SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") is entered into as of August 5th, 2022 ("Effective Date") by and between the Sausalito/Marin County Chapter of the California Homeless Union, on behalf of itself and those it represents ("Union"); Robbie Powelson; Sheri I. McGregor; Michael Arnold, Arthur Bruce; Melanie Muasou; Sunny Jean Yow; Naomi Montemayor; Mike North; and Jackie Cutler on behalf of themselves and similarly situated homeless persons (collectively, the "Plaintiffs") on the one hand; and the City of Sausalito, a municipal corporation, (the "City") on the other. The Plaintiffs and the City are collectively referred to in this Agreement as the "Parties."

Recitals

This Agreement is made and entered into on the basis of the following facts and understanding of the Parties:

- A. The Encampments. In or about January 2021, a homeless encampment formed at Dunphy Park in the City. As described below, the Dunphy Park encampment subsequently relocated to the field at Marinship Park and then to the tennis courts at Marinship Park. The Dunphy Park and Marinship Park encampments are collectively referred to in this agreement as the "Encampments."
- **B.** City's Resolutions. On or about February 5, 2021, the City Council adopted Resolution No. 6008 and Resolution No. 6009, addressing homelessness and regulating camping within the City, including by closing certain City property to overnight sleeping, prohibiting daytime camping, and establishing procedures for the cleaning and clearing of homeless encampments and the impoundment of property (the "Resolutions"). Pursuant to the Resolutions, the City closed all City-owned and City-controlled property to overnight sleeping except for a designated area within Marinship Park, and on or about February 9, 2021, the City posted notice that it would clear and close the unauthorized encampment at Dunphy Park beginning on February 16, 2021.
- C. Plaintiffs' Lawsuit. On or about February 16, 2021, Plaintiffs filed an *Ex Parte* Application for Emergency Temporary Restraining and Preliminary Injunction and Complaint for Injunctive and Declaratory Relief in the United States District Court for the Northern District of California, Case No. 3:21-cv-01143-EMC, naming as defendants the City and several of its individual official and employees (the "Lawsuit").
- D. Plaintiffs' Claims. The Lawsuit alleged that the Resolutions violated the United States and California Constitutions, and it sought a temporary restraining order, preliminary injunction, or permanent injunction to enjoin closure of the Dunphy Park encampment; an order directing the City to suspend enforcement of its Resolutions; an order directing the City to strictly observe Covid-19 guidelines for homeless encampments; and various other relief. Over the course of the litigation, Plaintiffs raised additional claims and sought additional relief, including but not limited to challenging the relocation of the encampment to the Marinship Park field, challenging the relocation of the encampment to the Marinship Park tennis courts, challenging the City's management of and provision of services to the Encampments, alleging contempt and violations

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of the Court's orders, and alleging harms based on environmental contamination, boat-crushing activities, flooding and storms, removal of structures, inadequate services and improvements, inadequate safety and security, loss of personal property, and misconduct by City employees and contractors, including Urban Alchemy. All of the claims, legal theories, issues, and requests for relief raised by Plaintiffs during the litigation are collectively referred to this in Agreement as the "Claims."

- E. Interim Relief. During the litigation, the District Court granted various interim relief in favor of Plaintiffs and ordered the City to take or refrain from certain actions. For example, on or about March 1, 2021, the District Court granted a preliminary injunction enjoining the City from enforcing the daytime camping prohibition in Resolution No. 6009 and closing and/or clearing the Dunphy Park encampment. On or about May 26, 2021, the District Court issued an order modifying the preliminary injunction to allow the relocation of the encampment to Marinship Park, subject to the City's compliance with various requirements. On or about November 4, 2021, the District Court issued a temporary restraining order enjoining the City from removing a shed at the encampment. On or about December 13, 2021, the District Court issued an order modifying the preliminary injunction to allow relocation of the encampment to the Marinship Park tennis courts, subject to the City's compliance with various requirements. On or about June 17, 2022, the District Court ordered the City to take certain actions with respect to its contractor Urban Alchemy and the filing of complaints and police reports. All of the temporary restraining orders, preliminary injunctions, and other relief granted by the District Court is collectively referred to this in this Agreement as the "Interim Relief."
- **F. Settlement.** The Parties now desire to settle all disputes between them relating to or arising from the Encampments, the Resolutions, the Lawsuit, the Claims, and the Interim Relief, and to implement a plan in which the City will fund durable housing for qualifying current and former encampment residents and close the Marinship Park encampment.
- **G.** Union's Position on Resolutions. The Union maintains that the Resolutions are unconstitutional and unlawful, and the Parties agree that the Union's issues and concerns about the Resolutions have not been resolved in this Agreement. However, the Union is entering into this Agreement and releasing its legal claims challenging the Resolutions as a compromise in order to obtain durable housing for its members.

NOW THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

Agreement

- 1. Five Keys Housing Resolution. At its next regularly scheduled meeting following the Effective Date, the City Council will rescind Resolution No. 6179 authorizing the City Manager to enter into an agreement with Five Keys Housing for encampment management services.
- 2. **Dismissal.** Within two (2) business days of the Effective Date, Plaintiffs shall file a stipulation and proposed order for voluntary dismissal of the Lawsuit with prejudice, pursuant to

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Federal Rule of Civil Procedure 41(a). The stipulation and proposed order shall also provide that (i) any and all Interim Relief granted in the Lawsuit is terminated, and (ii) the District Court retains jurisdiction to enforce the terms of this Agreement and to refer any disputes over implementation of this Agreement to Magistrate Judge Illman for resolution. Because Plaintiffs agree to dismiss the Lawsuit with prejudice, they agree not to support or file any new lawsuits against the City that involve any matter resolved between the Parties by way of this Agreement.

- 3. Housing Assistance Funds. Within two (2) business days of the Effective Date, the City shall make a payment of Eighteen Thousand Dollars (\$18,000) on behalf of each person listed on Exhibit A (each a "Qualified Person"). The payment made by the City shall be referred to herein as the "Housing Assistance Funds." The City shall pay the Housing Assistance Funds in the form of a lump-sum payment to the Union care of the Law Offices of Anthony D. Prince, which shall open and deposit the funds into an appropriate segregated or trust account and administer the funds as set forth in Paragraph 4 below. The Housing Assistance Funds shall be used for the purpose of re-housing each Qualified Person for a target period of at least six months. The Union shall be responsible for overseeing, managing, and administering the re-housing process. The City shall support and assist the Union's efforts through its housing coordinator as set forth in Paragraph 6 below. The City makes no representations as to the taxability of the Housing Assistance Funds. The City recommends that the Union and Qualified Persons seek the advice of tax professionals as to the tax consequences of the Housing Assistance Funds.
- Disbursement and Accounting. The Union shall have the responsibility and 4. authority to disburse the Housing Assistance Funds up to a maximum of \$18,000 for each Qualified Person. The Housing Assistance Funds shall be used only for the purpose of paying for shelter or housing for Qualified Persons and expenses reasonably related to relocation of Qualified Persons to such shelter or housing. Concurrently with this Agreement, the City and the Union are executing a separate agreement detailing the authorized re-housing options and the authorized use of the Housing Assistance Funds. The Union shall provide a report to the City on the 1st day of each month documenting the Housing Assistance Funds remaining in the trust account, the disbursements made for each Qualified Person over the past month, the authorized housing purpose of those disbursements, and a description of any other housing assistance each Qualified Person has received. If it appears from the report that a Qualified Person no longer needs housing assistance from the City, then the Union will refund the balance of that person's Housing Assistance Funds to the City. If any Qualified Person refuses to sign the Individual Release as set forth in Paragraph 9 below, then the Union shall refund the full \$18,000 of Housing Assistance Funds for that Qualified Person to the City within five (5) business days.
- 5. Meeting with Homeward Bound. Within seven (7) days of the Effective Date, the City and the Union shall cooperate to schedule a meeting with Marin Homeward Bound to discuss conditions at its New Beginnings Center and Kerner Street facility and certain policy changes desired by the Union. If scheduled, the City will participate in the meeting in good faith. However, the Parties agree that the City cannot control whether Marin Homeward Bound will participate in such a meeting or the outcome of the meeting, or guarantee that Marin Homeward Bound will make the policy changes desired by the Union. If Marin Homeward Bound does not agree to the Union's requested policy changes, that shall not affect or impair this Agreement.

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- 6. Housing Coordinator. Within seven (7) days of the Effective Date, the City will in its discretion designate or retain a qualified housing coordinator. The Union shall have the right to meet with the City's proposed housing coordinator prior to selection. The City will consider any comments or objections raised by the Union in good faith, but the City will retain sole authority to select the housing coordinator. The roles and duties of the housing coordinator will include (i) serving as the City's designated representative for implementation of the Agreement; (ii) serving as a liaison between the City and the Union; (iii) supporting and assisting the Union and unsheltered persons in obtaining housing and housing-supportive services, including but not limited to diligent efforts to assist Section 8 voucher holders in obtaining permanent housing; and (iv) discussing with the Union the City's policies and practices regarding unsheltered persons camping in the City. The City will maintain the housing coordinator role for a minimum of six months. In the event that the City elects to replace the housing coordinator during the initial sixmonth period, the City will follow the same process as for the selection of the housing coordinator set forth in this Paragraph 6.
- The City shall close the Marinship Park encampment upon the earlier of the following two dates: (i) the date on which both of the following conditions have been satisfied: (a) the City has paid the lump-sum Housing Assistance Funds to the Union; and (b) all people currently staying in the Marinship Park encampment have been placed into housing or transitional shelter such as a hotel; or (ii) August 15, 2022. The City will use its relationships with local hotels to assist the Union and the encampment residents in finding hotel rooms. The City will use good faith efforts to schedule one meeting, which shall include representatives of the Union, with the manager of each hotel considered for transitional shelter of encampment residents. The Parties agree and acknowledge that they have already completed this meeting with the Muir Woods Lodge. Once the conditions for closure of the encampment have been satisfied, the Union agrees to cooperate with closure of the encampment. If any encampment residents remain in the Marinship encampment as of the August 15, 2022 outside closure date, then for each remaining resident the Parties will arrange for transportation to and lodging at the Muir Woods Lodge or a similar hotel.
- 8. Mutual General Release and Waiver. Except with respect to the obligations created by or arising from this Agreement, the Parties on behalf of themselves and each of their respective successors, heirs, assigns, agents, attorneys, employees, representatives, elected and appointed officials, staff, partners, officers, directors, members, shareholders, trustees, beneficiaries, insurers and persons and entities holding beneficial interests, hereby release and absolutely and forever discharge each other, and their respective successors, heirs, assigns, agents, attorneys, employees, representatives, elected and appointed officials, staff, partners, officers, directors, members, shareholders, trustees, beneficiaries, insurers and persons and entities holding beneficial interests from all claims, demands, causes of action, whether or not now known, suspected or claimed, which each ever had, now have, claim to have had, or may have had against each other relating to or arising from the Encampments, the Resolutions, the Lawsuit, the Claims, and the Interim Relief. Except with respect to the obligations created by or arising from this Agreement, the Parties further expressly waive, on behalf of themselves and each of their respective successors, heirs, assigns, agents, attorneys, employees, representatives, elected and appointed officials, staff, partners, officers, directors, members, shareholders, trustees, beneficiaries, insurers and persons and entities holding beneficial interests, all rights and benefits

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that they may have in the future under the provisions of California Civil Code section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

- 9. Individual Releases. Within three (3) weeks after the City provides the Housing Assistance Funds to the Union, and before the Union disburses funds, the Union shall obtain from each Qualified Person and deliver to the City a signed release and waiver in the form attached as Exhibit B ("Individual Release"). If any Qualified Person does not sign an Individual Waiver, or if any Qualified Person institutes new legal proceedings against the City for claims arising from the operative facts and circumstances of the case, then the Union shall refund \$18,000 to the City for each such Qualified Person.
- 10. Warranty of Authority. By executing this Agreement, each Party and each signatory below covenants, warrants, and represents that the signatory of this Agreement is fully authorized to enter into, and to perform all terms and conditions of, this Agreement on such Party's behalf. In particular, the Union represents that it may not be practical to obtain signatures on this Agreement from certain named plaintiffs to the Lawsuit, including but not limited to Sherri McGregor, Michael Arnold, Melanie Mussou, Naomi Montemayor, and Mike North. The Union and its counsel hereby covenant, warrant, and represent that they have the authority to execute this Agreement on behalf on the individual plaintiffs and they agree to indemnify the City for litigation costs and damages in the event any individual plaintiff later challenges the validity of this Agreement.
- 11. Settlement Administration Fund. Within two (2) business days of the Effective Date, the City shall pay the sum of Fifty Thousand Dollars (\$50,000) to the Law Offices of Anthony D. Prince for costs and fees that will be incurred in administering this Agreement and the Housing Assistance Funds.
- 12. Confidentiality of Qualified Persons. To the extent permitted by applicable law, including without limitation the California Public Records Act, the Parties agree that the names appearing on Exhibit A, and Exhibit A itself, shall be confidential and non-public, and that the names appearing on Exhibit A shall be redacted in any publicly-filed or publicly-released version of this Agreement.
- 13. Specific Performance. The Parties agree that damages may be an inadequate remedy in the event of a breach of this Agreement. Accordingly, the Parties agree that each, without waiving any additional rights or remedies otherwise available at law or in equity or by statute, may seek specific performance and/or any other injunctive or equitable relief in the event of any justiciable threat or actual breach of this Agreement.

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- 14. No Prior Assignments. By executing this Agreement, each of the undersigned covenants, warrants, and represents that it has not assigned to any other person or entity any claim arising out of the matters settled under this Agreement.
- 15. Sole and Final Agreement. Together with the separate and concurrent agreement described in Paragraph 4, this Agreement is the final expression of the agreements between the Parties with respect to the subject matter of this Agreement, and is intended as and is the complete, exclusive and entire statement of the terms of the settlement by and between the Parties. As such, this Agreement supersedes and fully and completely extinguishes any prior understandings or agreements by or between the Parties, whether oral or written, express or implied, concerning the subject matter of this Agreement.
- 16. No Admission of Liability. The Parties understand, acknowledge, and agree that this Agreement represents a settlement of disputed claims and that, by entering into this Agreement, no Party admits or acknowledges any fault, liability or wrongdoing.
- 17. Notices. Any notice or communication required pursuant to this Agreement by any Party shall be in writing and shall be given (i) either personally or by overnight delivery, and (ii) by electronic mail. Notices shall be given to the Parties at their addresses set forth below:

City Chris Zapata

City Manager
Sausalito City Hall
420 Litho Street
Sausalito, CA 94965
czapata@sausalito.gov

With a copy to: Alexander L. Merritt

Sheppard Mullin Richter & Hampton LLP Four Embarcadero Center, 17th Floor

San Francisco, CA 94111 amerritt@sheppardmullin.com

Gregory J. Rubens, Esq.

City Attorney Sausalito City Hall 420 Litho Street Sausalito, CA 94965 grubens@sausalito.gov

Plaintiffs Arthur Bruce

c/o Anthony D. Prince

Law Offices of Anthony D. Prince

2425 Prince Street, Ste. 100

Berkeley, CA 94705 arthurjbruce@gmail.com

With a copy to: Anthony D. Prince

Law Offices of Anthony D. Prince 2425 Prince Street, Ste. 100

Berkeley, CA 94705

princelawoffices@yahoo.com

Any Party may change its mailing address or contact person(s) at any time by giving written notice of such change to the other Parties in the manner provided herein at least ten (10) days prior to the date such change is affected.

- 18. Drafting Acknowledgment. By executing the Agreement, the Parties agree that any construction of the intent of the Parties, or language hereof, to be made by a court of law shall be neutral, and that no ambiguity as to any of the terms or provisions of the Agreement shall be construed against any of the Parties hereto.
- 19. Comprehension of Terms. The Parties warrant and represent that they have read this Agreement in full, have fully understood each and every provision hereof and their significance, are entirely satisfied with the terms of this Agreement, and agree to be bound by all terms and provisions hereof.
- **20. No Other Representations.** No representations, oral or otherwise, express or implied, other than those contained herein, have been made by any of the Parties, or their representatives, and by executing this Agreement, each of the Parties warrants and represents that the Agreement is made and entered into without reliance upon any statements or representations of the other Parties, or in reliance upon any statements or representations made by any representatives or affiliates of the Parties, or by any others, whether or not acting for, or on behalf of, any of the Parties.
- 21. Severance. To the extent any provision, or portion thereof, contained in this Agreement is held to be illegal, void or otherwise unenforceable, the Parties shall work together in good faith to fashion an amendment that otherwise accomplishes the Parties' intent as expressed herein and provides in substance for such right(s) and/or obligation(s) in a lawful and otherwise enforceable way; provided, however, regardless of any ability to fashion such an amendment, such illegal, void or otherwise unenforceable provision, or portion thereof, shall be severed and excised from this Agreement, and this Agreement shall otherwise remain in full force and effect.
- 22. Governing Law. The rights and obligations of the Parties hereunder shall be governed by, construed, and enforced in accordance with the laws of the State of California, without regard to conflict of law principles.
- 23. Binding Nature of Agreement. This Agreement shall be binding upon, and shall insure to the benefit of the Parties and their respective successors, heirs, assigns, agents, attorneys, employees, representatives, officials, staff, partners, officers, directors, members, shareholders, trustees, beneficiaries, insurers and persons and entities holding beneficial interests.

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24. Counterparts. This Agreement may be executed in any number of counterparts, by facsimile or pdf, each of which shall be deemed an original; however, all such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been entered into by and between the Parties as of the Effective Date.

CITY	a municipal corporation By: 75CB1AAAD9EF424 Its: City Manager
ATTEST	CITY CLERK Dogusigned by: Levage Huilre By: 635C337169D5410
APPROVED AS TO FORM	CITY ATTORNEY Docusigned by: Gregory J. Rubeus By: 87C1F4A9537E4A3
PLAINTIFFS	SAUSALITO/MARIN COUNTY CHAPTER OF THE CALIFORNIA HOMELESS UNION
	By: Its:
	ROBBIE POWELSON
	By: Its:
	SHERI I. McGREGOR
	By: Its:

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24. Counterparts. This Agreement may be executed in any number of counterparts, by facsimile or pdf, each of which shall be deemed an original; however, all such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, this Agreement has been entered into by and between the Parties as of the Effective Date.

CITY	a municipal corporation		
	By: Chris Zapata Its: City Manager		
ATTEST	CITY CLERK		
	By: Serge Avila		
APPROVED AS TO FORM	CITY ATTORNEY		
	By: Gregory J. Rubens		
PLAINTIFFS	SAUSALITO/MARIN COUNTY CHAPTER OF THE CALIFORNIA HOMELESS UNION		
	By: Arthur Bruce Its: President and Authorized Agent		
	ROBBIE POWELSON		

SHERI I. McGREGOR

By:

Its:

Robbie Powelson

Homeless Union

Individual and Officer and Member of the

Sausalito/Marin County Chapter of the California

By: Anthony D. Prince

Its: Attorney and Authorized Agent

MICHAEL ARNOLD

By: Anthony D. Prince

Its: Attorney and Authorized Agent

ARTHUR BRUCE

By: Arthur Bruce

Its: Individual and President, Sausalito/Marin County

Chapter of the California Homeless Union

MELANIE MUASOU

By: Anthony D. Prince

Its: Attorney and Authorized Agent

NAOMI MONTEMAYOR

By: Anthony D. Prince

Its: Attorney and Authorized Agent

SUNNY JEAN YOW

By: Anthony D. Prince

Its: Attorney and Authorized Agent

MIKE NORTH

By: Anthony D. Prince

Its: Attorney and Authorized Agent

JACKIE CUTLER

By: Anthony D. Prince

Its: Attorney and Authorized Agent

APPROVED AS TO FORM ANTHONY D. PRINCE,

Counsel for Plaintiffs

By: Anthony D. Prince

Exhibit A

Qualified Persons

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Exhibit B

Form of Individual Waiver

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WAIVER AND RELEASE

I.	, acknowledge and agree as follows:
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- 1. I am a current or former resident of a homeless encampment in the City of Sausalito ("City").
- 2. The City has offered to pay me \$18,000 for housing assistance, which funding will be managed and disbursed by the Sausalito/Marin County Chapter of the California Homeless Union ("Union").
- **3.** I hereby accept the \$18,000 payment, subject to the terms and conditions of this Waiver and Release and the accompanying Settlement Agreement and Release.
- **4.** The \$18,000 payment fully satisfies any obligation the City may currently have to provide me with housing.
- 5. In exchange for the \$18,000 payment, I agree to dismiss with prejudice any litigation I may have pending against the City. I also agree to waive any claims I may have against the City as follows:

Except with respect to the obligations created by or arising from this Waiver and Release, I on behalf of myself and my successors, heirs, assigns, agents, attorneys, beneficiaries, insurers and persons and entities holding beneficial interests, hereby release and absolutely and forever discharge the City and its successors, heirs, assigns, agents, attorneys, employees, representatives, elected and appointed officials, staff, partners, officers, directors, members, shareholders, trustees, beneficiaries, insurers and persons and entities holding beneficial interests from all claims, demands, causes of action, whether or not now known, suspected or claimed, which I have ever had, now have, claim to have had, or may have had relating to or arising from homeless encampments within the City, the City's camping regulations, and the facts, claims, and relief in the lawsuit *Sausalito/Marin County Chapter of the California Homeless Union et al. v. City of Sausalito et al.* (N. D. Cal., Case No. 3:21-cv-01143-EMC).

Except with respect to the obligations created by or arising from this Waiver and Release, I further expressly waive, on behalf of myself and my successors, heirs, assigns, agents, attorneys, beneficiaries, insurers and persons and entities holding beneficial interests, all rights and benefits that I may have in the future under the provisions of California Civil Code section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

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6. I have discussed this waiver and release with legal counsel for the Sausalito/Marin County Chapter of the California Homeless Union or other legal counsel of my choosing.
Dated:
APPROVED AS TO FORM: ANTHONY D. PRINCE Counsel for the Sausalito/Marin County Chapter of the California Homeless Union
GREGORY J. RUBENS
Counsel for the City of Sausalito

6. County Chapt	I have discussed this waiver ter of the California Homeless		arin
Dated: Signed:		. 2022	
Print Name:			
APPROVED	AS TO FORM: D. PRINCE		
	ne Sausalito/Marin County e California Homeless Union		
GREGORY .	J. RUBENS del City of Sausanto		