agency jurisdictions, and appointed by their respective Member, and
 - b. Each Member Agency may appoint up to one (1) Director, and
 - c. At least two (2) Directors shall be experts in homeless or housing policy that are not elected officials of any local agency. These Director positions shall be selected by a majority vote of the elected membership of the Board prescribed in Section 4.3(a) of this Agreement, and
 - d. A majority of Directors must be locally elected officials from their respective Member Agency jurisdiction, and

- e. Alternates for each Director position may be established by the Board of Directors, provided that such alternates meet the requirements established in this Agreement and under the bylaws adopted by the Board of Directors.

4.4 Advisory Committees. The Board may establish one or more advisory committees to advise the Board, pursuant to the bylaws.

4.5 Director Terms. The Member Agencies shall select their respective Directors for the Board no later than the Effective Date, or the effective date of the respective Member Agency entering into this Agreement, as may be applicable. Each Director shall serve a term of two years, but may be reappointed for successive two-year terms in accordance with this Agreement. At least 15 days prior to the end of a Director's term, the respective Member Agency must select a new Director or re-select the current Director for the new term of office. There is no limit on the number of terms a Director may serve. In the event of a vacancy on the Board in a Director position originally appointed by a Member Agency pursuant to this Agreement in Section 4.3(b), that Member Agency shall appoint a replacement in accordance with the criteria of Section 4.3(a) within 60 days of such vacancy who shall serve out the remainder of the term of the Director that has been replaced. In the event of a vacancy on the Board in a Director position appointed pursuant to this Agreement in Section 4.3(c), the SBRHT Board shall appoint a replacement in accordance with the criteria of Section 4.3(c) within 60 days of such vacancy who shall serve out the remainder of the term of the Director that has been replaced.

4.6 Officers. The Board of Directors shall elect a chairperson and a vice chairperson from among its Directors consistent with Section 8.6.

4.7 Compensation. Directors shall serve on the Board without compensation. Directors may be reimbursed for actual expenses that are approved in accordance with applicable provisions of this Agreement and SBRHT bylaws before the expenses are incurred.

5. Budgets and Financing.

5.1 The Fiscal Year of SBRHT shall, unless and until changed by the Board of Directors, commence on the 1st day of July of each year and shall end on the 30th day of June of the next succeeding year except that the initial Fiscal Year of SBRHT shall commence on the Effective Date of this Agreement and conclude on the next June 30th.

5.2 The Board shall annually adopt an operating budget for SBRHT setting forth anticipated expenses, financing sources and proposed service levels necessary to carry out the purposes of this Agreement. The payment of all SBRHT obligations is limited to the amount of appropriations allowed in SBRHT's approved budget, except as it may be revised with the approval of a majority of the Board of Directors. The budget for SBRHT shall distinguish between administrative costs (i.e., the cost of operating SBRHT) and program costs (i.e., the financing of the programs funded or sponsored by SBRHT).

5.3 The particular Program and Program budget funded, sponsored, or operated by SBRHT, as well as the level of, and mechanisms for, the involvement of SBRHT and each Member Agency, in such

Program and Program budget, shall be determined and approved by the Board. A Member Agency's individual contribution, involvement, and role in any particular Program or the Program budget shall be mutually agreed between the Member Agency and SBRHT. By way of example only, said contributions, involvement, or role may include cash contributions, provision of services or staffing, use or transfer of title to real or personal property, pledges, guarantees, or whatever other instruments or involvement the Member Agency and SBRHT may agree to. Contributions of all kinds to the Program budget from private persons or entities and not-for-profit entities, whether their interests are represented by any Directors, are encouraged, so long as they do not cause a violation of any applicable conflicts of interest statutes, rules, or regulations.

6. Financial Management.

- 6.1 Pursuant to Government Code Sections 6505.5 and 6505.6, the Board shall appoint an officer of SBRHT to hold the offices of treasurer and auditor of SBRHT. This officer can be either the treasurer of a Member Agency to this Agreement or a certified public accountant. Such person or persons shall possess the powers of and shall perform the treasurer and auditor functions for SBRHT required by Sections 6505, 6505.5, and 6505.6 of the Government Code, including any amendments thereto. Pursuant to Government Code Section 6505.1, the auditor and treasurer shall have charge of certain property of SBRHT. The treasurer and auditor shall ensure that there shall be strict accountability of all funds and reporting of all receipts and disbursements of SBRHT. The treasurer and auditor of SBRHT shall be required to file an official bond as required by Government Code Section 6505.1 with the Board of Directors in an amount which shall be established by the Board. Should the existing bond or bonds of any such officer be extended to cover the obligations provided herein, said bond shall be the official bond required herein. The premiums on any such bonds attributable to the coverage required herein shall be an appropriate expense of SBRHT.
- 6.2 SBRHT shall publish an Annual Financial Report that shall describe the funds received by SBRHT and the use of such funds by SBRHT. The Annual Financial Report shall describe how the funds received by SBRHT have furthered the purpose of SBRHT.

7. Additional Officers and Staffing.

- 7.1 It is understood that SBRHT will require the support of administrative staff. When deemed necessary, the Board may contract for officers and staff with a Member Agency, the San Bernardino Council of Governments, or other independent contractors, agents, or volunteers as the Board may deem necessary to carry out any of SBRHT's powers, upon such terms and conditions as the Board may require, including the retaining of professional and technical assistance, provided that adequate funds are available in SBRHT's budget and are appropriated by SBRHT therefore.
- 7.2 None of the officers, agents, or staff, if any, directly contracted by SBRHT shall be deemed, by reason of their roles or duties or contracted status, to be employed by any Member Agency.
- 7.3 The officer or staff may be delegated authority as deemed necessary or appropriate by the Board.
- 7.4 If SBRHT contracts with a Member Agency to provide SBRHT with administrative services through persons who are employees and/or officers of the Member Agency, then any retirement liabilities

associated with that Member Agency's employees and/or officers shall not constitute a liability of SBRHT or any other Member Agency. This shall not preclude a Member Agency providing administrative services to SBRHT pursuant to a contract with SBRHT from accounting for such salary and benefit costs when negotiating the rates that the Member will charge SBRHT for providing such services.

7.5 All privileges and immunities from liability, exemptions from laws, ordinances and rules, and benefits that apply to officers, agents, or employees of a Member Agency shall apply to the same extent when performing duties for SBRHT.

8. Meetings.

8.1 The Board shall schedule at least two (2) regular meetings each Fiscal Year.

8.2 Special meetings of the Board may be called by the Chairperson of the Board and otherwise in accordance with provisions of California Government Code Section 54956 and any applicable SBRHT bylaws.

8.3 All meetings of the Board shall be held subject to the provisions of California Government Code Section 54950 et seq. (the "Brown Act") and other applicable laws of the State of California.

8.4 A quorum is established if at least a majority of Directors are present at a meeting, except that less than a quorum may adjourn a meeting to another time and place. Unless otherwise provided in this Agreement or otherwise defined in the Bylaws, actions and decisions of the Board of Directors may be taken by a majority of the quorum present at any meeting. Each Director of a Member Agency shall have one vote and no weighted or proxy votes shall be permitted.

8.5 The Board of Directors shall cause minutes of all regular, adjourned regular, and special meetings to be kept as record of all meetings.

8.6 The Board of Directors shall elect a chairperson and a vice chairperson from among its Directors at the first meeting held in each calendar year. In the event that the chairperson or vice chairperson so elected ceases to be a Director, the resulting vacancy shall be filled at the next regular meeting of the Board of Directors held after such vacancy occurs or at a special meeting called for that purpose. In the absence or inability of the chairperson to act, the vice chairperson shall act as chairperson. The chairperson, or in the chairperson's absence, the vice chairperson, shall preside at and conduct all Board of Director meetings.

8.7 The Board of Directors may adopt, from time to time, by resolution, such rules, regulations and bylaws for the conduct of its meetings and affairs as the Board determines is necessary or convenient.

9. Bylaws.

9.1 The Board shall adopt bylaws for the conduct of its affairs, provided that they are consistent with this Agreement and are appropriate in order to carry out SBRHT's purpose.

9.2 The Board may, from time to time, amend its bylaws.

10. Fees.

10.1 Member Agencies shall make annual contributions ("Administrative Fee") towards the budgeted administrative costs of SBRHT in accordance with a cost allocation as determined and approved annually by the Board of Directors. Payment shall be due within 30 days of receipt of an invoice from SBRHT.

11. New Members.

11.1 New Member Agencies may be added to SBRHT by a majority vote of the Directors present at the meeting. Membership is effective immediately upon execution of this Agreement by the new Member Agency.

12. Withdrawal.

12.1 It is fully anticipated that each Member Agency shall participate in SBRHT until the purposes set forth in this Agreement are accomplished. A Member Agency may withdraw from SBRHT upon its governing board's adoption of a resolution stating its intent to withdraw from SBRHT. The withdrawal of any Member Agency shall be conditioned as follows:

- a. The withdrawal shall be effective at the end of the SBRHT Fiscal Year which is at least 180 days after the receipt by SBRHT of a written notice of the Member Agency's intent to withdraw, accompanied by a copy of the governing board resolution stating the intent to withdraw; and
- b. Unless otherwise provided by a unanimous vote of the SBRHT Board, withdrawal shall result in the forfeiture of that Member Agency's rights and claims relating to distribution of property and funds upon termination of SBRHT. Withdrawn Members shall not be entitled to any reimbursement of Administrative Fees.

13. Amendments.

13.1 Except as provided in Sections 11 and 12, subject to all legal obligations of SBRHT, this Agreement may be amended by a writing executed by all of the Member Agencies of SBRHT.

14. Notices.

14.1 All notices to the Member Agencies shall be deemed to have been given to the Member Agencies (1) three days after mailing when mailed, postage prepaid by United States mail, return receipt requested, or (2) at the time of delivery when delivered personally or by courier service to the Member Agency's City or County Clerk during usual business hours at the principal office.

14.2 All notices to SBRHT shall be sufficiently given if made in writing and delivered either personally or by registered or certified mail, postage prepaid, to the executive officer of SBRHT at the following address, or to such other address as may be designated to SBRHT for formal notice:

1170 W. Third Street

2nd Floor
San Bernardino, CA 92410

15. Assignments; Other Agreements.

15.1 This Agreement shall be binding upon and shall inure to the benefit of the successors of any Member Agency. No Member Agency may assign any right or obligation hereunder without the written consent of all other Member Agencies. Participation in SBRHT is not intended to preclude Member Agencies from entering into similar agreements with other jurisdictions.

16. Severability.

16.1 Should any part, term, portion, or provision of this Agreement, or the application thereof to any person or circumstance, be held to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, it shall be deemed severable, and the remainder of this Agreement or the application thereof to other persons or circumstances shall continue to constitute the agreement the Member Agencies intended to enter into in the first instance.

17. Headings.

17.1 All section headings contained in this Agreement are for convenience and reference only. They are not intended to define or limit the scope of any provision of this Agreement.

18. Non-Liability for Obligations of SBRHT.

- 18.1 The debts, liabilities, and obligations of SBRHT shall not be considered the debts, liabilities, or obligations of any Member Agency or its respective officers, agents, employees, representatives, or volunteers.
- a. Assignment. Each Member Agency shall assign to the SBRHT its rights, title, and interest to recover damages from any third party for Claims (as defined in Subsection d below) arising out of this Agreement, to the extent that the SBRHT has met its obligations to defend and indemnify such Member Agency pursuant to this section.
 - b. Survival. SBRHT's duty to defend, indemnify, and hold harmless Member Agencies shall survive and continue in full force and effect after withdrawal of any Member from this Agreement, including as to the withdrawing Member Agency, or termination of this Agreement for any reason with respect to any Claims, as defined in 18.1.d., that occurred before the date of such withdrawal or termination.
 - c. Pursuant to the provisions of California Government Code Section 895 et seq., each Member Agency that is party to this Agreement shall be liable for its own negligent or wrongful acts or omissions and those of its officers, employees, and agents.
 - d. Indemnification. The SBRHT shall defend, indemnify, and hold harmless each Member Agency, its officers, agents, employees, representatives, and volunteers (the "Indemnitees") from and against any loss, injury, claim, lawsuit, liability, expense, or damages of any kind or nature

(collectively, "Claims") brought by a third party which arises out of or in connection with SBRHT's acts and omissions related to its purposes set forth in this Agreement, including such third-party claims arising out of or in connection with any Indemnitees acting within their authorized capacity as an officer, agent, employee, representative, or volunteer of SBRHT. The SBRHT's duty to defend and indemnify under this section shall not extend to Claims otherwise arising out of the Indemnitees' own active negligence, omissions, or willful misconduct, whether in whole or part.

- e. **Liability Financing.** The SBRHT shall finance its obligation pursuant to this Subsection by establishing a liability reserve fund, and/or by purchasing commercial insurance, and/or by joining a joint powers insurance authority (JPIA) as determined by the Board. In the event SBRHT's financial obligations to indemnify, defend, and hold harmless, pursuant to this Subsection, exceed the liability reserve fund and/or the proceeds from any applicable insurance and/or JPIA coverage maintained by the SBRHT (hereinafter "Unfunded Liability"), the Member Agencies may provide for contribution or indemnification by any or all of the Member Agencies that are parties to the agreement upon any liability arising out of the performance of the agreement, and/or a Member Agency or Member Agencies may meet and confer with SBRHT in good faith to negotiate alternative means or mechanisms by which SBRHT may fund such Unfunded Liability; however, in no event shall the event of an Unfunded Liability relieve, limit, or waive SBRHT's obligations of indemnity or defense to each Member Agency as first set forth above in this section. Nothing herein shall obligate any Member Agency to indemnify or hold harmless SBRHT for an Unfunded Liability or to make any contribution towards an Unfunded Liability. In no event shall any Unfunded Liability of the SBRHT be passed through to a Member Agency without the express, written, and voluntary approval of that Member Agency's governing body via a separate instrument.

19. Governing Laws and Venues.

- 19.1 This Agreement is made in the State of California under the Constitution and laws of such State and shall be construed and enforced in accordance with the laws of California. The parties agree that any legal action, suit, or proceeding arising out of or relating to this Agreement shall be instituted and maintained exclusively in the state within the County of San Bernardino, California. Each party irrevocably submits to the personal and subject matter jurisdiction of such courts and waives any objection to venue or forum non conveniens with respect to actions brought in those courts.

20. Confirmation of Jurisdictional Authority.

- 20.1 By signing this Agreement, the Member Agencies retain all jurisdictional authority granted to them by the State and/or their respective Charters. The powers and/or authority granted to SBRHT pursuant to this Agreement shall in no way serve to limit or restrict an individual Member Agency's jurisdictional authority.

IN WITNESS WHEREOF, the parties hereto by their duly authorized representative, have affixed their signatures on this Agreement, effective as of the date first stated above.

MEMBER AGENCY: SAN BERNARDINO COUNTY

By: _____

LUTHER SNOKE, Chief Executive Officer