

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 3.58  
(ID # 26476)

**MEETING DATE:**

Tuesday, December 03, 2024

**FROM :** (RUHS) RIVERSIDE UNIVERSITY HEALTH SYSTEM

**SUBJECT:** RIVERSIDE UNIVERSITY HEALTH SYSTEM - Approve the Amendment to the Professional Services Agreement with Trammel Crow So. Cal Healthcare Development, Inc. for CEQA/Entitlement services during pre-development stages for the Riverside University Health System Medical Center Campus Expansion Project; Ratify and Approve the Legal Services Agreement with Meyers Nave for the Retention of Outside Legal Counsel for Advice and Counsel Related to Public-Private Partnerships, Entitlements and Grants; Approve Resolution No. 2024-248 to delegate signing authority for the Department of Healthcare Services for Funding from the Proposition 1 Behavioral Health Continuum Infrastructure Funding Program upon grant award, District 5. [Total Cost \$2,727,944, up to \$272,794 in Additional Compensation for the term of the Agreements for FY 2024/2025 – 2026/2027, 100 % - Hospital Enterprise Fund 40050]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the Amendment to the Professional Services Agreement between the County and Trammel Crow So. Cal Healthcare Development, Inc. for CEQA/Entitlement services during the pre-development stages of the Medical Center Campus Expansion through June 30, 2026; and authorize the Chair of the Board to sign and execute the Amendment on behalf of the County;

Continued on page 2

**ACTION:Policy**

  
Jennifer Cruikshank, Chief Executive Officer – Health System 11/8/2024

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Jeffries seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez  
Nays: None  
Absent: None  
Date: December 3, 2024  
xc: RUHS

Kimberly A. Rector  
Clerk of the Board

By:   
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

**RECOMMENDED MOTION:** That the Board of Supervisors:

2. Authorize the RUHS Chief Executive Officer or their Designees, to administer the Agreements with Trammell Crow So. Cal. Healthcare Development, Inc. and Meyers Nave, in accordance with applicable Board Policies, based on the availability of fiscal funding and as approved as to form by County Counsel to: (a) sign amendments that exercise the options of the Agreements including modifications of the statement of work that stay within the intent of the Agreements, and (b) sign amendments to the compensation provisions that do not exceed the sum total of ten percent (10%) of the total annual cost of each agreement over the period of performance;
3. Ratify and Approve the Legal Services Agreement between the County and Meyers Nave for legal services for the Medical Center Campus Expansion through June 30, 2026; and authorize the Chair of the Board to sign and execute the Agreement on behalf of the County;
4. Authorize the Purchasing Agent, or designee, to issue Purchase Orders for goods and/or services that do not exceed the sum total of ten percent (10%) of the total annual cost of each Agreement;
5. Adopt Resolution No. 2024-248 Authorizing Application to and Participation in Proposition 1 Behavioral Health Continuum Infrastructure Program (Prop 1 BHCIP) for the Wellness Center;
6. Approve the template Program Funding Agreement (Agreement) substantially as to form and delegate signing authority of the Agreement to the Director of RUHS, or designee upon grant award for the Wellness Center;
7. Authorize the Board Chair to sign letter of support; and
8. Authorize the use of RUHS Funds, including reimbursement to Facilities Management (FM) for incurred expenses at the Board approved rates.

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 1,227,944	\$ 1,500,000	\$ 2,727,944	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS:</b> 100% - Hospital Enterprise Fund - 40050			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b> 24/25 – 25/26	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

On May 7, 2024 (M.O. 15.1), the Board approved the professional services agreement with Trammel Crow So. Cal Healthcare Development, Inc. to provide preliminary development services in the amount of \$4 million for the Master Planning and Development of Healthcare Facilities which includes an expansion to several units of the existing Medical Center campus. The proposed expanded units are comprised of the Emergency Department, Medical Office Building, and the Wellness Center. The Master Planning is now complete, and Trammel Crow is ready to commence further design, including but not limited to due diligence, design documents,

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and entitlement. The cost of this phase is not to exceed \$2.1 million. The construction of the project is anticipated to be paid for with grants and the balance will be financed through a public, private partnership (P3) between the County and Trammel Crow. RUHS will return to the Board at a later date to request approval of various stages of the project.

Meyers Nave will serve as outside legal counsel on the project. The cost of this agreement is not to exceed \$660,450. The firm is a California based company with specialties in public contracting, public finance, real estate, and environmental law, and state grant agreements – all areas necessary to support the development of this project and was deemed most knowledgeable. In accordance with Ordinance No. 459, Section 7, Category I Exceptions for special counsel, at the request of RUHS, County Counsel identified Meyers Nave as a qualified legal firm with specialized knowledge and project expertise without the need of competitive bids.

RUHS has been diligently seeking grant and funding opportunities and have identified one that could potentially fund a portion of significant RUHS projects. In July 2024, DHCS launched the Prop 1 BHCIP Request for Applications to address historic gaps in the behavioral health care continuum and meet the growing demand for services and support across the life span of vulnerable individuals in need. This opportunity will offer \$4.4 billion in competitive grants to construct, acquire and rehabilitate real estate assets to expand treatment and service resources. RUHS intends to competitively apply for funding to allow RUHS to cover a portion of costs of the Medical Center Campus Expansion, specifically for the 100-bed Wellness Center unit. According to a Department of Health Care Services (DHCS) report, current inpatient behavioral health bed capacity in California is 21 beds per 100,000 people; experts estimate the actual need is 50/100,000. Riverside County currently has 111 inpatient behavioral health beds, 10 of which are designated for adolescents. Based on a county-wide population in 2020 of 2,520,060, Riverside County would need an estimated 1,250 beds. With these deficiencies and the growing need, RUHS has determined this facility is an essential need in the community. The department is seeking braided funding sources via grants, and state and federal funding. RUHS requests Board approval for Resolution No. 2024-248 to accept grant funds for the Medical Center Expansion Project, BHWC unit, if awarded.

The Prop 1 BHCIP grant requires that Counties provide a ten percent match for projects, which can be in the form of cash or in-kind contributions, such as land or existing structures. The grant application requires a Board Authorizing Resolution (BAR) to delegate signature authority to sign the grant funding agreement within 60 days of grant award notification. Therefore, RUHS is requesting Board approval to apply for the Prop 1 grant to cover a portion of the Medical Center Campus Expansion and approve the BAR.



**Impact on Residents and Businesses**

These services are a component of RUHS's system of care aimed at improving the health and safety of its patients and the growing community.

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**ATTACHMENTS:**

Trammel Crow So. Cal Healthcare Development, Inc. Amendment  
Meyers Nave Legal Services Agreement  
Resolution No. 2024-248  
Letter of Support  
Prop 1 BHCIP Program Funding Agreement Template

 _____ Melissa Curtis, Deputy Director of Purchasing and Fleet	11/25/2024	 _____ Jacqueline Ruiz, Principal Analyst	11/25/2024
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 _____ Aaron Gettis, Chief of Deputy County Counsel	11/21/2024
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1 **RESOLUTION NO. 2024-248**

2 **A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY**  
3 **OF RIVERSIDE AUTHORIZING APPLICATION TO AND**  
4 **PARTICIPATION IN THE BEHAVIORAL HEALTH CONTINUUM**  
5 **INFRASTRUCTURE PROGRAM (“BHCIP”) FOR THE WELLNESS**  
6 **CENTER**

7  
8 WHEREAS: The California Department of Health Care Services, through its contractor  
9 Advocates for Human Potential, Inc., (“Department”) has issued a Request for Applications,  
10 dated July 15, 2024 (“RFA”), for the BHCIP Round 1 (2024) Launch Ready Program  
11 (“Program”). The Department has issued the RFA for Program grant funds pursuant to  
12 California Welfare and Institutions Code sections 5965-5967.01 (“Behavioral Health  
13 Infrastructure Bond Act of 2024”).  
14

15 WHEREAS, County of Riverside, by and through its Riverside University Health System  
16 (“Applicant”), desires to apply for Program grant funds for the Wellness Center Project  
17 (“Project”) and has submitted an application for Program grant funds (“Application”) to the  
18 Department for review and consideration.  
19

20 WHEREAS: The Department is authorized to administer BHCIP pursuant to the  
21 Behavioral Health Infrastructure Bond Act of 2024. Program funding allocations are subject to  
22 the terms and conditions of the RFA, the Application, Program Funding Agreement (“Program  
23 Funding Agreement”), and all other legal requirements of the Program.  
24

25 NOW THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED by the  
26 Board of Supervisors of the County of Riverside as follows in regular session assembled on  
27 December 3, 2024, at 9:300 a.m. or soon thereafter, in the meeting room located on the first floor  
28

FORM APPROVED COUNTY COUNSEL  
BY KRISTINE BELL-VALDEZ DATE

1 of the County Administrative Center, 4080 Lemon Street, Riverside, California, that this Board  
2 does hereby determine and declare as follows:

3           Section 1. Applicant is hereby authorized and directed to submit an Application to the  
4 Department in response to the RFA, and to apply for Program grant funds in a total amount not  
5 to exceed \$251 million for the Project.  
6

7           Section 2. If the Application is approved, Applicant is hereby authorized and directed to  
8 enter into, execute, and deliver a Program Funding Agreement for the total award amount, and  
9 all other documents required or deemed necessary or appropriate to secure the Program grant  
10 funds from the Department and to participate in the Program, and all amendments thereto  
11 (collectively, the "Program Documents").  
12

13           Section 3. Applicant acknowledges and agrees that it shall be subject to the terms and  
14 conditions specified in the Program Funding Agreement. Any and all activities, expenditures,  
15 information, and timelines represented in the Application are enforceable through the Program  
16 Funding Agreement. Funds are to be used for the allowable expenditures and activities identified  
17 in the Program Funding Agreement. The Director of RUHS Behavioral Health, or designee, is  
18 delegated the authority to execute the Program Funding Agreement on behalf of the Applicant.  
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20           Section 4. Effective Date of Resolution. This Resolution shall take effect immediately  
21 upon its adoption.  
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THE FOREGOING RESOLUTION is approved and adopted by the Board of Supervisors of the County of Riverside this December 03 2024, by the following vote:

AYES: Jeffries, Washington, Spiegel, Perez, and Gutierrez  
NOES: None  
ABSENT: None  
ABSTAINING: None

  
\_\_\_\_\_  
Chuck Washington, Chair  
Board of Supervisors

**ATTEST:**  
Kimberly Rector  
Clerk of the Board

\_\_\_\_\_

By   
\_\_\_\_\_  
Deputy

## LEGAL SERVICES AGREEMENT

This Legal Services Agreement ("Agreement") is entered into as of the date written below, and is made by and between the COUNTY OF RIVERSIDE, on behalf of the Riverside University Health System, Behavioral Health, a political subdivision of the State of California, hereinafter "COUNTY", "County" or "RUHS-BH" and Meyers Nave, A California Professional Corporation, hereinafter "ATTORNEY". The Parties hereto agree as follows:

1. TERM OF AGREEMENT. This Agreement shall commence on August 28, 2024 and continue until June 30, 2026 or completion of the last work assignment, whichever occurs later, unless sooner terminated. The Parties may extend the Term of this Agreement by written amendment.

2. LEGAL SERVICES. ATTORNEY shall provide legal counsel and services as needed. ATTORNEY legal representation shall include representation of County in all aspects of the Riverside University Health System ("RUHS") Medical Center Expansion Project ("Project") involving any negotiations, preparation, and review of agreements and land use and environmental reviews associated with the Project (hereinafter "WORK"). The legal services are necessary due to complex and unique legal issues arising out of the WORK which require a heightened level of expertise, including but not limited to: legal knowledge related to capital leasing and financing, real property, lease/leaseback transactions, construction and public/private partnership projects ("P3") and the California Environmental Quality Act (CEQA). The scope of services are as follows:

- (a) Review of the law and provide legal guidance in regard to the leasing of real property owned by the County and the leaseback to the County for the project and the associated financing documentation;
- (b) Review of the law and legal guidance in the area of environmental regulations including California Environmental Quality Act compliance; and
- (c) Review of the law and legal guidance in the area of real estate law, construction law, the applicable laws and procedures for the selected delivery method of the project, Civil Code, Public Contract Code, Government Code and Natural Resources Code in matters of real property title, appraisal, purchases, exchanges, leases and crafting of associated contract documents.
- (d) Review of the law and provide guidance in regard to requisite procedures, rules and regulations for the aforementioned areas of law and matters;
- (e) Review and provide legal guidance on all documents prepared for this project;
- (f) Attend meetings and site visits as requested;
- (g) Work with the Office of the County Counsel and other County staff throughout the Project; and
- (h) Participate in negotiations of the agreements and documents and attend meetings with County and developer representatives.



Based on the current Project definition, the County will not need to provide the types of legal opinions or other financing confirmations which are customarily provided only by specialized bond counsel. ATTORNEY is not engaged to act as bond counsel, County will obtain such services separately if required. The current scope of services does not include representation of the County in litigation relating to the Project; the Parties may expand the scope of services by mutual agreement.

3. ASSIGNMENT OF PERSONNEL. The Supervising Attorney for this Agreement will be Russell E. Morse. The Supervising Attorney shall have full authority to act for ATTORNEY on all matters encompassed by this Agreement and shall be fully responsible for the quality of the work produced. Support attorneys and paralegals shall be designated by the Supervising Attorney. Any changes or substitution of the Supervising Attorney must have the express written approval of Kristine Bell-Valdez, Supervising Deputy County Counsel of the Riverside County Counsel.

Upon execution of this Agreement, the Supervising Attorney shall provide to COUNTY the names of other professionals (senior partners, junior partners, associates, paralegals, etc.) who will assist in the provision of services under this Agreement. The Supervising Attorney shall also specify the functions to be performed by each professional and shall ensure that services are performed by the level of personnel qualified to perform the service. Any change in personnel assignments shall be made only upon telephonic or written notice to, and written consent by, COUNTY. COUNTY retains the right to approve or disapprove any and all attorney assignments.

4. PROFESSIONAL CONFLICT OF INTEREST. ATTORNEY represent and warrant that no COUNTY or County of Riverside employee whose position in COUNTY enables him/her to influence the award of this Agreement or any competing agreement, and no spouse or economic dependent of such employee is or shall be employed in any capacity by ATTORNEY, or shall have any direct or indirect financial interest in this Agreement.

Anyone who is a former employee of County at the time of execution of this Agreement or who subsequently becomes affiliated with ATTORNEY in any capacity (employee, associate or partner) shall not: (i) participate in the services provided by ATTORNEY to County; or (ii) become a partner, shareholder or otherwise share in the profits of ATTORNEY for a period of one year from the date the former County employee left County employment.

The ATTORNEY shall have conducted a conflict of interest check prior to appointment under this Legal Services Agreement. Since it is possible that some of the ATTORNEY'S present or future clients will have disputes with COUNTY during the time that ATTORNEY are representing the COUNTY, COUNTY and ATTORNEY agree that should the situation arise where a new or existing client engages ATTORNEY in any matter adverse to COUNTY, or in which COUNTY'S interest may be adversely affected, ATTORNEY will advise and request a waiver from COUNTY in writing. Upon receipt of such notice and request, COUNTY may determine that the conflict can be waived or may

determine that it is in the COUNTY'S best interest to terminate the services of ATTORNEY. Should COUNTY determine that it is best to terminate the services of ATTORNEY, COUNTY will notify ATTORNEY in writing of such decision and termination shall take effect upon the date indicated in the notice. ATTORNEY may then submit any outstanding invoices for payment up to the date of termination as determined by the notice from COUNTY.

5. TERMINATION. Services performed under this Agreement may be terminated by COUNTY in whole or in part, at any time that COUNTY determines to be in its best interest. COUNTY shall terminate services by delivering to ATTORNEY a written Termination Notice executed by COUNTY and specifying the extent to which services are terminated and the effective termination date.

After receiving a Termination Notice, and unless otherwise directed by COUNTY, ATTORNEY shall: (i) take all steps necessary to stop services on the date and to the extent specified in the Termination Notice; and (ii) submit billing for all services performed to date of Termination Notice within thirty (30) days from the effective termination date.

ATTORNEY shall promptly submit a brief report advising of the status of all matters, including any unresolved matters being handled by ATTORNEY for COUNTY. ATTORNEY shall give COUNTY copies or originals, as appropriate of all files and attorney work product for all matters on which it has been working. This includes any computerized index, computer programs and document retrieval system created or used for these matters.

6. COMPENSATION. The total amount of compensation paid to ATTORNEY under the terms of this Agreement shall not exceed Six Hundred Sixty Thousand Four Hundred Fifty Even Dollars (\$660,450). These amounts may be amended by the parties to this Agreement, provided a written amendment is executed by both parties prior to performance of any additional services. A written amendment shall be a condition precedent to any obligation for payment by COUNTY beyond the approved compensation. ATTORNEY shall notify the COUNTY immediately in writing when ATTORNEY have expended seventy-five percent (75%) of the total compensation.

COUNTY shall pay ATTORNEY at the following hourly rates for services rendered:

<u>Partner/Associate</u>	<u>Hourly Rates</u>
Principals	\$595
Senior Of Counsel	\$525
All Associates	\$495
Paralegals	\$250

7. EXPENSES. COUNTY shall reimburse ATTORNEY for their actual out-of-pocket expenses but without any additional costs for having advanced the funds or for expenses generally considered as overhead already reflected in the ATTORNEY'S hourly rate.

Reimbursable ordinary expenses shall include but not be limited to: (i) postage; (ii) courier service; (iii) title reports; (iv) copies of documents printed by outside firms; provided however, that no single expenditure shall exceed \$500 without the prior consent of the COUNTY.

Reimbursable extraordinary expenses shall include charges for which ATTORNEY have obtained prior approval of COUNTY, and shall include, but not be limited to: (i) retaining consultants; (ii) travel outside the County of Riverside; (iii) investigative services; and (iv) any expense item exceeding Five Hundred Dollars (\$500.00).

Non-reimbursable expenses shall include, but not be limited to: (i) staff time or overtime for performing secretarial, clerical, or word processing functions; (ii) charges for the time spent to provide necessary information for COUNTY'S audits or billing inquiries; (iii) charges for work performed which had not been authorized by COUNTY; (iv) mileage or travel expenses from the regular office of ATTORNEY to COUNTY.

8. PAYMENT. ATTORNEY shall submit its billing statement monthly, in arrears, no later than the last day of the month following the month(s) for which services were rendered. The original billing statement(s) and one copy shall be submitted to:

COUNTY: RUHS-BH  
Attn: Melissa Noone  
4095 County Circle Drive  
Riverside, CA 92503  
[mnoone@ruhealth.org](mailto:mnoone@ruhealth.org)

Kristine Bell-Valdez, Deputy County Counsel  
Office of County Counsel  
3960 Orange Street, Suite 500  
Riverside, CA 92501  
[kbvaldez@rivco.org](mailto:kbvaldez@rivco.org)

The Supervising Attorney shall certify that the work referenced in each billing statement was performed and each billing statement shall be itemized to include (i) staffing level(s), hourly rates and specific activities for each attorney and/or paralegal; (ii) a listing of each activity as a line item in a time reporting format acceptable to COUNTY with a detailed description of specific activities for each attorney and/or paralegal; (iii) total current period fees and total cumulative fees billed for each staffing level; and (iv)

current period expenses and total cumulative expenses billed in itemized categories, including all invoices for disbursements paid to others.

ATTORNEY shall have and maintain all backup documentation to support all entries included in the monthly billing statement. Such documentation shall be in a form subject to audit and in accordance with generally accepted accounting principles. ATTORNEY shall make such documentation available to auditors upon request and at such reasonable times and locations as may be agreed to between COUNTY and ATTORNEY.

COUNTY shall make payment(s) for services rendered under this Agreement monthly in arrears based on itemized billing statement(s) submitted by ATTORNEY. Payments shall be made by COUNTY within thirty (30) days of receipt of billing statements from ATTORNEY. COUNTY shall not pay interest or finance charges on any outstanding balance(s).

9. UNAVAILABILITY OF FUNDS. When funds are not appropriated or otherwise made available in any Fiscal Year, this Agreement shall be terminated by COUNTY upon immediate notice to ATTORNEY. ATTORNEY shall be reimbursed for services performed and covered under the terms of this Agreement.

10. SUPERVISION OF AGREEMENT. Melissa Noone, Administrative Services Manager, or designee, with concurrence from County Counsel on material issues, shall have authority to direct policy actions for COUNTY regarding ATTORNEY'S services.

11. CONFIDENTIALITY. ATTORNEY shall maintain the confidentiality of all information that it may acquire, arising out of or connected with, its provision of services under this Agreement in accordance with all applicable Federal, State and County laws, regulations, ordinances and directives relating to confidentiality, including the Code of Professional Responsibility. ATTORNEY shall inform all personnel providing services hereunder of the confidentiality provisions of this Agreement. These confidentiality obligations shall survive the termination or expiration of this Agreement.

12. COMMUNICATIONS WITH COUNTY. ATTORNEY recognize that their relationship with COUNTY and its agents, employees, officers and/or representatives is subject to the attorney-client privilege and that any information acquired during the term of this Agreement from or through COUNTY is confidential and privileged. ATTORNEY warrant that they shall not disclose or use in any manner whatsoever any of the information from COUNTY and its officers, employees and agents in connection with said relationships or proceedings. ATTORNEY understand that the Office of County Counsel is the empowered legal representative of COUNTY and its officers and employees and ATTORNEY shall not without specific direction from the Office of County Counsel communicate with, advise or represent the COUNTY'S legislative body or appointive bodies.

13. LICENSES. ATTORNEY, its employees, agents, contractors and subcontractors shall maintain professional licenses required by the laws of the State of California at all times while performing services under this agreement.

14. Intentionally Deleted: LITIGATION

15. REQUIRED INSURANCE. Without limiting or diminishing ATTORNEY'S obligation to indemnify or hold COUNTY harmless, ATTORNEY shall procure and maintain or cause to be maintained, at their sole cost and expense, the following insurance coverage during the term of this Agreement. As respects to the insurance section only, the COUNTY herein refers to the County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insureds.

A. Workers' Compensation: If ATTORNEY have employees as defined by the State of California, ATTORNEY shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employer's Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000.00 per person per accident. The policy shall be endorsed to waive subrogation in favor of COUNTY.

B. Commercial General Liability: Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of ATTORNEY performance of its obligations hereunder. Policy shall name COUNTY as Additional Insured. Policy's limit of liability shall not be less than \$2,000,000.00 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit.

C. Vehicle Liability: If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then ATTORNEY shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000.00 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit. Policy shall name COUNTY as Additional Insured.

D. Professional Liability: ATTORNEY shall maintain Professional Liability Insurance providing coverage for ATTORNEY'S performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000.00 per occurrence and \$2,000,000.00 annual aggregate. If ATTORNEY'S Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and ATTORNEY shall purchase at his sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from a new insurer with a date retroactive to the date of or

prior to, the inception of this Agreement; or 3) demonstrate through Certificates of Insurance that ATTORNEY have maintained continuous coverage with the same or original insurer. Coverage provided under items; 1), 2) or 3) will continue as long as the law allows.

E. General Insurance Provisions – All Lines:

- 1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A.M. BEST rating of not less than an A:VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for the specific insurer and only for one policy term.
- 2) ATTORNEY must declare its insurance self-insured retention for each coverage required herein. If such self-insured retention(s) exceed \$500,000.00 per occurrence such retentions shall have the prior written consent of the County Risk Manager before the commencement of services under this Agreement. Upon notification of self-insured retentions which are deemed unacceptable to the COUNTY, at the election of the County's Risk Manager, ATTORNEY'S carriers shall either 1) reduce or eliminate such self-insured retentions with respect to this Agreement with COUNTY or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, defense costs and expenses.
- 3) ATTORNEY shall cause their insurance carrier(s) to furnish COUNTY with 1) a properly executed original Certificate(s) of insurance and certified copies of endorsements effecting coverage as required herein and, 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice be given to COUNTY prior to any material modification, cancellation, expiration, or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless COUNTY receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto, evidencing coverage's set forth herein and the insurance required herein is in full force and effect. *ATTORNEY shall not commence operations until COUNTY has been furnished with original Certificate(s) of Insurance and certified original copies of*

*endorsements and, if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.*

- 4) It is understood and agreed by the parties hereto and ATTORNEY'S insurance shall be construed as primary insurance and COUNTY'S insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.
- 5) If during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or, there is a material change in the equipment to be used in the performance of the scope of work; or, the term of this Agreement, including any extensions thereof, exceeds five (5) years; COUNTY reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverage's currently required herein, if in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by the ATTORNEY has become inadequate.
- 6) The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to the COUNTY.
- 7) The ATTORNEY shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.
- 8) ATTORNEY agree to notify COUNTY of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

16. INDEMNIFICATION. ATTORNEY shall indemnify and hold harmless the County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and collectively hereinafter referred to as "Indemnitees") from any liability whatsoever, based or asserted upon any services of ATTORNEY, its officers employees, subcontractors, agents or representatives, arising out of or in any way relating to this Agreement, including but not limited to, property damage, bodily injury, or death, or any other element of any kind or nature whatsoever arising from the performance of ATTORNEY, its officers, employees, subcontractors, agents or representatives. ATTORNEY shall defend at its sole expense, all costs and fees including, but not limited to, attorney fees, cost of investigation, defense and

settlements or awards, the Indemnitees in any claim or action based upon such services and performance.

With respect to any action or claim subject to indemnification herein by ATTORNEY, ATTORNEY shall, at their sole cost, have the right to use counsel of their choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes ATTORNEY'S indemnification to Indemnitees as set forth herein.

ATTORNEY'S obligation hereunder shall be satisfied when ATTORNEY has provided COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.

The specified insurance limits required in this Agreement shall in no way limit or circumscribe ATTORNEY'S obligations to indemnify and hold harmless the Indemnitees herein from third party claims.

17. NOTICES. Any and all notices and required reports shall be written and hand-delivered or mailed by first class, postage prepaid, addressed to the COUNTY or ATTORNEY at the following addresses below, or at any other address COUNTY or ATTORNEY shall provide in writing to each other:

To ATTORNEY:

MEYERS NAVE  
ATTN: Russell E. Morse  
707 Wilshire Boulevard, 24<sup>th</sup> Floor  
Los Angeles, CA 90017  
[rmorse@meyersnave.com](mailto:rmorse@meyersnave.com)

To COUNTY:

Kristine Bell-Valdez Deputy County Counsel  
Office of County Counsel  
3960 Orange Street, Suite 500.  
Riverside, California 92501  
[KBValdez@rivco.org](mailto:KBValdez@rivco.org)

AND

Melissa Noone  
RUHS-BH  
4095 County Circle Drive  
Riverside, CA 92503  
[mnoone@ruhealth.org](mailto:mnoone@ruhealth.org)



18. ASSIGNMENT. No part of this Agreement or any right or obligation arising from it is assignable without the written consent of COUNTY. Any attempt by ATTORNEY to assign or subcontract services relating to this Agreement without the consent of COUNTY shall constitute a material breach of this Agreement. However, ATTORNEY may retain consultants and experts as ATTORNEY deem appropriate after receiving the written approval of COUNTY.

19. NON-DISCRIMINATION. In the performance of the terms of this Agreement, ATTORNEY shall not engage in nor permit others he may employ to engage in discrimination in the employment of persons because of the race, color, national origin or ancestry, religion, physical handicap, disability as defined by the Americans with Disabilities Act (ADA), medical condition, marital status or sex of such persons, in accordance with the provision of California Labor Code Section 1735.

20. COMPLETE AGREEMENT. This Agreement shall constitute the complete and exclusive statement of understanding between COUNTY and ATTORNEY which supersedes all previous written or oral agreements, and all prior communications between COUNTY and ATTORNEY relating to the subject matter of this Agreement.

21. COUNTERPARTS AND ELECTRONIC SIGNATURES. This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each party of this Agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ("CUETA") Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Agreement. The parties further agree that the electronic signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

[SIGNATURES ON FOLLOWING PAGE]

RECOMMENDED FOR APPROVAL:

COUNTY OF RIVERSIDE, on behalf of its Riverside University Health System

By: \_\_\_\_\_  
[RUHS STAFF ]

By: Chuck Washington  
CHUCK WASHINGTON  
Chair. Board of Supervisors

Dated: \_\_\_\_\_

Dated: 12/03/2024 ATTEST: KIMBERLY A. RECTOR, Clerk

By: Minh C. Tran  
APPROVED AS TO FORM DEPUTY  
Minh C. Tran, County Counsel

By: Kristine Bell-Valdez  
Kristine Bell-Valdez  
Deputy County Counsel

ATTORNEY:  
MEYERS NAVE

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Name: Russell E. Morse  
Title: Principal

ATTACHMENTS: N/A

5818302.1

**FIRST AMENDMENT TO THE PROFESSIONAL SERVICE AGREEMENT  
BETWEEN  
COUNTY OF RIVERSIDE  
AND  
TRAMMELL CROW SO. CAL. HEALTHCARE DEVELOPMENT, INC.**

This First Amendment to the PROFESSIONAL SERVICE AGREEMENT for PRELIMINARY DEVELOPMENT SERVICES (herein referred to as “First Amendment”) is made and entered into by and between the **County of Riverside**, a political subdivision of the State of California (herein referred to as “COUNTY”), on behalf of **Riverside University Health System** (herein referred to as “RUHS”), and Trammell Crow So. Cal. Healthcare Development, Inc., a Delaware corporation (herein referred to as “CONSULTANT”), sometimes collectively referred to as the “Parties” or individually referred to as a “Party.”

**WHEREAS** COUNTY and CONSULTANT entered into that certain PROFESSIONAL SERVICE AGREEMENT for PRELIMINARY DEVELOPMENT SERVICES, executed May 7, 2024, (herein referred to as “Agreement”); and

**WHEREAS** COUNTY and CONSULTANT now desire to amend the Agreement to extend the Period of Performance, increase Compensation, replace Exhibit A with Exhibit A.1 to amend and adapt CEQA/Entitlement Phase, replace Exhibit B with Exhibit B.1 to include CEQA/Entitlement Compensation and replace Exhibit C with Exhibit C.1 to include CEQA/Entitlement Schedule.

**NOW, THEREFORE**, in consideration of their mutual covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to amend the Agreement as follows:

1. **Recitals.** The recitals set forth above are true and correct and incorporated herein by this reference.
2. **Period of Performance.** “Period of Performance” of the Agreement is hereby deleted and replaced with the following.

**“2. Period of Performance**

2.1 This Agreement shall be effective upon signature of this Agreement by both parties (the latest date on the signature pages hereto shall be the “Effective Date”) and continue in effect through June 30, 2026, unless terminated earlier. CONSULTANT shall commence performance upon signature of this Agreement by both parties and shall diligently and continuously perform thereafter. The Riverside County Board of Supervisors is the only authority that may obligate the County for a non-cancelable multi-year”

3. **Compensation.** “Compensation” of the Agreement is hereby deleted and replaced with the following.

**“3. Compensation**

3.1 The COUNTY shall pay the CONSULTANT for services performed, products provided and expenses incurred in accordance with the terms of Exhibit B, Payment Provisions. Maximum payments by COUNTY to CONSULTANT shall not

exceed the aggregate amount of six million two hundred thirty-seven thousand three hundred twenty-four dollars. (\$6,237,324) The COUNTY is not responsible for any fees or costs incurred above or beyond the contracted amount and shall have no obligation to purchase any specified amount of other services or products. Unless otherwise specifically stated in Exhibit B, COUNTY shall not be responsible for payment of any of CONSULTANTS's expenses related to this Agreement.”

4. **Exhibit A.** “Exhibit A Scope of Services” of the Agreement is hereby deleted and replaced with “Exhibit A.1 Scope of Services” attached hereto and incorporated herein.
5. **Exhibit B.** “Exhibit B Payment Provisions” of the Agreement is hereby deleted and replaced with “Exhibit B.1 Payment Provisions” attached hereto and incorporated herein.
6. **Exhibit C.** “Exhibit C Project Schedule” of the Agreement is hereby deleted and replaced with “Exhibit C.1 Project Schedule” attached hereto and incorporated herein.
7. **Miscellaneous.** All other terms and conditions of the Agreement not modified herein shall remain unchanged and in full force and effect.
8. **Effective Date.** This First Amendment to the Agreement shall be effective upon signature of this Amendment by both parties.

*[Intentionally Left Blank Signature Page Follows]*

IN WITNESS WHEREOF, the Parties hereto have caused their duly authorized representatives to execute this First Amendment.

COUNTY OF RIVERSIDE, a political subdivision of the State of California on behalf of Riverside University Health System

TRAMMELL CROW SO. CAL. HEALTHCARE DEVELOPMENT, INC., a Delaware corporation.

By: Chuck Washington

By: David Nazaryk

Name: Chuck Washington

Name: David Nazaryk

Title: Chair, Board of Supervisors

Title: Executive Vice President

Date: 12/03/2024

Date: 11/20/2024

ATTEST:  
Kimberly Rector  
Clerk of the Board

By: Minh C. Tran  
Deputy

APPROVED AS TO FORM:  
Minh C. Tran  
County Counsel

By: Kristine Bell-Valdez

Name: Kristine Bell-Valdez

Title: Supervising Deputy County Counsel

Date: 11/20/2024

## **Exhibit A.1 Scope of Services**

### **Scope of Services Overview:**

**Acknowledgment of Prior Master Planning Services:** Prior to the Effective Date, CONSULTANT has completed master planning services and work for the benefit of the COUNTY (the "Prior Master Planning Services"), and CONSULTANT has submitted bills to the COUNTY for such Prior Master Planning Services in the amount of \$227,608.64 and COUNTY has paid CONSULTANT (the "Prior Master Planning Services Fee"). As of the Effective Date, the Prior Master Planning Services Fee is deemed earned in full by the CONSULTANT and paid by the COUNTY.

**Scope of Services Under this Agreement:** During the period commencing on the Effective Date and ending on the date that is 10 months following the Effective Date (the "Outside Date"), CONSULTANT shall undertake certain Preliminary Development Services (as defined below) related to a new 100-bed Behavioral Health Treatment Center building ("BHTC Component"), an expanded 100-treatment bay Emergency Department (including two hybrid operating rooms) building ("EDE Component"), a new 150,000 SF Medical Office building ("MOB Component"), and other potential facilities and potential on-site and off-site improvements to be constructed on or adjacent to RUHS-MC's main 80-acre campus located at 26520 Cactus Ave, Moreno Valley, CA 92555 as outlined in Exhibit A's Project Site Plan (the "Project"), including, without limitation, (i) developing a comprehensive program that outlines the space requirements, functional relationships, and desired adjacencies for the new facilities ("Programming"), (ii) developing preliminary conceptual plans, elevations, and concept renderings that utilize the information gathered during Programming, and a preliminary concept budget and schedule for the Project ("Concept Design"), and (iii) performing due diligence to advance the Project ("Due Diligence"), as further outlined herein. CONSULTANT will take such actions as CONSULTANT reasonably deems necessary or desirable to advance the preparation of the Programming, Concept Design, and Due Diligence (collectively, the "Preliminary Development Services"), including, without limitation, retaining designers and other professionals for the preparation of preliminary drawings, reports, etc. for the Project, in a timely manner and generally in accordance with the project schedule attached hereto as Exhibit C (the "Project Schedule"), subject to delays caused by RUHS-MC or COUNTY, force majeure or other factors outside of CONSULTANT's control. Neither CONSULTANT, RUHS-MC nor COUNTY make any representations, warranties or guaranties as to the viability of the Project or deliverables relating to the Preliminary Development Services or the ability to obtain necessary approvals or entitlements.

### **Prior Master Planning Services:**

It is acknowledged that, prior to the Effective Date, CONSULTANT has evaluated and prepared a master plan package (the "Final Master Plan") which has been approved by the County and RUHS-MC and identifies general building pad locations for the BHTC Component, the MOB Component, the EDE Component, and other potential facilities and potential on-site and off-site improvements to be constructed on or adjacent to RUHS-MC's main 80-acre campus located at 26520 Cactus Ave, Moreno Valley, CA 92555.

## **Due Diligence:**

CONSULTANT will perform and coordinate due diligence activities to progress the scope in the Preliminary Development Services Activities which is outlined as follows: Environmental Phase I Report, ALTA Survey, Civil Feasibility Study, Topographic Survey, Preliminary Grading Plan, Preliminary Utility Plan, Preliminary WQMD Plan, Fire Flow Study, Preliminary Underground Due Diligence Exploration, Glare Studies, and a Geotechnical Report. Concurrently, CONSULTANT will collaborate with RUHS-MC and the COUNTY to determine the Entitlement path for the project.

## **Programming:**

Based on the approved Final Master Plan, CONSULTANT will conduct an analysis of the functional requirements, operational workflows, and patient flow patterns for the Project. CONSULTANT will engage with stakeholders, including physicians, nurses, administrators, and support staff, to understand the Project's specific needs and expectations, and ultimately develop a comprehensive space program that outlines the space requirements, functional relationships, and desired adjacencies for the various areas within each building component as outlined below and scheduled in the Project Schedule:

### BHTC Programming (100 beds):

- Programming Kickoff: Review 8/2016 program for current best practices and provide a new program.
- Phase initiation workshop to review program requirements and establish a mutual understanding of the goals and objectives, best practices, and anticipated key departments operational models for the project.
- User Group Meetings: Up to 2 rounds with each of the anticipated departments in the new BH Hospital: Adolescent IP Unit Age Under 13, Adolescent IP Unit Age 13 – 18, Adult IP Unit (4 Units Typical), Emergency Treatment Service (ETS), BH Crisis Response Center, Pharmacy, Residents Program, Cafeteria, Food and Nutritional Service, Materials Management, Environmental Services/Housekeeping, Linen Service, Facilities Service, Security and Communication, Administration/Staffing, Public Space, Court, Conference Center, Medical Records, Quality Management, Admitting and Business, Other Non-facility Specific Departments
- Steering Committee Meetings: 4 Steering Committee Meetings to review, update, and approve the Programming document.

### EDE Programming (100 treatment bays and two hybrid ORs):

- Programming Kickoff and Visioning Workshop: Phase initiation and visioning workshops to review program requirements and establish a mutual understanding of the goals and objectives for the project.
- User Group Meetings: Up to 4 rounds with the Emergency Department.

- Steering Committee Meetings: 4 Steering Committee Meetings to review, update, and approve the Programming document.

MOB Programming (150,000 SF): Programming Kickoff and Visioning Workshop:

- Phase initiation workshop to review program requirements and establish a mutual understanding of the goals and objectives for the project.
- User Group Meetings: Up to 2 rounds with an anticipated RUHS-identified 22 departments (specific departments TBD).
- Steering Committee Meetings: 4 Steering Committee Meetings to review, update, and approve the Programming document.

**Concept Design:**

Based on a Programming document to be approved by CONSULTANT and COUNTY as part of the Programming phase, CONSULTANT will utilize the information gathered during the Programming phase to create a concept design that translates the functional requirements into a practical architectural solution. CONSULTANT will cause the development of preliminary plans, elevations and concept renderings that demonstrate the spatial organization, circulation patterns, and integration of essential features, such as key rooms and support spaces as well as develop the proposed design, at a high level. Deliverables may include, without limitation, block and stack diagrams to demonstrate relationships and adjacencies of departmental program spaces, 3 building exterior concept planning options, conceptual site plan and floor plans, high level code analysis, and 3 concept renderings. CONSULTANT will utilize conceptual plans to create a preliminary estimated budget and schedule for the Project. Scheduled checkpoints to advance and approve Concept Design plans will include 4 core team meetings and 4 steering committee meetings for the BHTC, EDE, and MOB Component as outlined in the Project Schedule.

**Entitlement Phase:**

**CEQA/Entitlement Phase Scope of Services**

**CEQA/Entitlement Phase Overview:**

**Entitlement Notice to Proceed:** Pursuant to the Entitlement Notice to Proceed dated July 14, 2024 from COUNTY to CONSULTANT, COUNTY informed CONSULTANT that COUNTY desires to proceed with obtaining CEQA and entitlement approvals for the Project as outlined in the Entitlement Phase (hereinafter referred to as the “CEQA/Entitlement Phase”) section of Exhibit A of the Services Agreement. CONSULTANT subsequently commenced the CEQA/Entitlement Phase efforts and herein prepared a detailed scope, budget, and schedule for the Entitlement Work.

**CEQA/Entitlement Phase Scope:** During the period commencing on July 14, 2024 (the “CEQA/Entitlement Phase Effective Date”) and ending on June 30, 2026 (the “CEQA/Entitlement Outside Date”), CONSULTANT will perform certain Entitlement Work for the COUNTY as outlined herein for the Project. This Entitlement Work (hereinafter referred to as “CEQA/Entitlement Work”) shall include coordinating relevant activities, reports and studies required to finalize the Project’s

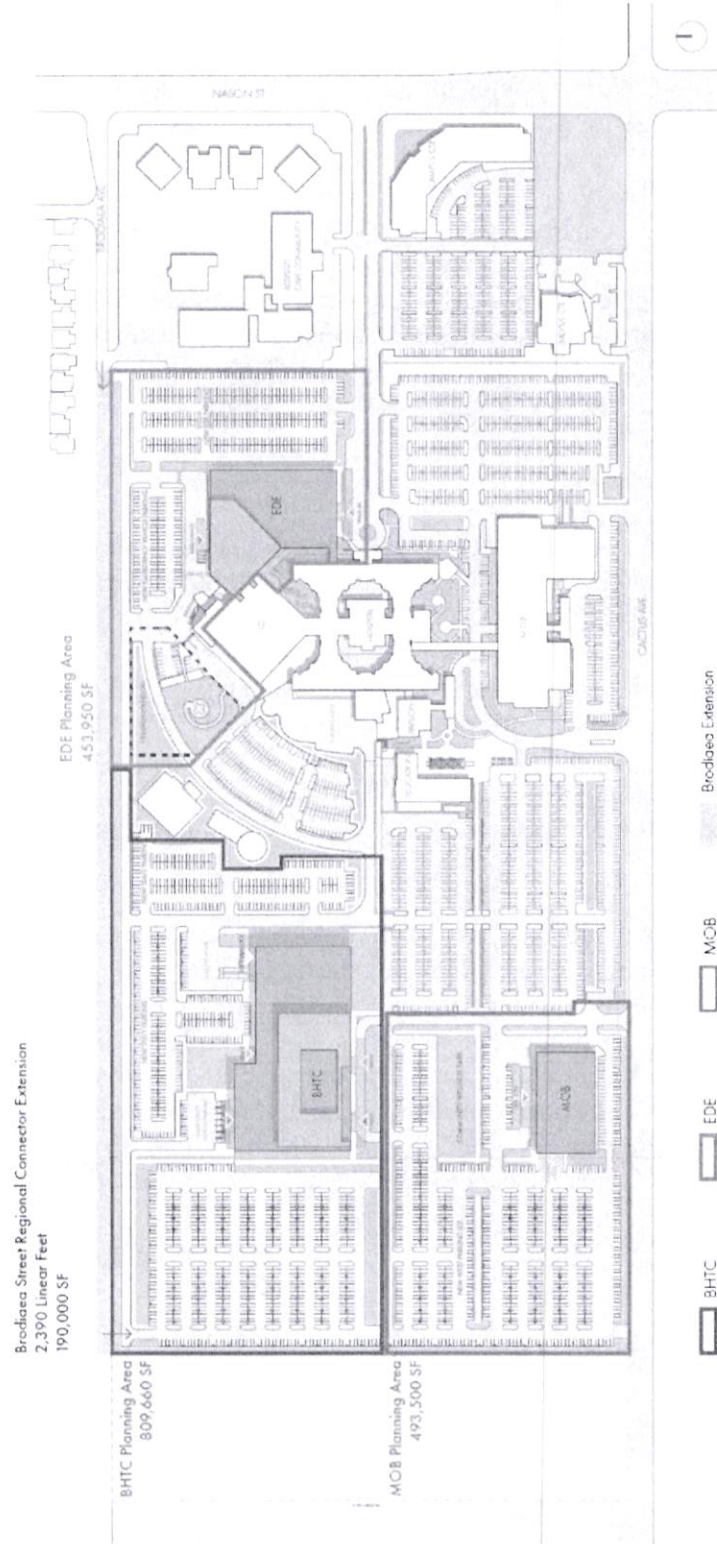


CEQA/entitlements including (i) negotiating agreements with necessary consultants, (ii) overseeing the design and preparation of technical studies required for CEQA including, but not limited to, air quality study, traffic study, cultural resource assessment, biological study, jurisdictional waters assessment, greenhouse gas study, energy study, geotechnical study, (iii) preparing and progressing, in conjunction with COUNTY, the entitlement application documents required for the Draft EIR and Final EIR, and (iv) taking all such actions as may be reasonably required to advance the Project's CEQA/entitlements all in conjunction with and under the direction of the COUNTY's lead applicant Michael Sullivan (collectively the "CEQA/Entitlement Work"). CONSULTANT will take such actions as CONSULTANT reasonably deems necessary or desirable to advance the CEQA/Entitlement Work in a timely manner and generally in accordance with the entitlement schedule attached hereto as Exhibit C (the "CEQA/Entitlement Schedule"), subject to delays caused by RUHS-MC or COUNTY, force majeure, CEQA and other entitlement appeals and challenges or other factors outside of CONSULTANT's control. Neither CONSULTANT, RUHS-MC nor COUNTY make any representations, warranties or guaranties as to the viability of the Project or deliverables relating to the CEQA/Entitlement Work product or the ability to obtain necessary approvals for CEQA or entitlements.

**Bond BHCIP Round 1: Launch Ready RFA Scope:** During the period commencing October 9, 2024 and ending December 13, 2024, CONSULTANT shall assist County with the preparation of an application for the Behavioral Health Continuum Infrastructure Program Round 1 (2024): Launch Ready Request for Application (the "Grant Application Work"). Under the direction of County, Grant Application Work shall include coordinating relevant activities, reports and studies required to finalize the Behavioral Health Continuum Infrastructure Program Round 1 (2024): Launch Ready Request for Application including, (i) negotiating agreements with necessary consultants, and (ii) overseeing the design and preparation of Form 2: Budget Template, Form 3: Development Team Information, Form 4: Design, Acquisition, and Construction Milestone Schedule, and Form 8: Schematic Design Checklist.

**Outside Date:** The Outside Date for the Preliminary Development Services shall be extended solely for purposes of the CEQA/Entitlement Phase to the date that is 24 months following the Entitlement Notice to Proceed or June 30, 2026, the CEQA/Entitlement Outside Date. In the event that the CEQA/Entitlement Work is not completed by the CEQA/Entitlement Outside Date due to force majeure, appeals or other factors or events outside of CONSULTANT's control, the parties shall cooperate in good faith to enter into an amendment to the Agreement to further extend the Outside Date and increase the CEQA/Entitlement Services Budget, including the TCC CEQA/Entitlement Consultant Fee (each as defined below).

# Project Site Plan:



## **Exhibit B.1 Payment Provisions**

### **Payment Provisions Overview**

**Prior Master Planning Services Fee.** As described above in Exhibit A, COUNTY paid the Prior Master Planning Services Fee to CONSULTANT.

**Services Fee.** In connection with the performance by CONSULTANT of the Preliminary Development Services as outlined in Exhibit A above, CONSULTANT will earn fees and, at its discretion, incur and pay costs, expenses and other financial obligations relating to the Project (collectively, the "Preliminary Development Services Costs") pursuant to this Agreement, and COUNTY agrees to pay such Preliminary Development Services Costs, up to a maximum amount of \$4,070,830.00 (the "Services Fee"), plus Approved Reimbursable Expenses if any, as outlined in this Agreement. The budget of such Preliminary Development Services Costs is set forth below in this Exhibit B (the "Preliminary Development Services Budget"). The line item thereon for "TCC Consultant Fee", for \$270,000.00 represents a total, fixed consulting management fee (the "TCC Consultant Fee"). The TCC Consultant Fee will be allocated among the BHTC Component, the MOB Component and the EDE Component (each, a "Project Component"), as set forth in the Preliminary Development Services Budget, and shall be paid monthly in \$27,000 equal installments (representing the 10 months of performance from the Effective Date through the Outside Date) regardless of the effort expended on any specific Project Component unless a particular Project Component has been eliminated or terminated by the COUNTY and then such shall be handled as outlined in this Agreement in Section 4.1. Except for the TCC Consultant Fee, the individual line items in the Preliminary Development Services Budget are estimates only, and CONSULTANT shall be entitled, at its discretion, to re-allocate the budget and cost amounts between such line items within the Preliminary Development Services Budget. Contingency within the Preliminary Development Services Budget cannot be used to increase TCC Consultant Fee. COUNTY shall pay the Services Fee plus Approved Reimbursable Expenses to CONSULTANT in accordance with Section "Payment of Services Fee" below. As used in this Agreement, "Approved Reimbursable Expenses" shall mean additional costs or expenses incurred by the CONSULTANT in connection with its performance under this Agreement that are in excess of the Services Fee and that are specifically approved by the COUNTY as provided for above.

**Payment of Services Fee.** With the exception of the TCC Consultant Fee which payment is outlined above, the COUNTY (or RUHS-MC) shall pay CONSULTANT monthly for all Preliminary Development Services Costs (including Approved Reimbursable Expenses, if any) on a reimbursement basis, and CONSULTANT agrees to provide supporting documentation to the COUNTY with each monthly invoice. CONSULTANT agrees to provide a monthly (and cumulative) accounting of the costs and expenses incurred and paid, for each category pursuant to the Preliminary Development Services Budget with each monthly invoice; provided that CONSULTANT may elect to invoice the COUNTY less frequently than monthly. Notwithstanding the foregoing, the TCC Consultant Fee payable to CONSULTANT shall be earned and payable at a rate of \$27,000 per month (including any partial month) commencing upon the Effective Date.

**Preliminary Development Services Budget:**

	BHTC	EDE	MOB	Total
<b>Due Diligence</b>				
Environmental	5,000	5,000	5,000	15,000
Civil Engineering	98,300	120,600	93,800	312,700
Geotechnical Report	82,417	70,117	57,467	210,000
PreCon. Budgeting and Underground Exploration	60,000	80,000	60,000	200,000
Utility Consulting	25,000	25,000	25,000	75,000
Zoning Report, City Fee Analysis, City Costs, and HCAI Fees	31,333	31,333	13,833	76,500
Legal	20,000	20,000	20,000	60,000
Quality Control / Cost Control	16,500	16,500	16,500	49,500
<b>Architectural Programming</b>	450,736	288,532	463,885	1,203,153
<b>Architectural Concept Design</b>	478,336	391,132	485,660	1,355,128
<b>Reimbursable Expense</b>	17,000	17,000	16,000	50,000
<b>TCC Consultant Fee</b>	100,000	100,000	70,000	270,000
<b>Subtotal</b>	<b>1,384,622</b>	<b>1,165,214</b>	<b>1,327,145</b>	<b>3,876,981</b>
5% Contingency	69,231	58,261	66,357	193,849
<b>Services Fee Total</b>	<b>1,453,853</b>	<b>1,223,475</b>	<b>1,393,502</b>	<b>4,070,830</b>

**CEQA/Entitlement Services Payment Provisions Overview**

**CEQA/Entitlement Fee:** In connection with the performance by CONSULTANT of the CEQA/Entitlement Work as outlined above and in addition to ongoing Preliminary Development Services related to Programming, Concept Design and Due Diligence for the Project that CONSULTANT is performing under this Agreement, CONSULTANT will earn fees and, at its discretion, incur and pay costs, expenses and other financial obligations relating to the CEQA/Entitlement Work (collectively, the “CEQA/Entitlement Services Costs”) pursuant to the Agreement, and COUNTY agrees to pay such CEQA/Entitlement Services Costs, up to a maximum amount of \$2,166,494 (the “CEQA/Entitlement Services Fee”) (for avoidance of any doubt, the CEQA/Entitlement Services Fee shall not be subject to the cap of the Services Fee related to the aforementioned Preliminary Development Services which CONSULTANT is performing for this Project and shall be payable to CONSULTANT in addition to the Services Fee under the Agreement for Preliminary Development Services). The budget of such CEQA/Entitlement Services Costs is set forth below in this Exhibit B (the “CEQA/Entitlements Services Budget”). The line item thereon for the TCC CEQA/Entitlement Consultant Fee for \$480,000 represents a total, fixed consulting management fee to TCC (the “TCC CEQA/Entitlement Consultant Fee”). The TCC CEQA/Entitlement Consultant Fee shall be paid monthly in \$20,000 equal installments (representing the 24 months of performance from the CEQA/Entitlement Phase Effective Date through the CEQA/Entitlement Outside Date) regardless of the effort expended on the CEQA/Entitlement Work (first installment payment of which shall include all accrued amounts due CONSULTANT, if any), unless COUNTY terminates performance of the CEQA/Entitlement Work and then such shall be handled as outlined in Section 4.1 of the Agreement. Except for the TCC CEQA/Entitlement Consultant Fee, the individual line items in the CEQA/Entitlement Budget are estimates only, and CONSULTANT shall be entitled, at its discretion, to re-allocate the budget and cost amounts between such line items within the CEQA/Entitlement Services Budget. Contingency within the CEQA/Entitlement Services Budget cannot be used to increase the TCC CEQA/Entitlement Consultant

Fee. COUNTY shall pay the CEQA/Entitlement Services Fee to CONSULTANT in accordance with Section "Payment of CEQA/Entitlement Fee" below.

**Payment of CEQA/Entitlement Fee:** With the exception of the TCC CEQA/Entitlement Consultant Fee which payment is outlined above, the COUNTY (or RUHS-MC) shall pay CONSULTANT monthly for all CEQA/Entitlement Services Costs on a reimbursement basis, and CONSULTANT agrees to provide supporting documentation to the COUNTY with each monthly invoice. CONSULTANT agrees to provide a monthly (and cumulative) accounting of the costs and expenses incurred and paid, for each category pursuant to the CEQA/Entitlement Services Budget with each monthly invoice; provided that CONSULTANT may elect to invoice the COUNTY less frequently than monthly. Notwithstanding the foregoing, the TCC CEQA/Entitlement Consultant Fee payable to CONSULTANT shall be earned and payable at a rate of \$20,000 per month (including any partial month) commencing upon CEQA/Entitlement Phase Effective Date.

<b>CEQA/Entitlements Services Budget</b>	<b>Total</b>
A&E (Entitlements)	\$401,976.00
CEQA Consultant & Planner	\$609,554.00
Technical Studies	\$432,138.00
TCC CEQA/Entitlement Consultant Fee	\$480,000.00
Reimbursables	\$45,871.00
Contingency (10%)	\$196,954.00
<b>Total</b>	<b>\$2,166,494.00</b>

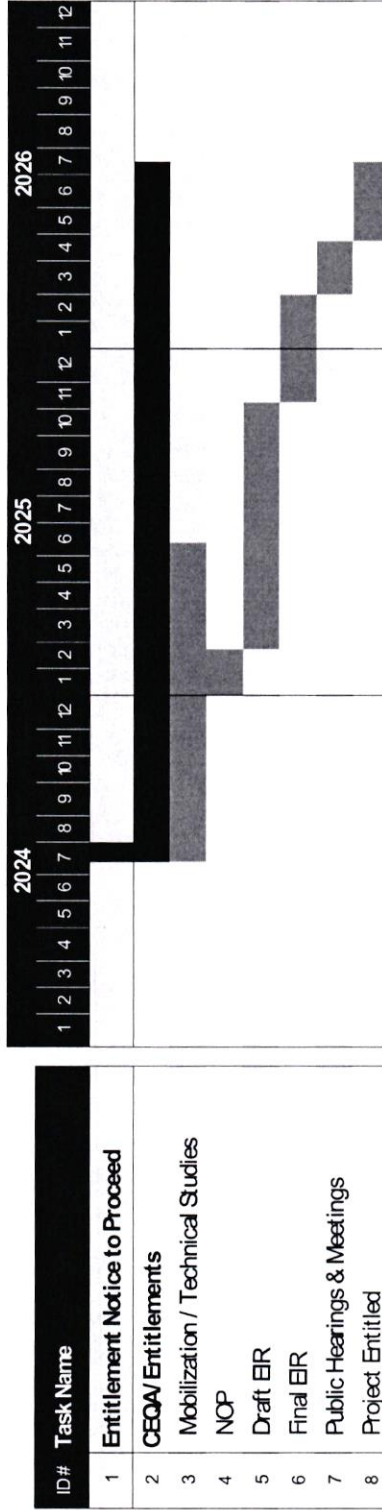
<b>TOTAL PROJECT BUDGET</b>	<b>TOTAL</b>
Preliminary Development/Due Diligence Services	\$4,070,830.00
CEQA Entitlement Phase	\$2,166,494.00
<b>Total</b>	<b>\$6,237,324.00</b>



**Exhibit C.1  
Project Schedule**

**CEQA/Entitlement Schedule**

**CEQA/Entitlement Schedule**





# COUNTY OF RIVERSIDE

## Board of Supervisors

District 1	Kevin Jeffries 951-955-1010
District 2	Karen Spiegel 951-955-1020
District 3	Chuck Washington 951-955-1030
District 4	V. Manuel Perez 951-955-1040
District 5	Yxstian Gutierrez 951-955-1050

December 3, 2024

Matthew Chang, MD, MMM  
Behavioral Health Director  
Riverside University Health System – Behavioral Health  
4095 County Circle Drive  
Riverside, CA 92503

Re: **RUHS Prop 1 BHCIP Round 1: Launch Ready Application for the Wellness Center**

Dear Dr. Chang:

I write to express strong support for the Riverside University Health System's (RUHS) Behavioral Health Continuum Infrastructure Program (BHCIP) Applications and their corresponding project to provide critically needed behavioral health services to the residents of Riverside County.

There has been a significant increase over the last five years in the levels of adverse behavioral health conditions, which is exacerbated by the chronic need for behavioral health services in underserved areas. Proposition 1 was passed by California voters in March 2024 to improve California's capacity to address these concerns. Proposition 1 will make \$4.4 billion available for behavioral health infrastructure and will facilitate development and construction of new acute psychiatric beds.

According to a 2021 study by the Rand Corporation, California needs more than 1,900 acute psychiatric care beds to ensure residents can receive short-term inpatient care for behavioral health stabilization and treatment. In Riverside County, there are only 77 public acute care psychiatric care beds for 2.5 million people that continues to rapidly grow.

RUHS will be filing an application to build a 100-bed Wellness Center to serve as an inpatient acute mental health unit under the license of the RUHS General Acute Care Hospital. The Wellness Center will allow for the continued improved care of Riverside County's most vulnerable populations and provide treatment services using a multidisciplinary approach 24 hours a day, 7 days a week. This facility will serve as the gatekeeper to acute, subacute, and transitional inpatient and outpatient behavioral health facilities throughout Riverside County.

RUHS has diligently transformed efforts around enhancing the quality of services provided and expanding access by offering the right care, at the right time, in the right setting. The key to this strategy is an integrated continuum of care that ensures individuals have the appropriate transitions of care and treatment in the least restrictive and most cost-effective manner. I support this initiative and respectfully urge the Department of Health Care Services' favorable review of this application.

Sincerely,



Chuck Washington  
Chair, Riverside County Board of Supervisors



**PROGRAM FUNDING AGREEMENT**

\*\*\*\*\*

**SUMMARY COVER SHEET**

Program Funding Agreement ID **7469-CA BHCIP-{{ composite\_uid }}-01**

Program Agreement Effective Date:

Program Funding Agreement Manager: **ADVOCATES FOR HUMAN POTENTIAL, INC., a Massachusetts corporation (AHP)**  
490-B Boston Post Road, Sudbury, MA 01776-3365  
Tel: +1 (978) 443-0055 ♦ Fax: (978) 261-1467

**AHP Contracting Officer:**  
Reshma Ryan, Acting General Counsel  
Tel: +1 (978) 296-4930 (o) | legalnotices@ahpnet.com

**AHP Designated Representatives:**  
Steve Thronson, Senior Program Director  
Tel: +1 (760) 333-6337(o) | sthronson@ahpnet.com  
Nichole Rupp, Deputy Program Director  
Tel: +1 (626) 757-0009 (o) | nrupp@ahpnet.com

Sponsor: **{{ legal\_entity\_name | upper }}, {{ typ\_of\_legal\_entity }}**  
**{{ lead\_authorized\_representative\_address\_business }}**  
**{{ lead\_auth\_rep\_city\_business }}, {{ lead\_auth\_rep\_state\_business }} {{ lead\_auth\_rep\_zip\_business }}**

**Sponsor Designated Representative:**  
**{{ lead\_authorized\_rep }}**  
Tel: **{{ lar\_office\_num\_sow }}** | **{{ lar\_email\_sow }}**

Prime Contract Identification: **California Department of Health Care Services**  
**Agreement No.: XX-XXXXX**  
**Contract Title:** *California Bond Behavioral Health Continuum Infrastructure Program (Bond BHCIP)*

Contract Type: **Deliverable Based Program Funding Agreement**

Period of Performance: **Effective Date through June 30, 2030**

Consideration/Budget: **Bond BHCIP Round 1 Launch Ready Program Funding**  
**Not to Exceed \${{ grant\_amt\_requested\_curated }}**

Billing Terms: **See Attachment E-Payment Schedule**

This Program Funding Agreement (the “**Agreement**”) is entered into as of \_\_\_\_\_, 2025 (the “**Effective Date**”), by and between **ADVOCATES FOR HUMAN POTENTIAL, INC.**, a Massachusetts corporation, with offices located at **490-B Boston Post Road, Sudbury, MA 01776** (“**AHP**”), and {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }}, with offices located at {{ lead\_authorized\_representative\_address\_business }}, {{ lead\_auth\_rep\_city\_business }}, {{ lead\_auth\_rep\_state\_business }} {{ lead\_auth\_rep\_zip\_business }} (“{{ entity\_name }}” or the “**Sponsor**”). AHP and the Sponsor may be referred to separately as a “**Party**” or collectively as “**Parties.**”

## RECITALS

A. The State of California (the “**State**”), through the Department of Health Care Services (“**DHCS**”), has entered into an agreement with AHP, a private consulting and research firm focused on improving health and human services systems, to assist with management of the State Behavioral Health Infrastructure Bond Act of 2024 funds (“**Bond BHCIP Funds**”) and to administer the State Behavioral Health Continuum Infrastructure Program (“**BHCIP**” or “**Program**”), as amended. The agreement between DHCS and AHP shall hereinafter be referred to as the “**Prime Contract**;”

B. Pursuant to the requirements of BHCIP and DHCS guidelines, qualified grantees or entities shall use an award of Bond BHCIP Funds to expand the community capacity for serving persons with behavioral health disorders by the acquisition, construction, renovation or other physical improvement of real property, infrastructure, or facilities;

C. DHCS oversees BHCIP to award Bond BHCIP Funds to qualified entities to construct, acquire, and rehabilitate real estate assets to address significant crisis care gaps in California’s behavioral health (mental health and substance use disorder) infrastructure;

D. In response to that certain Request for Applications for Bond BHCIP Round 1: Launch Ready issued by DHCS on or about July 17, 2024 (the “**RFA**”), for the Bond BHCIP Funds, the Sponsor submitted an application (“**Application**”) to construct the project described in the Statement of Work, **Attachment D** (“**SOW**”), located at {{ proposed\_address }}, {{ proj\_city }}, {{ proj\_state }} {{ proj\_zip }} (the “**Project**”); and the Sponsor has been awarded Bond BHCIP Funds for the Project in an amount not to exceed {{ amt\_awarded\_written }} ({{ grant\_amt\_requested\_curated }}) (“**Program Funds**”); and

E. This Agreement sets forth the terms and conditions of AHP’s management and administration of the Program Funds and the Sponsor’s duties and obligations related to its receipt of Program Funds. Capitalized terms not defined herein shall have the meanings ascribed thereto in the California Welfare and Institutions Code sections 5960–5960.4.

**NOW, THEREFORE**, based upon the foregoing, and in consideration of the mutual covenants and agreements herein set forth, the Parties agree as follows:

## **ARTICLE 1.** **AUTHORITY**

California Assembly Bill 133 (Chapter 143, Statutes of 2021) (“**AB 133**”) added sections 5960–5960.45 to the California Welfare and Institutions Code, providing the statutory basis for the Program.

The State Behavioral Health Infrastructure Bond Act of 2024 (section 4, Chapter 4 of California Assembly Bill 531 (“**AB 531**”)), that provided in part, for the: (a) addition of section 5965.04 to the California Welfare and Institutions Code allocating additional funding to the Program; and (b) repealed section 5960.45 from the California Welfare and Institutions Code.

DHCS, as part of the California Health and Human Services Agency, issued the RFA for the Bond BHCIP Funds, and AHP provides pre-application consultation, technical assistance, general training, and support on individual BHCIP projects, as well as management and administration of the Bond BHCIP Funds.

This Agreement is entered under the authority of and in furtherance of the Program. This Agreement is the result of the Application by the Sponsor for funding under BHCIP.

This Agreement hereby incorporates by reference the Sponsor’s approved Application, as well as any report prepared by AHP in reliance on the representations and descriptions included in that Application. This Agreement is governed by the following (collectively, the “**Program Requirements**”), and each of the following, as amended and in effect from time to time, is hereby incorporated by this reference as if set forth herein in full:

- 1.1 AB 133, including any subsequent amendments to the statutes contained therein;
- 1.2 AB 531, including any subsequent amendment to the statutes contained therein;
- 1.3 California Welfare and Institutions Code Division 5, Part 7, Chapter 1, including any subsequent amendment to the statutes contained therein;
- 1.4 The State Behavioral Health Infrastructure Bond Act of 2024 (California Welfare and Institutions Code Division 5, Part 7, Chapter 4) including any subsequent amendment to the statutes contained therein;
- 1.5 The State General Obligation Bond Law (Chapter 4 (commencing with section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), including any subsequent amendments to the statutes contained therein, with the exception of subdivisions (a) and (b) of section 16727 of the Government Code;
- 1.6 All California State Treasurer’s Office, California Department of Finance, and Internal Revenue Service statutes, regulations, and sub-regulatory guidance applicable to bond funded programs;
- 1.7 The RFA, in the form attached to this Agreement as **Attachment J**;
- 1.8 Guidance issued by DHCS regarding the Program;
- 1.9 Program Guidelines, or Program Manuals, as adopted by DHCS, and as may be amended from time to time;

- 1.10 The Notice of Conditional Grant Award letter dated [month, day, year] issued by DHCS to the Sponsor (the “**Notice of Conditional Award Letter**”) attached to this Agreement as **Attachment K**; and
- 1.11 All other applicable law, including, but not limited to, California Labor Code statutes applicable to public works projects.

The Sponsor is solely responsible and liable for the Sponsor and the Sponsor’s subcontractors’ performance and compliance with this Agreement, the above-referenced Program Requirements, and all other local, state, and federal laws applicable to the Project.

## **ARTICLE 2.** **TERM**

2.1 This Agreement shall commence on the Effective Date and shall automatically expire concurrently with the expiration of the Prime Contract, on June 30, 2030 (the “**Expiration Date**”); unless, prior to the date of expiration of the Prime Contract, AHP shall assign, and DHCS shall accept, an assignment of AHP’s duties and obligations pursuant to this Agreement (the period from the Effective Date through the Expiration Date shall be referred to herein as the “**Term**”), unless earlier terminated by AHP or DHCS.

2.2 Upon the expiration of the Term, there shall be no extension or renewal of the Term of this Agreement, unless the Parties and DHCS otherwise agree in writing.

2.3 Notwithstanding the foregoing or anything to the contrary contained herein, AHP and/or DHCS shall have the termination rights as set forth in Article 9 and Article 10 of this Agreement.

## **ARTICLE 3.** **PROGRAM FUNDS**

The Sponsor has been awarded the Program Funds in the amount set forth in this Agreement to be used solely for the purposes set forth in this Agreement and as detailed in the SOW and for no other purposes. The Sponsor shall be responsible for any costs to complete the Project in excess of the Program Funds award amount. The Sponsor shall return any excess or remaining Program Funds to the State upon completion of the Project.

This Agreement is entered into, and the obligation to fund is made, based upon the appropriation and availability of funds from the Behavioral Health Infrastructure Fund as defined in and created pursuant to California Welfare & Institutions Code §5965.03. In the event that this appropriation is reduced subsequent to the Effective Date of this Agreement, AHP may, with written approval from DHCS, reduce the amount of Program Funds awarded to the Sponsor or cease to provide funding and pursuant to Section 10.1 of this Agreement, terminate the Agreement.

## **ARTICLE 4.** **CONDITIONS OF DISBURSEMENT**

AHP shall disburse the Program Funds to the Sponsor for the amount of any reasonable, actual, and documented Project specific fees and expenses incurred by the Sponsor on or after [Month/Day/Year], the date of the Notice of Conditional Award Letter, issued by DHCS to the Sponsor, upon satisfaction of the requirements described in Section 4.1 below.

Program Funds disbursed for real property acquisition shall be disbursed only upon satisfaction of the requirements in Section 4.1 and the additional requirements of Section 4.2 below.

Program Funds to be disbursed for construction costs, including for costs of demolition, shall be disbursed only upon satisfaction of the requirements of Section 4.1 and the additional requirements described in Section 4.3 below. For the avoidance of doubt, under this Agreement, “demolition” shall mean and refer to the dismantling, razing, destroying, or wrecking of any building or structure, or any part thereof.

Thereafter, Program Funds shall be disbursed to the Sponsor for costs incurred for the Project within thirty (30) days of receipt of a complete request for Program Funds, provided that the Sponsor submits its request no later than one hundred eighty (180) days from the date the Sponsor incurs the expense. Such request for Program Funds must be approved, and all requirements as set forth in this Article 4 must be satisfied in the sole discretion of AHP or its designee, and DHCS, as applicable.

Notwithstanding the foregoing, or any provisions in this Agreement to the contrary, any request for disbursement of Program Funds submitted after April 30th of any fiscal year ending June 30th may be subject to delayed review, processing, and disbursement, without liability to the Sponsor.

4.1 Requirements for Disbursement of Program Funds. No Program Funds shall be released to the Sponsor for any Project costs until the Sponsor submits, and AHP and DHCS approve, the documents described below, and any additional supporting information, as may be required:

- 4.1.1 a fully executed copy of this Agreement, including all Attachments;
- 4.1.2 the Sponsor’s request for Program Funds, with all required supporting documents appended thereto;
- 4.1.3 an executed copy of Certification No. 2, “Related Party & Related Party Transaction Disclosure”;
- 4.1.4 a completed Government Agency Taxpayer ID Form;
- 4.1.5 a projection model on the approved template provided to the Sponsor by AHP or DHCS presenting expected expenditures of Program Funds by fiscal year (“**Projection Model**”);
- 4.1.6 an authorizing resolution or set of authorizing resolutions that, in AHP’s reasonable determination, materially comports with the Program Requirements (if the Sponsor has not already submitted the same);
- 4.1.7 evidence in the form of account statements that the Sponsor has established a single-purpose individual development bank account (“**IDBA**”) for the purposes of receiving Program Funds and paying fees and expenses directly related

to the Project, as detailed in the Project budget attached as Schedule 1 to the SOW. The IDBA shall be a joint bank account in the name of the Sponsor and AHP, allowing AHP the ability to deposit funds and monitor fund disbursement. The joint account shall only allow withdrawals by the authorized Sponsor agent. Withdrawals shall not be authorized by AHP or its designee;

4.1.8 evidence in the form of account statements that any funds required to match the Program Funds pursuant to the RFA (“**Match Funds**”) have been deposited into the AHP-designated Match Funds bank account or in a segregated fund maintained by the Sponsor; or, in the event the Match Funds are an in-kind contribution, in lieu of cash, including real property upon which the Project is to be constructed or operated and/or the amount of any reasonable, actual, and documented Project specific fees and expenses incurred by the Sponsor no more than one (1) year prior to [Month/Day/year], the date of the Notice of Conditional Award (“**Sunk Costs**”), the value of such in-kind contribution has been approved by AHP or DHCS, as may be required;

4.1.8.1 AHP and DHCS reserve the right to withhold ten percent (10%) of total Program Funds (“**Withheld Funds**”) until such time as the Sponsor provides documents, in the form and substance acceptable to AHP or DHCS, verifying that the Sponsor expended its Match Funds or that the value of its in-kind contribution and/or Sunk Costs has been reviewed and approved by AHP or DHCS. If AHP or DHCS elects to exercise this right, AHP shall inform the Sponsor of that election in writing. AHP shall release the Withheld Funds only after the Sponsor provides documentation that adequately, as determined by DHCS, verifies that the Sponsor has expended its Match Funds or that the value of its in-kind contribution and/or Sunk Costs has been reviewed and approved by AHP or DHCS. ;

4.1.9 unless the Sponsor is acquiring real property for the construction or operation of the Project, in which event the Sponsor shall be subject to the requirements as described in Section 4.2.5.1, a copy of a recorded Regulatory Agreement and Declaration of Restrictions (“**Declaration of Restrictions**”) in the form attached to this Agreement as **Attachment H** that demonstrates that the Sponsor has recorded the Declaration of Restrictions against the real property upon which the Project is to be constructed or

operated; provided that, in the event that the Project is being constructed or operated on a leasehold interest, which lease must be for a term of not less than thirty (30) years, the Sponsor shall record the Declaration of Restrictions against the leasehold and the fee interest to the real property upon which the Project is to be constructed or operated;

4.1.10 intentionally omitted;

4.1.11 Evidence of insurance or self-insurance in the amounts and types sufficient to satisfy the requirements of Article 11 of this Agreement, subject to AHP approval, in its sole discretion;

4.1.12 certifications in the form attached as Attachment F required for the disbursements of Program Funds;

4.1.13 a current title report reflecting all existing liens, encumbrances, taxes owed, easements, covenants, or any other restrictions for the real property upon which the Project is to be constructed or operated. If the Sponsor's interest in the real property upon which the Project is to be constructed or operated is a leasehold, then the Sponsor shall provide a current title report for the leasehold interest and the fee interest.

4.1.14 a signed opinion letter from the Sponsor's legal counsel certifying that this Agreement, the Declaration of Restrictions, and the Program Requirements do not conflict with any existing contract, agreement, or other requirement applicable to the Sponsor, the property upon which the Project is to be constructed or operated, or the Project, and are otherwise enforceable against the Sponsor; and such opinion letter shall be in the form and substance acceptable to AHP, and DHCS, in their sole discretion; or a written confirmation letter certifying that the Sponsor has reviewed a current title report reflecting all existing liens, encumbrances, taxes owed, easements, covenants, or any other restrictions for the real property upon which the Project is to be constructed or operated; has received delegated authority from the Board of Supervisors for the County of {{ county }} to the Department(s) of {{ county\_department }} to accept Program Funds; comply with Program Requirements; and has determined there are no other deed restrictions, including restrictions of use of the Project; and such confirmation letter shall be in the form and substance acceptable to AHP, subject to DHCS's approval in its sole discretion; and

4.1.15 the Sponsor and DHCS have executed a Facility Access Agreement substantially in the form attached as **Attachment L** and the Facility Access Certification.

4.2 Requirements for Disbursement of Program Funds for Acquisition Costs. No Program Funds shall be released to the Sponsor for any Project costs related to the acquisition of real property until the Sponsor satisfies the requirements described in Section 4.1 above and the Sponsor submits, and AHP and DHCS approve, all documents described in this Section 4.2 and any additional information as may be required. Program Funds disbursed for acquisition of real property will be deposited directly into an escrow account opened by the Sponsor for the transfer of title of the real property with Old Republic Title Company, unless another title company is approved by AHP and DHCS:

4.2.1 a fully executed purchase and sale agreement or other agreement evidencing the Sponsor's right to acquire the property upon which the Project is to be constructed or operated;

4.2.2 a written appraisal report setting forth an opinion of fair market value of the real property upon which the Project is to be constructed or operated prepared by a certified general appraiser licensed in the State of California ("**Certified Appraisal Report**"), which shall be in a form and substance acceptable to AHP and DHCS;

4.2.3 intentionally omitted;

4.2.4 evidence of any additional funds necessary for the Sponsor to acquire the property upon which the Project is to be constructed if the Program Funds are not providing the full amount of the acquisition costs;

4.2.5 signed escrow instructions, approved by AHP or DHCS, providing for the following:

4.2.5.1 a Declaration of Restrictions in the form attached to this Agreement as **Attachment H** shall be recorded at the close of escrow against the real property upon which the Project is to be constructed or operated; and

4.2.5.2 intentionally omitted.

4.2.6 completion of Certification No. 8 included as part of Attachment F shall be submitted to evidence the Sponsor's performance of required due diligence; and

4.2.7 certifications in the form of Attachment F, required for the disbursements of Program Funds.



4.3 Requirements for Disbursement of Program Funds for Construction Costs. No Program Funds shall be released to the Sponsor for Project costs related to construction or demolition on the Project until the Sponsor satisfies the requirements described in Section 4.1 above and the Sponsor submits, and AHP and DHCS approve, all documents described below, and any additional information, as may be required.

- 4.3.1 the Sponsor Certification No. 1, in the form attached as Attachment F, and the Sponsor's General Contractor's Certification No. 12, certifying compliance with requirements related to public works projects pursuant to California Labor Code section 1720 *et seq.*, as well as all applicable federal labor and wage laws;
- 4.3.2 plans and specifications for the construction work approved by AHP, as identified by the completion of Certifications Nos. 9 and 10 no later than six (6) months from the Effective Date;
- 4.3.3 a construction contract, as identified by the completion of Certification No. 11, based on a permitted set of construction plans with a licensed general contractor for an amount consistent with the construction costs in the approved Project budget incorporated into the SOW as Schedule 1 that incorporates the requirements of this Agreement, including, but not limited to, the prevailing wage requirements, and contains the Construction Contract Addendum in the form attached as **Attachment I**;
- 4.3.4 copies of labor and material bonds and performance bonds for the construction work in an amount equal to one hundred percent (100%) of the cost of construction, naming AHP and DHCS as co-obligees on the bonds;
- 4.3.5 a written request for Program Funds on a form approved by AHP, providing sufficient detail and with sufficient supporting documentation to permit AHP or its designee to confirm that the request is consistent with the terms of this Agreement and the Project budget;
- 4.3.6 when a disbursement is requested to pay any contractor in connection with the construction work, the written request must be accompanied by (a) certification by the Sponsor's architect or project manager that the work for which disbursement is requested has been completed (although AHP reserves the right to inspect or have its designee inspect the Project and make an independent evaluation) and (b) lien releases and/or mechanics lien title insurance endorsements reasonably acceptable to AHP; and
- 4.3.7 certifications in the form of Attachment F required for the disbursements of Program Funds.

- 4.4 Disbursements for Pre-construction Expenses. Notwithstanding anything to the contrary stated in this Article 4, or otherwise in this Agreement, Program Funds may be released to the Sponsor for certain pre-construction Project costs, subject to approval by AHP, its designee, or DHCS in its sole discretion; provided that the Sponsor has: (i) satisfied the requirements set forth in subsections 4.1.1, 4.1.2, 4.1.3, 4.1.4, 4.1.5, 4.1.6, 4.1.7, 4.1.8, 4.1.11, 4.1.12, 4.1.14, and 4.1.15; (ii) the Project budget includes pre-construction expenses; and (iii) the planning and pre-construction phase of Project development shall be completed within ninety (90) days of the Effective Date.
- 4.5 Monthly Submittal of Projection Model. The Sponsor shall continue to review, update, and resubmit to AHP no later than the \_\_ day of each month, its Projection Model forecasting anticipated Project expenses by fiscal year.

**ARTICLE 5.**  
**CONSTRUCTION PROJECTS/NOTICE TO PROCEED**

In the event that Program Funds are used for the performance of construction or demolition on the Project, the Sponsor shall submit an updated budget and schedule to AHP and DHCS for its approval prior to the Sponsor's issuance of a notice to proceed to its general contractor. The updated budget and schedule shall be consistent with the final plans and specifications for the Project. The Sponsor shall not issue a notice to proceed to its general contractor until AHP and DHCS have approved the updated budget and schedule. AHP or DHCS shall use reasonable efforts to review and provide feedback on the updated budget within seven (7) business days. Notwithstanding the foregoing, AHP or DHCS may extend the period of review and feedback, with notice to the Sponsor, for an additional thirty (30) days without any liability to the Sponsor.

**ARTICLE 6.**  
**PERFORMANCE**

The Sponsor shall comply with the schedule set forth in the Performance Milestones in Attachment G and shall provide each Certification contained in Attachment F when requested. The Sponsor shall provide regular progress reports to AHP but in all events at least once every thirty (30) days, including its progress toward meeting the Performance Milestones. The Project shall not be considered complete until the submission of either Certification No. 16 or Certification No. 17, as applicable, and Certification No. 18. The Sponsor may apply to AHP for an extension of any Performance Milestones or an extension to submit any required Certification, which AHP may approve, provided that the Sponsor has made a showing of good cause for such an extension and provided acceptable assurances for timely completion of the remaining Performance Milestones as determined by AHP. Any extension granted by AHP shall not be effective unless granted in writing, and such writing shall be considered an amendment to this Agreement and incorporated herein. In all events, all Program Funds must be obligated and expended by June 30, 2030.

FAILURE TO SATISFY ANY ONE OF THE CERTIFICATIONS AND/OR PERFORMANCE MILESTONES (UNLESS SUCH PERFORMANCE MILESTONE IS EXTENDED OR WAIVED IN WRITING BY DHCS) SHALL CONSTITUTE A BREACH OF THIS AGREEMENT AND ENTITLE AHP TO MANDATE THE SPONSOR TO RETURN TO THE STATE OF CALIFORNIA ANY PROGRAM FUNDS DISBURSED; IN ANY SUCH INSTANCE, AHP MAY, ONLY WITH DHCS APPROVAL, ALSO CANCEL THIS

AGREEMENT WITHOUT OWING ANY DAMAGES OR OTHER PAYMENT TO THE SPONSOR.

**ARTICLE 7.**  
**FISCAL ADMINISTRATION**

7.1 Disbursements of Program Funds to the Sponsor by AHP shall be deposited in the Sponsor's IDBA account unless such funds are to be used for acquisition of the property upon which the Project is to be constructed or operated, in which event the Program Funds shall be deposited directly into an escrow account established with a title company for the purposes of acquisition of the property upon which the Project is to be constructed or operated. All interest earned from the deposit of Program Funds shall be used by the Sponsor for eligible Program administrative activities; however, any such use shall not exceed Five Hundred Dollars (\$500.00) per year. Program Funds shall be segregated from the Sponsor's other funds and shall only be disbursed from the IDBA account for eligible Program Funds costs.

7.2 AHP has approved the Sponsor's budget for the Project incorporated in the SOW at Attachment D, as such budget may be updated prior to issuance of a notice to proceed to the general contractor in accordance with Article 5. The Sponsor may adjust line items in the budget, including drawing upon any contingency amounts listed in the budget, only with the prior written approval from AHP and DHCS, provided that such adjustments do not increase the overall budget amount. If, upon completion of a particular phase or segment of the Project, the Program Funds allocated to that segment or phase have not been fully expended, the Program Funds allocated to Sponsor for such segment of the Project shall remain available to the Sponsor for disbursement for subsequent segments of the Project; provided, however, in no event shall the total amount of the Program Funds available to the Sponsor exceed the amount set forth in this Agreement without a written amendment to this Agreement signed by both Parties and approved by DHCS.

7.3 The Sponsor shall notify AHP in a timely manner of any changes in the work required to be performed under this Agreement, including any additions, changes, or deletions to the plans and specifications approved by AHP. The Sponsor shall provide prior notice to AHP of any written change order before any of the following changes, additions, or deletions in work for the Project may be performed: (1) any change in the work the cost of which exceeds One Hundred Thousand Dollars (\$100,000); or (2) any set of changes in the work the cost of which cumulatively exceeds One Hundred Thousand Dollars (\$100,000); or (3) any material change in building materials or equipment, specifications, or the structural or architectural design or appearance of the Project as provided for in the plans and specifications approved by AHP; or (4) any changes in the schedule that will extend the completion date. Notice of any additions, changes, or deletions to the work shall not relieve or release the Sponsor from any other obligations under this Agreement or relieve or release the Sponsor or its surety from any surety bond.

7.4 The Sponsor shall provide AHP with an updated budget and schedule for the Project when fifty percent (50%) completion of construction work is achieved that shows all changes in costs and schedule from the budget and schedule provided to AHP prior to issuance of the Notice to Proceed.

7.5 Any Program Funds that have not been expended by the expiration of the Period of Performance set forth in the Summary Cover Sheet and the Attached Performance Milestones must be returned to DHCS with any accrued interest in excess of Five Hundred Dollars (\$500.00) per year, which may be used pursuant to Section 7.1 for administrative activities. Returned Program

Funds shall be paid as directed by AHP or DHCS, no later than thirty (30) calendar days after the expiration of the applicable Period of Performance.

**ARTICLE 8.**  
**CHANGES TO STATEMENT OF WORK**

8.1 The Sponsor shall not, without the prior written approval of DHCS, change either of the following: (i) the behavioral health purpose of the Project; or (ii) the population to be served by the Project, the foregoing, each, as described in (x) the Sponsor's Application, and (y) the SOW. The Sponsor shall consider, and as part of its review of the Sponsor's change request, DHCS shall ensure, that any requested change to the purpose of the Project or the population to be served by the Project is tailored to provide behavioral health treatment that will meet community needs identified by local stakeholders, including the county board of supervisors, the county behavioral health director, providers of behavioral health services, and individuals who have or have had a mental health disorder or substance use disorder. DHCS shall approve or deny the Sponsor's request for change within thirty (30) days of DHCS' receipt of the request. DHCS's decision to disapprove a request to change the Sponsor's SOW is fact-specific, and the decision shall be final and not subject to further review. The Sponsor shall submit to AHP, with a copy to DHCS, its written request to change either (i) the behavioral health purpose of the Project; or (ii) the population to be served by the Project, which shall include a detailed description of the following criteria:

- 8.1.1 the changes to the services or the Project that the Sponsor is requesting to make;
- 8.1.2 a detailed explanation of why the change is necessary and justification for how the change in the Project meets the changing behavioral health needs of the county or geographic area that the Project serves;
- 8.1.3 the behavioral health population, services, and needs that the Sponsor's change will meet;
- 8.1.4 an attestation that the Sponsor will serve the same percentage (or more) of Medi-Cal beneficiaries as originally stated in the Sponsor's Application;
- 8.1.5 anticipated additional costs of changes to the Project, including a financial plan for meeting additional costs; and
- 8.1.6 any other information requested by AHP or DHCS to evaluate the Sponsor's request.

Any changes to the SOW approved by DHCS shall be provided to AHP and set forth as an amendment to this Agreement as required by Section 20.10 of this Agreement. DHCS shall approve or deny the Sponsor's request for change within thirty (30) days of DHCS' receipt of the request.

8.2 The Sponsor is solely liable and responsible for any increases in costs that exceed the Program Funds. In no event shall AHP or DHCS be responsible for any costs that exceed the Program Funds amount awarded for the Project. In the event that Project costs exceed the funds

that the Sponsor has available to pay such costs, the Sponsor shall within thirty (30) days of such occurrence provide for notice to AHP of the financial plan for meeting such additional costs. A financial plan for meeting additional costs may include the Sponsor providing additional funds for the Project or the Sponsor incurring additional debt. A preliminary financial plan may be submitted to AHP in the form of a written confirmation that the Sponsor or designee shall request approval from the Board of Supervisors regarding the use of additional funds necessary to complete the Project. The Sponsor shall provide to AHP written confirmation of such Board of Supervisor approval within thirty (30) days of its submittal to AHP of its preliminary financial plan.

**ARTICLE 9.**  
**DEFAULT AND REMEDIES**

9.1 Event of Default. Any of the following shall, after written notice by AHP or DHCS and expiration of any applicable cure period, constitute an “**Event of Default**” under this Agreement:

- 9.1.1 The Sponsor’s failure to satisfy the conditions precedent to disbursement of Program Funds, as set forth in Article 4 above, or to expend Program Funds pursuant to the terms of this Agreement;
- 9.1.2 The Sponsor’s failure to timely satisfy each or any of the conditions set forth in this Agreement or the Notice of Conditional Award Letter;
- 9.1.3 The Sponsor’s violation of any of the Program Requirements; and
- 9.1.4 AHP’s or DHCS’s determination of the following:
  - 9.1.4.1 the Sponsor has concealed any material fact from AHP or DHCS related to the Sponsor, the Application, the property upon which the Project is to be constructed or operated, or the Project; or
  - 9.1.4.2 any material fact or representation, made or furnished to AHP or DHCS by the Sponsor in connection with the Application, the Notice of Conditional Award Letter, or this Agreement which shall have been untrue or misleading at the time that such fact or representation was made known to AHP, or subsequently becomes untrue or misleading at the Sponsor’s fault; or
  - 9.1.4.3 any Certification provided by the Sponsor is determined to be untrue or misleading; or
  - 9.1.4.4 any objectives or requirements of the Program cannot be met in accordance with this Agreement or within applicable timeframes, as memorialized by this Agreement.

9.2 Right to Cure. If the breach, violation, or default pursuant to Section 9.1 is not cured to AHP's and DHCS's satisfaction, as determined by AHP, subject to DHCS's approval in its sole and absolute discretion, within **thirty (30) days** of notice to the Sponsor, provided in accordance with the notice requirements of this Agreement, then AHP, subject to DHCS's approval, may declare an Event of Default under this Agreement.

9.2.1 Notwithstanding the foregoing, the Sponsor may request additional time to cure any Event of Default. AHP may, but shall not be required to, grant any such request, which request shall be subject to DHCS's approval. AHP's approval of the Sponsor's request for additional time to cure shall be subject to the Sponsor's continuing and diligent efforts to cure, and any additional cure period provided to the Sponsor shall be reasonable, as determined by AHP, subject to DHCS's approval in its sole discretion. In no event shall any extension of the cure period exceed thirty (30) days. For the avoidance of doubt, any extension of the cure period shall be granted in writing by AHP, subject to DHCS's approval in its sole discretion.

9.3 AHP/State/DHCS Remedies. Upon the occurrence of an Event of Default, AHP and/or DHCS may take any and all actions or remedies that are available under this Agreement, in law, or equity, including, but not limited to, the following:

9.3.1 temporarily withhold disbursement of Program Funds pending correction of the noncompliance, breach, violation, or default;

9.3.2 disallow use of Program Funds for all or part of the costs resulting from the noncompliance, breach, violation, or default;

9.3.3 wholly or partly suspend or terminate this Agreement and the Sponsor's award of Program Funds, or disbursements thereof (any such suspension or termination of this Agreement or the Sponsor's award of Program Funds shall be effective upon the Sponsor's receipt of AHP or DHCS notice of termination or suspension);

9.3.4 withhold or deny further Program Funds or awards to the Sponsor;

9.3.5 require the Sponsor to return all or part of any Program Funds, including any interest earned thereon;

9.3.6 intentionally omitted;

9.3.7 any and all remedies under the Declaration of Restrictions;

9.3.8 specific performance;

- 9.3.9 injunctive relief;
- 9.3.10 recovery and completion of the Project pursuant to the payment and performance bonds; and
- 9.3.11 any and all other remedies allowed by law or available in equity.

**ARTICLE 10.**  
**TERMINATION**

10.1 AHP and/or DHCS shall have the right, each in its sole discretion and without prejudice to any other rights and remedies it may have under applicable law, to terminate this Agreement effective immediately upon written notice of such termination to the Sponsor if (i) an Event of Default is declared by AHP or DHCS; (ii) three (3) breaches, violations, or defaults by the Sponsor of the terms and conditions of this Agreement (whether the same or different) occur within any twelve-month period, so long as such breaches, violations, or defaults are caused by the Sponsor's negligence or willful misconduct, and regardless of whether any or all such breaches, violations, or defaults are timely corrected; (iii) the Sponsor files a petition in bankruptcy or is adjudicated by a court of competent jurisdiction to be bankrupt or insolvent, or makes an assignment for the benefit of creditors or an arrangement pursuant to any bankruptcy law, or the Sponsor discontinues or dissolves its business, or a receiver is appointed for the Sponsor or the Sponsor's business; (iv) any lender to the Sponsor declares a default under its loan agreement, or funds available to the Sponsor from any lender become unavailable such that the Sponsor is unable to timely satisfy obligations under this Agreement; (v) the Sponsor's failure to provide AHP or DHCS with adequate assurances within a reasonable time that the Sponsor is financially solvent, or AHP or DHCS determines that the Sponsor is financially insecure; or (vi) Bond BHCIP Funds necessary to complete the Project are no longer available based upon a reduction in the appropriation or availability of funds from the Behavioral Health Infrastructure Fund as defined in and created pursuant to California Welfare & Institutions Code §5965.03.

10.2 Notwithstanding the foregoing, or anything to the contrary stated herein, AHP may terminate this Agreement upon thirty (30) days' written notice if the Prime Contract is terminated by DHCS, or if AHP is directed by DHCS to terminate this Agreement.

10.3 Upon termination of this Agreement for any reason, neither AHP nor DHCS shall be liable for any work that is not performed in accordance with the Agreement. Neither AHP nor DHCS shall be responsible for any disbursement of Program Funds after the effective date of termination of this Agreement unless: (1) the Sponsor submitted to AHP, or its designee, a complete draw request for disbursement of a specific amount of Program Funds prior to the effective date of termination of this Agreement; and (2) AHP, or its designee, determines that the request is for expenses consistent with the terms of this Agreement and the Project budget. Notwithstanding the foregoing, neither AHP nor DHCS shall be responsible for any disbursement of Program Funds requested by the Sponsor after the effective date of termination of this Agreement based upon the occurrence of an Event of Default. Upon any termination, neither AHP nor DHCS shall be responsible for any damages to the Sponsor as a result of such termination.

**ARTICLE 11.**  
**INSURANCE**

11.1 **Insurance Requirements.** The Sponsor shall continuously maintain for the duration of this Agreement, and so long as the Declaration of Restrictions is in place, the following insurance or self-insurance at, or in excess of, the limits detailed below:

11.1.1 Builder's risk insurance, including a permission to occupy endorsement during the course of construction, and upon completion of construction, if the Project is new construction, property insurance, covering all risks of loss, excluding earthquake, flood, or other risks customarily excluded from "All-Risks" coverage, in an amount equal to full replacement cost of the Project, including all improvements, fixtures, furnishings, and equipment thereon at the time of loss.

11.1.2 If the Project is rehabilitation of an existing facility, property insurance covering all risks of loss, excluding earthquake, flood, or other risks customarily excluded from "All-Risks" coverage, in an amount equal to the full replacement costs of all improvements located on the property upon which the Project is to be constructed, including all improvements, fixtures, furnishings, and equipment thereon at the time of loss. Upon completion of the rehabilitation, any property insurance policy shall be updated to reflect the increased replacement costs resulting from the rehabilitation.

11.1.3 Workers' compensation insurance as required by the State.

11.1.4 Comprehensive automobile and vehicle liability insurance covering claims for injuries to members of the public and/or damages to property of others arising from use of motor vehicles, including on-site and off-site operations and owned, non-owned, or hired vehicles, with One Million Dollars (\$1,000,000) combined single limits.

11.1.5 Commercial general liability insurance of not less than One Million Dollars (\$1,000,000) per occurrence with an annual aggregate limit of Five Million Dollars (\$5,000,000) for bodily injury and property damage liability combined. The Sponsor's required limits may be satisfied through a combination of general liability and umbrella or excess liability policies of coverage. The commercial general liability insurance policy shall cover liabilities arising out of premises, independent contractors, products, completed operations, ongoing operations, personal and advertising injury, and liability assumed under an insured agreement. The commercial general liability insurance shall apply to each insured against whom claim is made or suit is brought subject to the Sponsor's limit of liability. If the scope of



services involves one on one activities with minors, such policy shall include or not exclude sexual assault and misconduct coverage.

- 11.2 Third-Party Insurance Policy Requirements. If the Sponsor elects to obtain third-party insurance, all policies, except Workers' Compensation, shall be endorsed to name AHP and the "State Department of Health Care Services on behalf of the State (Agreement No.: XX-XXXX)" as additional insureds on such third-party insurance with respect to the work to be performed by the Sponsor. The endorsements and policies will provide that the insurer waives its rights of subrogation, and the insurer will provide notice to AHP in writing at least thirty (30) days prior to any cancellation, material change in coverage, or intent not to renew such insurance coverage. All such insurance must be primary and non-contributory and required to respond and pay prior to any other insurance or self-insurance available.
- 11.3 Contractor Insurance Requirements. The Sponsor shall require its general contractor and its subcontractors to provide insurance in the amounts and form set forth above during the course of construction (except the general contractor shall not be required to maintain Builder's Risk insurance or property insurance) and to name AHP and the "State Department of Health Care Services on behalf of the State (Agreement No.: XXXX)" as additional insureds on all such insurance during the course of construction.
- 11.4 Evidence of Self-Insurance. If the Sponsor elects to maintain self-insurance, upon AHP's request, the Sponsor shall immediately deposit with AHP a letter, signed by an authorized Sponsor representative, certifying that the Sponsor maintains self-insurance consistent with the above requirements. The Sponsor shall certify its self-insurance maximum coverage amounts for each of the items above and whether they have individually self-insured or if they pooled self-insurance with other public entities through a joint powers agreement. Self-insurance maximum coverage amounts shall meet or exceed the minimum coverage amounts listed for each item above. Upon AHP's request, the Sponsor shall also provide to AHP the Department of Industrial Relations' certificate of consent for the county to self-insure against workers' compensation claims. The Sponsor shall maintain self-insurance consistent with the requirements set forth above at all times during the term of the Agreement and the term of the Declaration of Restrictions. Notwithstanding the expiration of this Agreement, the Sponsor shall provide to DHCS a new certificate of insurance evidencing its third-party insurance, or a new letter certifying its compliance with the self-insurance coverage, as provided herein, for a period not less than thirty (30) years from the date of either of the following: (i) the date of issuance of a Certificate of Occupancy, or (ii) the date of

recordation of a Notice of Completion, in the official records of the county where the Project is located.

- 11.5 Insurance Indemnification. The Sponsor shall indemnify, defend, and hold harmless AHP and DHCS against any and all liabilities to third persons and other losses (not compensated by insurance or otherwise) and for any other costs and expenses incurred, including reasonable attorneys' fees, judgments, settlements, or penalties, as a result of any claim or liability resulting from the failure of the Sponsor (or its lower-tier subcontractors or consultants) to maintain the insurance policies required by this Article.
- 11.6 Insurance Premiums. Neither AHP nor DHCS shall be responsible for any premiums, deductibles, or assessments on any insurance policy referred to in this Agreement.
- 11.7 Survival. The requirements to provide insurance in this Article 11 shall survive termination of this Agreement.

## **ARTICLE 12.** **OPERATIONS**

The Sponsor agrees that, in consideration of the receipt of Program Funds pursuant to the terms of this Agreement, the Sponsor shall enter into, as required by this Agreement, the Declaration of Restrictions, to be recorded against the property upon which the Project is to be constructed or operated, in a form substantially similar as attached hereto and incorporated herein by this reference as **Attachment H**. The Declaration of Restrictions shall by its terms restrict the development, use, and occupancy of the Project for the term of thirty (30) years, from either the date of the issuance of a Certificate of Occupancy or the recordation of a Notice of Completion in the official records of the county in which the Project is located. In addition to any requirements in the Declaration of Restrictions, the Sponsor shall comply with all applicable state, federal, and local health and safety laws and ordinances with respect to the operation and maintenance of the Project. The facility or facilities financed pursuant to this Agreement shall accept and provide services to Medi-Cal beneficiaries as patients. If the Sponsor transfers title to the Project, the Sponsor shall ensure and guarantee that the requirements of this provision transfer and bind the Sponsor's successor in title. These rights and obligations shall survive the expiration or early termination of this Agreement and are covenants running with the Project pursuant to the Declaration of Restrictions in the form of **Attachment H** to be recorded against the Project. During the Term of this Agreement and the term of the Declaration of Restrictions, the Sponsor shall execute such other documents as required by DHCS to comply with the Program Requirements, including deed restrictions, covenants, and conditions recorded against the Project.

## **ARTICLE 13.** **POLICIES AND LEGAL AUTHORITIES**

13.1 The Sponsor shall comply with:

- 13.1.1 All California and federal law, regulations, and published guidelines, to the extent that these authorities contain requirements applicable to the Sponsor's performance under this Agreement,

including any applicable licensing and health and safety requirements.

13.1.2 AB 133, including any subsequent amendments to the statutes contained therein;

13.1.3 AB 531, including any subsequent amendment to the statutes contained therein;

13.1.4 California Welfare and Institutions Code Division 5, Part 7, Chapter 1, including any subsequent amendment to the statutes contained therein and any related DHCS guidance, regulations, and/or subsequent additions or amendments thereto.

13.1.5 The State Behavioral Health Infrastructure Bond Act of 2024 (California Welfare and Institutions Code Division 5, Part 7, Chapter 4) including any subsequent amendment to the statutes contained therein;

13.1.6 The State General Obligation Bond Law (Chapter 4 (commencing with section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), including any subsequent amendments to the statutes contained therein, with the exception of subdivisions (a) and (b) of section 16727 of the Government Code; and

13.1.7 All California State Treasurer's Office, California Department of Finance, and Internal Revenue Service statutes, regulations, and sub-regulatory guidance applicable to bond funded programs.

13.2 In the event the Sponsor does not comply with the terms of this Article 13, AHP shall give notice in accordance with Section 20.7 and shall have all rights set forth in Article 9 and Article 10.

#### **ARTICLE 14.** **INDEMNIFICATION**

14.1 The Sponsor shall indemnify, defend, and hold harmless AHP, its directors, officers, employees, consultants, and agents and DHCS, its officers, employees, and agents against liabilities to third persons and other losses (not compensated by insurance or otherwise) and for any costs and expenses incurred by AHP and DHCS, including judgments, settlements, or penalties, against all liabilities, claims, suits, demands, or liens for damages to persons or property ("**Claims**") (unless such Claims arise from the gross negligence or willful misconduct of AHP, or DHCS) arising out of, resulting from, or relating to, the Sponsor's performance under this Agreement, and including, but not limited to, the following:

14.1.1 any act, omission, or statement of the Sponsor, or any person employed by or engaged under contract with the Sponsor, that results in injury (including death), loss, or damage to any person or property;

- 14.1.2 any failure on the part of the Sponsor to comply with applicable Program Requirements and requirements of law;
- 14.1.3 any failure to maintain the insurance policies required by this Agreement or the work performed, inclusive of intellectual property infringement, if applicable, under this Agreement. Insurance coverage that may be required shall in no way lessen or limit the liability of the Sponsor under the terms of this obligation;
- 14.1.4 any failure on the part of the Sponsor to satisfy all claims for labor, equipment, materials, and other obligations relating to the performance of the work hereunder;
- 14.1.5 any injury to property or person occurring on or about the Project or the property of the Sponsor; or
- 14.1.6 any claims related to the use, generation, storage, release, threatened release, discharge, disposal, or presence of hazardous materials on, under, or about the property upon which the Project is to be constructed or located.

14.2 The Sponsor shall indemnify AHP and DHCS under this clause for any of the above acts attributable to its employees, consultants, agents, and/or lower-tier subcontractors engaged in performance of the work under this Agreement. AHP or DHCS shall provide timely notice of any Claim, describing in reasonable detail such facts and circumstances with respect to such Claim. The Sponsor shall defend AHP and DHCS with counsel reasonably acceptable to AHP and DHCS. AHP and DHCS, each, may, at its option and own expense, engage separate counsel to advise them regarding the Claim and its defense. Such counsel may attend all proceedings. The Sponsor shall not settle any Claim without the consent of AHP and DHCS, if the settlement impacts either of their interests. If the settlement does not impact either AHP's or DHCS' interests, the Sponsor shall provide AHP and DHCS with notice of the settlement within seven (7) days.

14.3 The Sponsor agrees to indemnify, defend and save harmless AHP and its directors, officers, employees, consultants, and agents and DHCS and its officers, employees, consultants, and agents from any and all claims, costs (including, but not limited to all expenses incurred in investigating, preparing, serving as a witness in, or defending against any such claim, action, or proceeding, commenced or threatened), and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm, or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by the Sponsor in the performance of this Agreement.

14.4 This indemnification shall survive the expiration or termination of the Agreement.

#### **ARTICLE 15.** **PREVAILING WAGE**

Any construction work that is part of the Project is subject to state and federal prevailing wage law, including California Labor Code section 1720 *et seq.* The Sponsor is urged to seek professional legal advice about prevailing wage law requirements and the Sponsor's obligations

thereunder. Prior to disbursing the Program Funds, the Sponsor must sign Certification No. 1 and the Sponsor's general contractor must sign Certification No. 12, certifying compliance with California's prevailing wage law and all applicable wage and hours laws. The Sponsor shall also comply with any other labor requirements applicable to the Project as a result of other funding sources or regulatory requirements.

#### **ARTICLE 16.** **ENVIRONMENTAL CONDITIONS**

The Sponsor shall provide a Phase I Environmental Site Assessment ("ESA") for the Project, in conformance with ASTM Standard Practice E 1527, evaluating whether the Project is affected by any recognized environmental conditions. If the Phase I ESA discloses evidence of recognized environmental conditions and the Sponsor desires to proceed with the Project, the Sponsor shall provide AHP with a Phase II report and any additional reports as required by AHP and in a form acceptable to AHP. The Sponsor shall also provide an asbestos assessment and a lead-based paint report for AHP's approval if the Project involves rehabilitation or demolition of existing improvements. Prior to disbursement of Program Funds for real property acquisition, AHP shall require the Sponsor to sign Certification No. 8, certifying that all recommendations of the Phase I or Phase II ESA have been complied with or shall be complied with prior to commencement of construction. Prior to disbursement of Program Funds for any rehabilitation work, AHP shall require the Sponsor to sign Certification No. 8, certifying that all asbestos and/or lead-based paint has been abated or shall be abated prior to or during the performance of any such rehabilitation work.

#### **ARTICLE 17.** **RELOCATION**

The Sponsor must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. section 4601 *et seq.*), the California Relocation Assistance Law (California Government Code section 7260 *et seq.*), and their implementing regulations (collectively, the "Relocation Laws") if the Project will result in the displacement, as that term is defined in the Relocation Laws, of any persons, businesses, or farm operations. Pursuant to the Relocation Laws, the Sponsor must have a relocation plan prior to proceeding with any phase of a Project or other activity that will result in the displacement of persons, businesses, or farm operations. The Sponsor shall provide any required notices and relocation benefits in accordance with the Relocation Laws. The Sponsor shall provide AHP with Certification No. 8, certifying that all applicable Relocation Laws have been complied with.

#### **ARTICLE 18.** **INSPECTIONS, AUDITS, AND RECORD RETENTION**

18.1 AHP or any of its authorized representatives shall have the right to access any documents, papers, or other records of the Sponsor which are pertinent to the Program Funds, in the format requested by AHP and DHCS, for the purpose of performing audits, examinations, and/or review regarding compliance with the provisions of this Agreement and the Program Requirements. Such monitoring activities shall include, but are not limited to, inspection of the Sponsor's books and records, in addition to site inspections, as AHP or DHCS deems appropriate.

18.2 AHP or DHCS may perform compliance reviews, review procedures and documents pertaining to the SOW and other elements of this Agreement, perform on-site visits,

and desk reviews in order to ensure the Sponsor's compliance with this Agreement, as well as to protect against fraud, waste, and abuse.

18.3 The right to access records, in the format requested by AHP and DHCS, also includes timely and reasonable access to the Sponsor's personnel for the purpose of interview and discussion related to the requested documents and/or information. Notwithstanding the foregoing, AHP shall use reasonable efforts to not disrupt the Sponsor's business operations when accessing records or personnel

18.4 The right to access records, in the format requested by AHP and DHCS, is not limited to the required retention period but lasts as long as the records are retained by the Sponsor.

18.5 The Sponsor shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Project and the Program Funds for a minimum of 48 years from the date of final payment under this Agreement, and in compliance with the July 2, 2008 General Obligation Bond Record Retention Memorandum from the California State Treasury Office, 26 C.F.R. §1.148-5(d)(6)(iii)(E), Section 7 of Attachment A of this Agreement, and all applicable Internal Revenue Service statutes, regulations, and guidance.

18.5.1 The Sponsor shall maintain the list of documents as listed in Appendix V of the Department of Finance's "Bond Accountability and Audits" guide document. The list of documents is not exhaustive and additional documents may be requested by AHP or DHCS.

View this publication at the following:

[https://dof.ca.gov/wpcontent/uploads/sites/352/Programs/OSAE/Bond\\_Accountability\\_and\\_Audits.pdf](https://dof.ca.gov/wpcontent/uploads/sites/352/Programs/OSAE/Bond_Accountability_and_Audits.pdf)

18.6 The Parties recognize and acknowledge that DHCS and the Sponsor are public entities subject to the Public Records Act and information exchanged may be subject to public disclosure and the Parties have no right to assume that such information shall be kept confidential.

18.7 Any review or inspection undertaken by AHP or its designee with reference to the Project is solely for the purpose of determining whether the Sponsor is properly discharging its obligations to DHCS and should not be relied upon by the Sponsor or by any third parties as a warranty or representation by AHP or DHCS as to the quality of the design or construction of the Project.

18.8 The Sponsor agrees that claims based upon an audit finding, that is appealed and upheld, shall be recovered by AHP by one of the following options:

18.8.1 the Sponsor's remittance to AHP of the full amount of the audit exception within thirty (30) days of the date the audit finding is upheld; or

18.8.2 a repayment schedule which is agreeable to both AHP and the Sponsor.

AHP reserves the right to select which option described above shall be employed, and AHP shall notify the Sponsor in writing of the claim procedure to be utilized. Interest on the unpaid balance

of the audit finding or debt shall accrue at a rate equal to the maximum allowed by applicable law in the State of California for any such other audit findings.

18.9 The Sponsor shall provide to AHP an executed Facility Access Certification, "Execution of Facility Access Agreement with State of California, Department of Health Care Services," in connection with DHCS's right to inspect, audit, and review the Sponsor's compliance with this Agreement and the Program Requirements within forty-five (45) days of the Sponsor's receipt of the Agreement with DHCS.

**ARTICLE 19.**  
**THIRD-PARTY BENEFICIARIES**

The State, represented by DHCS in this Agreement, is a third-party beneficiary of this Agreement. The Agreement shall not be construed so as to give any other person or entity, other than the Parties and DHCS, any legal or equitable claim or right. DHCS or another authorized department or agency representing the State may enforce any provision of this Agreement to the full extent permitted in law or equity as a third-party beneficiary of this Agreement. The State may take any and all remedies available in law or equity. In the event of litigation, the State may choose to seek any type of damages available in law or equity, up to the full amount of Program Funds awarded to the Sponsor.

**ARTICLE 20.**  
**MISCELLANEOUS**

20.1 Dispute Resolution.

20.1.1 In the event of a dispute, the Parties shall first try to resolve the dispute by escalating it to higher levels of management to negotiate in good faith. If negotiations are unsuccessful, any controversy, dispute, or disagreement arising out of or relating to this Agreement, its breach, or its subject matter shall be conducted in a court of competent jurisdiction in {{ county }} County, California. Any Party bringing an action must comply with all applicable laws relating to claims against public entities, including the time limitations and manner of claim presentation prescribed by Chapter 2, commencing with section 910 of Part 3 (Claims Against Public Entities) of Division 3.6 of Title 1 of the California Government Claims Act.

20.1.2 The Sponsor shall be obligated to continue to perform pursuant to this Agreement while any dispute is pending.

20.1.3 Dispute Resolution provisions do not apply to the State.

20.2 Intentionally Omitted.

20.3 Waiver. AHP's failure to notify the Sponsor of a breach or to insist on strict performance of any provision of this Agreement shall not constitute waiver of such breach or provision.

20.4 Remedies. No remedy in this Agreement is exclusive of any other remedy available under this Agreement, in law or equity. AHP or DHCS may seek equitable relief, including an injunction, against the Sponsor in connection with any breach or threatened breach of this Agreement.

20.5 Limitation of Liability. Except as otherwise provided in this Agreement, or by applicable law, the Sponsor waives any right to seek, and AHP and DHCS shall not be liable for, any special, consequential, or punitive damages; indirect or incidental damages; or for any loss of goodwill, profits, data, or loss of use arising out of, resulting from, or in any way connected with the performance or breach of this Agreement, even if the Sponsor advises AHP or DHCS of the possibility of any such damages.

20.6 Relationship. The Sponsor is an independent contractor with respect to AHP. This Agreement is not intended to create a partnership, joint venture, employment, or fiduciary relationship between the Parties or between any Party hereto and DHCS.

20.7 Notices. Notices under this Agreement must be (i) in writing and by email, (ii) addressed to the receiving Party at the address(es) set forth on the Summary Cover Sheet (unless notice of a different address(es) is given), and by email, to the email address(es) set forth in Section 20.7.1, and (iii) (A) if personally delivered to the recipient, notice is effective upon delivery, (B) if sent by a nationally recognized overnight courier service, notice is effective on the first business day following its timely deposit with such courier service, delivery fees for next business day delivery prepaid; no signature affirming receipt by the receiving Party is required, the internal records of the courier service shall be accepted as sufficient evidence of the date of the deposit of the notice with the courier service, or (C) if sent by certified U.S. mail, notice is effective ten (10) days after deposit thereof in the U.S. mail, postage prepaid, certified, return receipt requested. Counsel for a Party may send notice on behalf of its client.

20.7.1 Notwithstanding the foregoing, the Parties may deliver any approval, disapproval, or request therefor via email. Such email notices and deliveries shall be valid and binding on the Parties, subject to the following:

20.7.1.1 Such email must be properly addressed to the other Party's Designated Representatives. For purposes of this Agreement, "**Designated Representative**" means initially (i) for AHP, Nichole Rupp, Deputy Program Director, at [nrupp@ahpnet.com](mailto:nrupp@ahpnet.com) and Steve Thronson, Senior Program Director, at [sthronson@ahpnet.com](mailto:sthronson@ahpnet.com), and (ii) for the Sponsor, {{ lead\_authorized\_rep }} at {{ lar\_email\_sow }}{% if lead\_authorized\_rep != las\_name\_pfa %} and {{ las\_name\_pfa }} at {{ las\_email\_pfa }}{% endif %}. A Party may change a Designated Representative only upon notice to the other Party pursuant to the requirements of Section 20.7(iii) (A), (B) or (C).

20.7.1.2 If the sender receives a bounce-back, out-of-office, or other automated response indicating non-receipt, the sender shall (i) re-attempt delivery until the



other Party confirms receipt or (ii) deliver the item in accordance with Section 20.7(iii) (A), (B), or (C).

20.8 Governing Law. The place of performance of this Agreement is California and the laws of the State of California shall govern the validity, performance, enforcement, and interpretation of this Agreement. Any litigation or enforcement of an award must be brought in the appropriate federal or state court in the State of California, County of Sacramento. Each Party consents to personal and subject matter jurisdiction and venue in such courts and waives the right to change venue with respect to any such proceeding. The Parties acknowledge that all directions issued by the forum court, including injunctions and other decrees, shall be binding and enforceable in all jurisdictions and countries.

20.9 Assignment. The Sponsor shall not assign, delegate, or otherwise transfer this Agreement or its duties or obligations in connection therewith, in whole or in part, without the prior approval of AHP and DHCS. AHP's obligations under this Agreement shall be assignable to DHCS or DHCS's designee upon DHCS's request without the Sponsor's consent. In the event that AHP assigns its obligations under this Agreement to DHCS, AHP shall make commercially reasonable efforts to transition any reasonably necessary documentation related to this Agreement to DHCS or its designee; provided, however, that AHP shall have no obligation to incur any liability nor pay fees, charges, or reimbursement in connection with any assignment, wind-down, or transition of its services hereunder.

20.10 Entire Agreement; Amendments. This Agreement constitutes the entire agreement of the Parties with respect to its subject matter. It supersedes all oral or written agreements or communications between the Parties. No understanding, agreement, modification, change order, or other matter affecting this Agreement shall be binding, unless in writing, signed by both Parties. No handwritten changes shall be effective unless initialed by each Party.

20.11 Independent Legal and Tax Advice. AHP and the Sponsor, each, have reviewed and negotiated this Agreement using such independent legal and tax counsel as each has deemed appropriate. The Sponsor further acknowledges that it has been afforded the opportunity to obtain legal and tax advice concerning its legal and financial duties and obligations, including its state and federal tax liabilities related to its receipt of Program Funds, and hereby confirms by the execution and delivery of this Agreement that it has either done so or waived its right to do so in connection with entering into this Agreement. For the avoidance of doubt, the Sponsor shall be solely responsible for its tax liabilities related to its receipt of Program Funds.

20.12 Exhibits. The Attachments, Schedules, and Addenda attached to this Agreement are a part of this Agreement and incorporated into this Agreement by reference.

20.13 Partial Invalidity. If any part of this Agreement is unenforceable, the remainder of this Agreement and, if applicable, the application of the affected provision to any other circumstance, shall be fully enforceable.

20.14 Captions. The headings contained herein are for convenience only and are not intended to define, limit, or describe the scope or intent of any provision of this Agreement.

20.15 Force Majeure. Neither Party shall be liable to the other for loss or damages due to failure or delay in rendering performance caused by circumstances beyond its reasonable control, if such failure could not have been overcome by the exercise of due diligence, due care, or

foresight. Such circumstances may include, but are not limited to, acts of God or a public enemy; wars; acts of terrorism; riots; fires; floods; epidemics; quarantine restrictions; labor disputes; strikes; defaults of subcontractors/vendors; failure/delays in transportation; unforeseen freight embargoes; unusually severe weather; or any law/order/regulation/request of a state or local government entity, the U.S. Government, or any agency, court, commission, or other instrumentality of any such governments. Times of performance under this Agreement may be appropriately extended for excused delays if the Party whose performance is affected promptly notifies the other of the existence and nature of such delay.

20.16 Publicity. Without prior written approval of the other, neither Party shall use the other's name or make reference to the other Party or any of its directors, officers, employees, consultants, or agents in publications, news releases, advertising, speeches, technical papers, photographs, sales promotions, or publicity purposes of any form related to this work or data developed hereunder, unless disclosure of such materials is required by legal, accounting, or regulatory requirements beyond the disclosing Party's reasonable control. Use of either Party's name may be made in internal documents, annual reports, and proposals. This Section shall survive expiration/termination of this Agreement. Notwithstanding the foregoing, the Sponsor agrees that the State may use and refer to the Sponsor and the Project in any publication, news release, advertising, speech, technical paper, or for any other purposes.

20.17 Notice of Litigation. Promptly, and in any event within five (5) business days after an officer or other authorized representative of the Sponsor obtains knowledge thereof, the Sponsor shall provide written notice to AHP of (i) any litigation or governmental proceeding pending against the Sponsor which could materially adversely affect the business, operations, property, assets, condition (financial or otherwise), or prospects of the Sponsor and (ii) any other event which is likely to materially adversely affect the business, operations, property, assets, condition (financial or otherwise), or prospects of the Sponsor.

20.18 Survival. Except as otherwise stated, sections that by their terms impose continuing obligations or establish continuing rights shall be deemed to survive the expiration or termination of this Agreement.

20.19 Successors. This Agreement shall be binding upon the Parties, their successors, and assigns.

20.20 Approvals. Whenever this Agreement calls for approval by either (i) a Party or (ii) DHCS, approval shall mean prior written approval (including via email), not to be unreasonably conditioned, delayed, or withheld, unless sole discretion is expressly noted.

20.21 Timeliness. Time is of the essence in this Agreement.

20.22 Counterparts; Electronic Signatures. The Parties may sign this Agreement in several counterparts, each of which constitutes an original, but all of which together constitute one instrument. Electronic signatures are valid and shall bind the Party delivering such signature.

***SIGNATURES ON THE FOLLOWING PAGE***

IN WITNESS THEREOF, the Parties hereto have executed this Agreement by their duly authorized respective officers as of the day and year last written below.

**AHP:**

**ADVOCATES FOR HUMAN  
POTENTIAL, INC.**, a Massachusetts  
corporation

**SPONSOR:**

{{ legal\_entity\_name | upper }}, {{  
typ\_of\_legal\_entity }}

By: \_\_\_\_\_  
Damien Newman,  
Chief Financial Officer

By: \_\_\_\_\_  
{{ las\_name\_pfa }}, {{ las\_title\_pfa }}

Date: \_\_\_\_\_

Date: \_\_\_\_\_

SAMPLE COUNTY

## LIST OF ATTACHMENTS

<b>Title</b>	<b>No. of Pages</b>
Attachment A – State Requirements	14
Attachment B – Certification Regarding Lobbying	4
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## ATTACHMENT A

### STATE REQUIREMENTS

**Only the State Requirements applicable to the Sponsor's Program Funding are included in this Attachment and inapplicable provisions have been intentionally omitted.**

#### **1. Federal Equal Opportunity Requirements.**

- a. The Sponsor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. The Sponsor will take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training, including apprenticeship. The Sponsor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or AHP, setting forth the provisions of the Equal Opportunity clause, section 503 of the Rehabilitation Act of 1973 and the affirmative action clause required by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. § 4212). Such notices shall state the Sponsor's obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.
- b. The Sponsor will, in all solicitations or advancements for employees placed by or on behalf of the Sponsor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era.
- c. The Sponsor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice, to be provided by the Federal Government or the State, advising the labor union or workers' representative of the Sponsor's commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- d. The Sponsor will comply with all provisions of and furnish all information and reports required by section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. § 4212) and of the Federal Executive Order No. 11246 as amended, including by Executive Order 11375, 'Amending Executive Order 11246 Relating to Equal Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the

Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor,” and of the rules, regulations, and relevant orders of the Secretary of Labor.

- e. The Sponsor will furnish all information and reports required by Federal Executive Order No. 11246 as amended, including by Executive Order 11375, ‘Amending Executive Order 11246 Relating to Equal Employment Opportunity,’ and as supplemented by regulation at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor,” and the Rehabilitation Act of 1973, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- f. In the event of the Sponsor’s noncompliance with the requirements of the provisions herein or with any federal rules, regulations, or orders which are referenced herein, this Agreement may be cancelled, terminated, or suspended in whole or in part and the Sponsor may be declared ineligible for further federal and state contracts in accordance with procedures authorized in Federal Executive Order No. 11246 as amended and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 as amended, including by Executive Order 11375, ‘Amending Executive Order 11246 Relating to Equal Employment Opportunity,’ and as supplemented by regulation at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor,” or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- g. The Sponsor will include the provisions of Paragraphs a through g in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Federal Executive Order No. 11246 as amended, including by Executive Order 11375, ‘Amending Executive Order 11246 Relating to Equal Employment Opportunity,’ and as supplemented by regulation at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor,” or section 503 of the Rehabilitation Act of 1973 or (38 U.S.C. § 4212) of the Vietnam Era Veteran’s Readjustment Assistance Act, so that such provisions will be binding upon each Sponsor or vendor. The Sponsor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs or AHP may direct as a means of enforcing such provisions including sanctions for noncompliance provided, however, that in the event the Sponsor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by AHP, the Sponsor may request in writing to AHP, who, in turn, may request the United States to enter into such litigation to protect the interests of the State and of the United States.

## **2. Travel and Per Diem Reimbursement.**

(Applicable if travel and/or per diem expenses are authorized to be reimbursed with Agreement funds.)

Reimbursement for travel and/or per diem expenses from AHP under this Agreement shall, unless otherwise specified in this Agreement, be at the rates currently in effect, as established by the California Department of Human Resources (CalHR), for nonrepresented state employees as stipulated in DHCS's Travel Reimbursement Information Exhibit in Attachment A-State Requirements. If the CalHR rates change during the term of the Agreement, the new rates shall apply upon their effective date and no amendment to this Agreement shall be necessary. Exceptions to California Department of Human Resources (CalHR) lodging rates may be approved by AHP upon the submission of a statement by the Sponsor indicating that such rates are not available to the Sponsor. No travel outside the State of California shall be reimbursed without prior authorization from DHCS. Verbal authorization should be confirmed in writing. Written authorization may be in a form including fax or email confirmation.

## **3. Procurement Rules.**

Applicable to agreements in which equipment/property, commodities and/or supplies are furnished by AHP or DHCS or expenses for said items are reimbursed by funds with state or federal funds provided under this Agreement.

### **a. Equipment/Property Definitions.**

Wherever the term equipment and/or property is used, the following definitions shall apply:

**Major equipment/property:** A tangible or intangible item having a base unit cost of Five Thousand Dollars (\$5,000) or more with a life expectancy of one (1) year or more and is either furnished by DHCS or the cost is reimbursed through this Agreement. Software and videos are examples of intangible items that meet this definition.

**Minor equipment/property:** A tangible item having a base unit cost of less than Five Thousand Dollars (\$5,000) with a life expectancy of one (1) year or more and is either furnished by DHCS or the cost is reimbursed through this Agreement.

**b.** Government and public entities (including state colleges/universities and auxiliary organizations), whether acting as a contractor and/or subcontractor, may secure all commodities, supplies, equipment and services related to such purchases that are required in performance of this Agreement. Said procurements are subject to Paragraphs d through h of Provision 3. Paragraph c of Provision 3 shall also apply, if equipment/property purchases are delegated to subcontractors that are nonprofit organizations or commercial businesses.

**c.** Intentionally Omitted.

**d.** Intentionally Omitted.

**e.** In AHP's sole discretion (e.g., when AHP has a need to monitor certain purchases, etc.), AHP, with DHCS approval, may require prior written authorization and/or the submission of paid vendor receipts for any purchase, regardless of dollar

amount. AHP or DHCS reserves the right to either deny claims for reimbursement or to request repayment for any Sponsor purchase that AHP or DHCS determines to be unnecessary in carrying out performance under this Agreement.

- f. The Sponsor must maintain a copy or narrative description of the procurement system, guidelines, rules, or regulations that will be used to make purchases under this Agreement. AHP and the State reserves the right to request a copy of these documents and to inspect the purchasing practices of the Sponsor at any time.
- g. For all purchases, the Sponsor must maintain copies of all paid vendor invoices, documents, bids and other information used in vendor selection, for inspection or audit. Justifications supporting the absence of bidding (i.e., sole source purchases) shall also be maintained on file by the Sponsor for inspection or audit.
- h. AHP may, with cause (e.g., with reasonable suspicion of unnecessary purchases or use of inappropriate purchase practices, etc.) and DHCS approval, withhold, cancel, modify, or retract the delegated purchase authority granted under Paragraphs b and/or c of Provision 3 by giving the Sponsor no less than thirty (30) calendar days written notice.

#### **4. Equipment/Property Ownership/Inventory/Disposition.**

(Applicable to agreements in which equipment/property is furnished by DHCS and/or AHP when said items are purchased or reimbursed by DHCS with state or federal funds provided under this Agreement.)

- a. Wherever the term equipment and/or property is used in Provision 4, the definitions in Paragraph a of Provision 3 shall apply.

Unless otherwise stipulated in this Agreement, all equipment and/or property that is purchased/reimbursed with Agreement funds or furnished by AHP under the terms of this Agreement shall be considered state equipment and the property of DHCS, unless a waiver is granted.

- (1) Reporting of Equipment/Property Receipt - DHCS requires the reporting, tagging and annual inventorying of all equipment and/or property that is furnished by AHP or DHCS or purchased or reimbursed with funds provided through this Agreement.

Upon receipt of equipment and/or property, the Sponsor shall report the receipt to the AHP. To report the receipt of said items and to receive property tags, the Sponsor shall use a form or format designated by AHP. If the appropriate form does not accompany this Agreement, the Sponsor shall request a copy from AHP.

- (2) Annual Equipment/Property Inventory - If the Sponsor enters into an agreement with a term of more than twelve months, the Sponsor shall submit an annual inventory of state equipment and/or property to the AHP using a form or format designated by AHP. If an inventory report form does not accompany this Agreement, the Sponsor shall request a copy from AHP. The Sponsor shall:



- (a) Include in the inventory report, equipment and/or property in the Sponsor's possession and/or in the possession of a subcontractor (including independent consultants).
  - (b) Submit the inventory report to AHP according to the instructions appearing on the inventory form or issued by AHP.
  - (c) Contact AHP to learn how to remove, trade-in, sell, transfer or survey off, from the inventory report, expired equipment and/or property that is no longer wanted, usable or has passed its life expectancy. Instructions will be supplied by AHP.
- b. Title to state equipment and/or property shall not be affected by its incorporation or attachment to any property not owned by the State.
- c. Unless otherwise stipulated, AHP or DHCS shall be under no obligation to pay the cost of restoration, or rehabilitation of the Sponsor's facility which may be affected by the removal of any state equipment and/or property.
- d. The Sponsor shall maintain and administer a sound business program for ensuring the proper use, maintenance, repair, protection, insurance and preservation of state equipment and/or property.
  - (1) In administering this provision, AHP may require the Sponsor to repair or replace, to AHP's satisfaction, any damaged, lost or stolen state equipment and/or property. In the event of state equipment and/or miscellaneous property theft, the Sponsor shall immediately file a theft report with the appropriate police agency or the California Highway Patrol and the Sponsor shall promptly submit one copy of the theft report to AHP.
- e. Unless otherwise stipulated by the Program funding this Agreement, equipment and/or property purchased/reimbursed with agreement funds or furnished by AHP under the terms of this Agreement, shall only be used for performance of this Agreement or another DHCS agreement, with prior approval only.
- f. Within sixty (60) calendar days prior to the termination or end of this Agreement, the Sponsor shall provide a final inventory report of equipment and/or property to AHP and shall, at that time, query DHCS as to the requirements, including the manner and method, of returning state equipment and/or property to AHP. Final disposition of equipment and/or property shall be at AHP's expense and according to AHP's instructions. Equipment and/or property disposition instructions shall be issued by AHP immediately after receipt of the final inventory report. At the termination or conclusion of this Agreement, AHP OR DHCS may at its discretion, authorize the continued use of state equipment and/or property for performance of work under a different DHCS agreement.

**5. Subcontract Requirements.**

- a. Intentionally Omitted.

- b. DHCS reserves the right to (i) approve or disapprove the selection of subcontractors, where any such DHCS approval or disapproval may be communicated to the Sponsor by AHP, and (ii) with advance written notice, require the substitution of subcontractors and require the Sponsor to terminate subcontracts entered into in support of this Agreement. DHCS shall consult with the Sponsor prior to issuing a final disapproval of a subcontractor.
- (1) Upon receipt of a written notice from AHP requiring the substitution and/or termination of a subcontract, the Sponsor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within sixty (60) calendar days, unless a longer period is agreed to by DHCS. DHCS shall consult with the Sponsor prior to issuing a final disapproval of a subcontractor.
- c. DHCS in its sole discretion may elect to require that all actual subcontracts (i.e., written agreement between the Sponsor and a subcontractor) of Fifty Thousand Dollars (\$50,000) or more shall be subject to DHCS prior review and written approval. Any such DHCS election shall be confirmed in writing by DHCS.
- d. The Sponsor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by AHP or DHCS, make copies available for approval, inspection, or audit.
- e. AHP assumes no responsibility for the payment of subcontractors used in the performance of this Agreement. The Sponsor accepts sole responsibility for the payment of subcontractors used in the performance of this Agreement.
- f. The Sponsor is responsible for all performance requirements under this Agreement even though performance may be carried out through a subcontract.
- g. The Sponsor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement.
- h. The Sponsor agrees to include the following clause, relevant to record retention, in all subcontracts for services:
- The Sponsor agrees to maintain and preserve, until three years after termination of this Agreement and final payment from AHP, to permit AHP or DHCS or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records.
- i. Unless otherwise stipulated in writing by AHP, AHP shall be the Sponsor's sole point of contact for all matters related to performance and payment under this Agreement.
- j. The Sponsor shall, as applicable, advise all subcontractors of their obligations to comply with this Attachment A.

**6. Intentionally Omitted.**

**7. Audit and Record Retention.**

- a. The Sponsor shall maintain books, records, documents, and other evidence, accounting procedures and practices, sufficient to properly reflect all direct and indirect costs of whatever nature claimed to have been incurred in the performance of this Agreement, including any matching costs and expenses. The foregoing constitutes “records” for the purpose of this provision.
- b. The Sponsor shall maintain records in a data storage medium that is accessible to AHP and DHCS. DHCS, at its sole discretion, shall determine whether the Sponsor’s type of data storage medium meets this accessibility requirement.
- c. The Sponsor shall maintain the list of documents as listed in Appendix V of the “Bond Accountability and Audits” guide document. View this publication at the following:  
  
[https://dof.ca.gov/wpcontent/uploads/sites/352/Programs/OSAE/Bond\\_Accountability\\_and\\_Audits.pdf](https://dof.ca.gov/wpcontent/uploads/sites/352/Programs/OSAE/Bond_Accountability_and_Audits.pdf)
- d. The Sponsor’s facility or office or such part thereof as may be engaged in the performance of this Agreement and his/her records shall be subject at all reasonable times to inspection, audit, and reproduction.
- e. The Sponsor agrees that AHP, DHCS, the Department of General Services, the Bureau of State Audits, or their designated representatives including the Comptroller General of the United States shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The Sponsor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Sponsor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (GC 8546.7, CCR Title 2, section 1896.77)
- f. The Sponsor shall preserve and make available his/her records (1) for a period of forty-eight (48) years from the date of final payment under this Agreement, and (2) for such longer period, if any, as is required by applicable statute, by any other provision of this Agreement, or by subparagraphs (1) or (2) below.
  - (1) If this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.
  - (2) If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three-year period, the records shall be retained until completion of the action and resolution of all

issues which arise from it, or until the end of the regular forty-eight (48) year period, whichever is later.

- g. The Sponsor may, following receipt of final payment under this Agreement, submit a request to AHP and DHCS to reduce its accounts, books and records related to this Agreement to CD ROM, DVD, or other data storage medium accessible to AHP and DHCS. DHCS, at its sole discretion, may approve or deny this request. Upon request by an authorized representative to inspect, audit or obtain copies of said records, the Sponsor must supply or make available applicable devices, hardware, and/or software necessary to view, copy and/or print said records.
- h. The Sponsor shall, if applicable, comply with the Single Audit Act and the audit requirements set forth in 2 C.F.R. § 200.501 (2014).

#### **8. Site Inspection.**

The State has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder including subcontract supported activities and the premises in which it is being performed. If any inspection or evaluation is made of the premises of the Sponsor, the Sponsor shall provide and shall require Sponsors to provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

#### **9. Intentionally Omitted.**

#### **10. Intentionally Omitted.**

#### **11. Warranties.**

The Sponsor represents and warrants that:

- a. It is free to enter into and fully perform this Agreement.
- b. It has secured and will secure all rights and licenses necessary for its performance of this Agreement.
- c. It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to AHP or DHCS in this Agreement.
- d. It has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
- e. It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way the Sponsor's performance of this Agreement.

- f. All materials and equipment furnished with respect to the Project and all work performed by the Sponsor will be of good and workmanlike quality, free from faults and defects, and in conformance with the Agreement.
- g. It shall comply with all applicable laws in connection with its performance of its obligations under this Agreement.
- h. Intentionally Omitted.
- i. It shall disclose to AHP and/or DHCS, during the Term of this Agreement, promptly upon the existence or discovery of the existence of an actual or potential transaction, agreement, or settlement with any entity, member, manager, partner, or person that directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or common control with the Sponsor (“Related Party” or “Related Parties”) in connection with the Project (“Related Party Transaction”).
- j. It shall disclose to AHP and/or DHCS, during the Term of this Agreement, promptly upon the existence or discovery of the existence of a Related Party or a Related Party Transaction: (1) the nature of the relationship, (2) the nature of the potential or actual transaction, agreement, or settlement, (3) the dollar amounts of any such transaction, agreement, or settlement, (4) the dollar amounts due to or from a Related Party, and (5) documents and any additional information, as may be required by AHP and/or DHCS in their sole discretion.
- k. The provisions set forth herein shall survive any termination or expiration of this Agreement or any Project schedule.

## **12. Air or Water Pollution Requirements.**

Any federally funded agreement and/or subcontract in excess of One Hundred Thousand Dollars (\$100,000) must comply with the following provisions unless said agreement is exempt by law.

- a. Government contractors agree to comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 USC 7606) section 508 of the Clean Water Act (33 U.S.C. § 1368), Executive Order 11738, and Environmental Protection Agency regulations.
- b. Institutions of higher education, hospitals, nonprofit organizations and commercial businesses agree to comply with all applicable standards, orders, or requirements issued under the Clean Air Act (42 U.S.C. § 7401 *et seq.*), as amended, and the Clean Water Act (33 U.S.C. § 1251 *et seq.*), as amended.

## **13. Prior Approval of Training Seminars, Workshops or Conferences.**

The Sponsor shall obtain prior AHP approval of the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop, or conference conducted pursuant to this Agreement and of any reimbursable publicity or educational materials to be made available for distribution. The Sponsor shall acknowledge the support of the State whenever publicizing the work under this Agreement in any media. This

provision does not apply to necessary staff meetings or training sessions held for the staff of the Sponsor to conduct routine business matters.

**14. Confidentiality of Information.**

- a. The Sponsor and its employees, agents, or subcontractors shall protect from unauthorized disclosure names and other identifying information concerning persons either receiving services pursuant to this Agreement or persons whose names or identifying information become available or are disclosed to the subcontractors as a result of services performed under this Agreement, except for statistical information not identifying any such person.
- b. The Sponsor and its employees, agents shall not use such identifying information for any purpose other than carrying out the Sponsor's obligations under this Agreement.
- c. The Sponsor and its employees, agents shall promptly transmit to the AHP Contract Office or Project Manager all requests for disclosure of such identifying information not emanating from the client or person.
- d. The Sponsor shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the client, any such identifying information to anyone other than AHP without prior written authorization from the AHP Contract Office or Project Manager, except if disclosure is required by State or Federal law.
- e. For purposes of this provision, "identity" shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.
- f. As deemed applicable by AHP or DHCS, this provision may be supplemented by additional terms and conditions covering personal health information (PHI) or personal, sensitive, and/or confidential information (PSCI). Said terms and conditions will be outlined in one or more exhibits that will either be attached to this Agreement or incorporated into this Agreement by reference.

**15. Intentionally Omitted.**

**16. Intentionally Omitted.**

**17. Intentionally Omitted.**

**18. Intentionally Omitted.**

**19. Novation.**

If the Contractor proposes any novation agreement, DHCS shall act upon the proposal within sixty (60) days after receipt of the written proposal. DHCS may review and consider the proposal, consult and negotiate with the Contractor, and accept or reject all or part of the proposal. Acceptance or rejection of the proposal may be made orally within the sixty (60)-day period and confirmed in writing within five (5) days of said decision. Upon written acceptance of the

proposal, DHCS will initiate an amendment to this Agreement to formally implement the approved proposal.

**20. Debarment and Suspension Certification.**

(Applicable to all agreements funded in part or whole with federal funds.)

- a. By signing this Agreement, the Sponsor agrees to comply with applicable federal suspension and debarment regulations including, but not limited to 2 CFR 180, 2 CFR 376.
- b. By signing this Agreement, the Sponsor certifies to the best of its knowledge and belief, that it and its principals:
  - (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
  - (2) Have not within a three-year period preceding this application/proposal/agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) violation of Federal or State antitrust statutes; commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, obstruction of justice, or the commission of any other offense indicating a lack of business integrity or business honesty that seriously affects its business honesty;
  - (3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in Paragraph b(2) herein;
  - (4) Have not within a three-year period preceding this application/proposal/agreement had one or more public transactions (Federal, State or local) terminated for cause or default;
  - (5) Have not, within a three-year period preceding this application/proposal/agreement, engaged in any of the violations listed under 2 CFR Part 180, Subpart C as supplemented by 2 CFR Part 376;
  - (6) Shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under federal regulations (i.e., 48 CFR part 9, subpart 9.4), debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State; and
  - (7) Will include a clause entitled, "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower-tier covered transactions and in all solicitations for lower-tier covered transactions.

- c. If the Sponsor is unable to certify to any of the statements in this certification, the Sponsor shall submit an explanation to AHP and the DHCS Program Contract Manager.
- d. The terms and definitions herein have the meanings set out in 2 CFR Part 180 as supplemented by 2 CFR Part 376.
- e. If the Sponsor knowingly violates this certification, in addition to other remedies available to the Federal Government, DHCS may terminate this Agreement for cause or default.

**21. Intentionally Omitted.**

**22. Intentionally Omitted.**

**23. Intentionally Omitted.**

**24. Intentionally Omitted.**

**25. Officials Not to Benefit.**

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this Agreement or to any benefit that may arise therefrom. This provision shall not be construed to extend to this Agreement if made with a corporation for its general benefits.

**26. Intentionally Omitted.**

**27. Intentionally Omitted.**

**28. Use of Small, Minority Owned and Women's Businesses.**

(Applicable to that portion of an agreement that is federally funded and entered into with institutions of higher education, hospitals, nonprofit organizations or commercial businesses.)

Positive efforts shall be made to use small businesses, minority-owned firms and women's business enterprise, whenever possible (i.e., procurement of goods and/or services). Subcontractors shall take all of the following steps to further this goal.

1. Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
2. Make information on forthcoming purchasing and contracting opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.
3. Consider in the contract process whether firms competing for larger contracts intended to subcontract with small businesses, minority-owned firms, and women's business enterprises.



4. Encourage contracting with consortiums of small businesses, minority-owned firms, and women's business enterprises when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance, as appropriate, of such organizations as the Federal Small Business Administration and the U.S. Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms, and women's business enterprises.

**29. Intentionally Omitted.**

**30. Intentionally Omitted.**

**31. Intentionally Omitted.**

**32. Suspension or Stop Work Notification.**

- a. AHP, only with the approval from DHCS, may at any time, issue a notice to suspend performance or stop work under this Agreement. The initial notification may be a verbal or written directive issued by the funding Program's Contract Manager. Upon receipt of said notice, the Sponsor is to suspend and/or stop all, or any part, of the work called for by this Agreement.
- b. Written confirmation of the suspension or stop work notification with directions as to what work (if not all) is to be suspended and how to proceed will be provided within thirty (30) working days of the verbal notification. The suspension or stop work notification shall remain in effect until further written notice is received from AHP or DHCS. The resumption of work (in whole or part) will be at AHP's or DHCS' discretion and upon receipt of written confirmation.
  - (1) Upon receipt of a suspension or stop work notification, the Sponsor shall immediately comply with its terms and take all reasonable steps to minimize or halt the incurrence of costs allocable to the performance covered by the notification during the period of work suspension or stoppage.
  - (2) Within ninety (90) days of the issuance of a suspension or stop work notification, AHP or DHCS shall either:
    - (a) Cancel, extend, or modify the suspension or stop work notification; or
    - (b) Terminate the Agreement as provided for in the Cancellation / Termination clause of the Agreement.
- c. If a suspension or stop work notification issued under this clause is canceled or the period of suspension or any extension thereof is modified or expires, the Sponsor may resume work only upon written concurrence of AHP or DHCS.
- d. If the suspension or stop work notification is cancelled and the Agreement resumes, changes to the services, deliverables, performance dates, and/or agreement terms

resulting from the suspension or stop work notification shall require an amendment to the Agreement.

- e. If a suspension or stop work notification is not canceled and the Agreement is cancelled or terminated pursuant to the provision entitled Cancellation/Termination, AHP or DHCS shall allow reasonable costs resulting from the suspension or stop work notification in arriving at the settlement costs.
- f. AHP and DHCS, each individually, and collectively, shall not be liable to the Sponsor for loss of profits because of any suspension or stop work notification issued under this clause.

**33. Intentionally Omitted.**

**34. Compliance with Statutes and Regulations.**

- a. The Sponsor shall comply with all California and federal law, regulations, and published guidelines, to the extent that these authorities contain requirements applicable to the Sponsor's performance under the Agreement.
- b. These authorities include, but are not limited to, Title 2, Code of Federal Regulations (CFR) Part 200, subparts D, E, and F, Appendix II; Title 42 CFR Part 431; subpart F; Title 42 CFR Part 433, subpart D; Title 42 CFR 434; Title 45 CFR Part 75, subpart D; and title 45 CFR Part 95, subpart F. To the extent applicable under federal law, this Agreement shall incorporate the contractual provisions in these federal regulations and they shall supersede any conflicting provisions in this Agreement.

**35. Intentionally Omitted.**

**ATTACHMENT B**  
**State of California**  
**Department of Health Care Services**

**CERTIFICATION REGARDING LOBBYING**

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making, awarding, or entering into of this Federal contract, Federal grant, or cooperative agreement, and the extension, continuation, renewal, amendment, or modification of this Federal contract, grant or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency of the United States Government, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities" in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontractors, subgrants, and contracts under grants and cooperative agreements) of One Hundred Thousand Dollars (\$100,000) or more, and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by § 1352, Title 31, U.S.C., any person who fails to file the required certification shall be subject to a civil penalty of not less than Ten Thousand Dollars (\$10,000) and not more than One Hundred Thousand Dollars (\$100,000) for each such failure.

{} legal entity name {}, {} typ of legal entity {}

{} las name pfa {}

**Name of the Sponsor Printed**

**Name of Person Signing for Sponsor**

{} contract id {}

**Contract Number**

**Signature of Person Signing for Sponsor**

**Date**

{} las title pfa {}

**Title**

After execution by or on behalf of the Sponsor, please return to:  
California Department of Health Care Services

**CERTIFICATION REGARDING LOBBYING**

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. § 1352

Check this box if not applicable

<p><b>1. Type of Federal Action:</b> a. Contract b. Grant c. Cooperative Agreement d. Loan e. Loan guarantee f. Loan insurance</p>	<p><b>2. Status of Federal Action:</b> a. bid/offer/application b. initial award c. post-award</p>	<p><b>3. Report Type:</b> a. Initial filing b. Material change  For Material Change Only: Year _____ Quarter _____ Date of Last Report _____</p>
<p><b>4. Name and Address of Reporting Entity:</b>  <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee  Tier _____, if known  Congressional District, if known: _____</p>	<p><b>5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:</b>  Congressional District, if known: _____</p>	
<p><b>6. Federal Department/Agency:</b></p>	<p><b>7. Federal Program Name/Description:</b>  CFDA Number, if applicable: _____</p>	
<p><b>8. Federal Action Number, if known:</b></p>	<p><b>9. Award Amount, if known:</b>  \$ _____</p>	
<p><b>10a. Name and Address of Lobbying Registrant (If individual, last name, first name, MI):</b></p>	<p><b>10b. Individuals Performing Services (including address if different from 10a.) (last name, first name, MI):</b></p>	

<p><b>11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. § 1352. This information will be available for public inspection. Any person that fails to file the required disclosure shall be subject to a fine not to exceed \$100,000 for each such failure.</b></p>	<p>Signature: _____</p> <p>Print Name: <u>  {{ las_name_pfa }}  </u></p> <p>Title: <u>  {{ las_title_pfa }}  </u></p> <p>Telephone No. <u>  {{ las_cell_num_pfa }}  </u></p> <p>Date: _____</p>

**INSTRUCTIONS FOR COMPLETION OF SF-LLL,  
DISCLOSURE OF LOBBYING ACTIVITIES**

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to U.S.C. § 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date and of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that

designates if it is, or expects to be a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the first tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.

**5.** If the organization filing the report in item 4 checks “Subawardee”, then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.

**6.** Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, in known. For example, Department of Transportation, United States Coast Guard.

**7.** Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.

**8.** Enter the most appropriate Federal identifying number available for the Federal action identified in Item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB); grant announcement number; the contract, grant or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., “RFP-DE-90-001”.

**9.** For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.

**10. (a)** Enter the full name, address, city, state and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

**(b)** Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name, and Middle Initial (MI).

**11.** The certifying official shall sign and date the form, print his/her name, title and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMN No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503.

**ATTACHMENT C**

**THE SPONSOR PUBLIC WORKS CERTIFICATION**

**The Sponsor Certification Clause  
CCC 04/2017**

**CERTIFICATION**

**I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Sponsor to the clause(s) listed below. This certification is made under the laws of the State of California.**

Sponsor/Bidder Firm Name (Printed) {{ legal_entity_name }}, {{ typ_of_legal_entity }}	Federal ID Number {{ agency_tax_id }}
--	--

**By (Authorized Signature)**

**\_\_\_\_\_  
{{ las name pfa }}, {{ las title pfa }}  
Printed Name and Title of Person Signing**

Date Executed	Executed in the County of {{ county }}
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**SPONSOR CERTIFICATION CLAUSES**

**ARTICLE 1. STATEMENT OF COMPLIANCE**

The Sponsor has, unless exempted, complied with the nondiscrimination program requirements. (GC 12990 (a-f) and CCR, Title 2, section 11102) (Not applicable to public entities.)

**ARTICLE 2. DRUG-FREE WORKPLACE REQUIREMENTS**

The Sponsor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- a) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

- b) Establish a Drug-Free Awareness Program to inform employees about:
  1. the dangers of drug abuse in the workplace;
  2. the person's or organization's policy of maintaining a drug-free workplace;
  3. any available counseling, rehabilitation and employee assistance programs; and
  4. penalties that may be imposed upon employees for drug abuse violations.
- c) Every employee who works on the proposed Agreement will:
  1. receive a copy of the company's drug-free policy statement; and
  2. agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and the Sponsor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: (1) the Sponsor has made false certification, or (2) violated the certification by failing to carry out the requirements as noted above. (GC 8350 *et seq.*)

### **ARTICLE 3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION**

The Sponsor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against the Sponsor within the immediately preceding two-year period because of the Sponsor's failure to comply with an order of a Federal court which orders the Sponsor to comply with an order of the National Labor Relations Board. (PCC 10296) (Not applicable to public entities.)

### **ARTICLE 4. INTENTIONALLY OMITTED.**

### **ARTICLE 5. SWEATFREE CODE OF CONDUCT**

- a) All Sponsors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works Agreement, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the Agreement have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of



children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The Sponsor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at [www.dir.ca.gov](http://www.dir.ca.gov) and Public Contract Code section 6108.

- b) The Sponsor agrees to cooperate fully in providing reasonable access to the Sponsor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the Sponsor's compliance with the requirements under paragraph (a).

## **ARTICLE 6. DOING BUSINESS WITH THE STATE OF CALIFORNIA**

The following laws apply to persons or entities doing business with the State of California.

### **6.1 LABOR CODE/WORKERS' COMPENSATION:**

The Sponsor needs to be aware of the provisions which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions, and the Sponsor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code section 3700.)

It is hereby mutually agreed that the Sponsor shall forfeit to the State a monetary penalty as determined in Labor Code section 1775 for each calendar day, or portion thereof, for each worker paid by him or her, or subcontractor under him or her, less than the prevailing wage so stipulated and in addition the contractor further agrees to pay to each worker the difference between the actual amount paid for each calendar day, or portion thereof, and the stipulated prevailing wage rate for the same. This provision shall not apply to properly, registered apprentices.

It is further agreed that the maximum hours a worker is to be employed is limited to eight hours a day and forty (40) hours a week and the contractor shall forfeit, as a penalty to the State, twenty-five dollars (\$25.00) for each worker employed in the execution of the contract for each calendar day during which a worker is required or permitted to labor more than eight hours in any calendar day or more than forty (40) hours in any calendar week, in violation of Labor Code sections 1810-1815, inclusive.

Properly registered apprentices may be employed in the prosecution of the work. Every such apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade at which he or she is employed, and shall be employed only at the work of the craft or trade to which he or she is registered. The contractor and each subcontractor must comply with the requirements of Labor Code section 1777.5 and any related regulations regarding the employment of registered apprentices.

Each contractor and subcontractor shall comply with Labor Code section 1776 regarding record keeping.

**6.2 AMERICANS WITH DISABILITIES ACT:**

The Sponsor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. § 12101 *et seq.*)

**6.3 THE SPONSOR'S NAME CHANGE:**

An amendment is required to change the Sponsor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

**6.4 CORPORATE QUALIFICATION TO DO BUSINESS IN CALIFORNIA:**

- a) When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the Sponsor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.
- b) "Doing business" is defined in R&TC section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate Sponsor performing within the state not be subject to the franchise tax.
- c) Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

**6.5 RESOLUTION:**

A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

**6.6 AIR OR WATER POLLUTION VIOLATION:**

Under the State laws, the Sponsor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

**6.7 PAYEE DATA RECORD FORM STD. 204:**

This form must be completed by all Sponsors that are not another state agency or other government entity.

**6.8 CALIFORNIA CIVIL RIGHTS LAWS:**

For Agreement executed or renewed after January 1, 2017, the Sponsor certifies compliance with the Unruh Civil Rights Act (section 51 of the Civil Code) and the Fair Employment and Housing Act (section 12960 of the Government Code).

**6.9 EMPLOYER DISCRIMINATION POLICIES:**

For Agreements executed or renewed after January 1, 2017, if the Sponsor has an internal policy against a sovereign nation or peoples recognized by the United States government, the Sponsor certifies that such policies are not used in violation of the Unruh Civil Rights Act (section 51 of the Civil Code) and the Fair Employment and Housing Act (section 12960 of the Government Code).

**6.10 ANTITRUST CLAIMS:**

The Sponsor offers and agrees and will require all of its contractors and subcontractors and suppliers to agree to assign to the awarding body all rights, title, and interest in and to all causes of action they may have under section 4 of the Clayton Act (Title 15, U.S.C. § 15) or under the Cartwright Act (Chapter 2 [commencing with section 16700] of Part 2 of Division 7 of the Business and Professions Code) arising from purchases of goods, services, or materials pursuant to the public works contract or subcontract. The assignment made by the contractor and all additional assignments made by the subcontractors and suppliers shall be deemed to have been made and will become effective at the time the awarding body tenders final payment to the contractor without further acknowledgment or the necessity of tendering to the awarding body any written assignments.

If an awarding body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under Government Code sections 4550 to 4554, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, on demand, recover from the public body any portion of the recovery, including treble damages, and attributable overcharges that were paid by the assignor but were not paid by the public body as a part of the bid price, less the expenses incurred in obtaining that portion of the recovery. On demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under Government Code sections 4550 to 4554 if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action.

**ATTACHMENT D**  
**STATEMENT OF WORK (“SOW”)**

<b>A: PROJECT AND SPONSOR INFORMATION</b>	
<b>Project UUID:</b>  <b>Project Name:</b>  <b>Project Address:</b>  <b>APN(s) #:</b>	<b>Sponsor Name:</b>  <b>Facility Category Type(s)</b> (Residential and/or Outpatient):  <b>Acquisition with Grant Funds (Y/N):</b>
<b>B: DESIGNATED REPRESENTATIVE</b>	<b>C: PROGRAM FUNDS &amp; CASH MATCH AMOUNT</b>
<b>Name and Title:</b>  <b>Address:</b>  <b>Tel:</b> +1 ( ) - (o)   [LAR Email]	<b>Program Funds:</b>  <b>Cash Match:</b>  <b>Total Funds:</b>
<b>D: PROJECT NARRATIVE</b>	
<div style="text-align: center; font-size: 48px; opacity: 0.3; transform: rotate(-30deg); pointer-events: none;">             SAMPLE COUNTY           </div>	
<b>E: PROJECT EXPANSION SCOPE REQUIREMENTS</b>	

Facility Type 1:	# New Beds:	# New Slots:
Facility Type 2:	# New Beds:	# New Slots:
Facility Type 3:	# New Beds:	# New Slots:
Facility Type 4:	# New Beds:	# New Slots:
Facility Type 5:	# New Beds:	# New Slots:
Facility Type 6:	# New Beds:	# New Slots:
Facility Type 7:	# New Beds:	# New Slots:
Facility Type 8:	# New Beds:	# New Slots:
<b>Total New Square Footage Funded by Expansion:</b>	<b>Total # New Beds:</b>	<b>Total # New Slots:</b>

**F: TASKS**

**TASK 1: MATCH / EQUITY CASH DEPOSIT**

Description/Deliverables	\$ FUNDS ALLOTTED
<p><b>A. Sponsor shall either:</b></p> <ul style="list-style-type: none"> <li>○ Deposit any Match Funds in the form of cash into the AHP designated Match Funds Bank Account within ninety (90) days of execution of this document; or</li> <li>○ Provide Documentation to AHP that shall satisfy that Sponsor has an In-Kind Match for either: <ul style="list-style-type: none"> <li>● Property Value Documentation (Tax Assessor’s Value or Certified Appraisal)</li> <li>● Sunk Costs Value Documentation (paid</li> </ul> </li> </ul>	<p><b>CASH MATCH AMOUNT AS REQUIRED TO START PROJECT</b></p> <p><b>[CASH MATCH MUST BE EXPENDED PRIOR TO DISBURSEMENT OF FINAL TEN PERCENT (10%) OF PROGRAM FUNDS TO SPONSOR]</b></p>

receipts, invoices, payment validation)

**B. Sponsor shall submit to AHP the following prior to the disbursement of any Program Funds:**

- **Deliverables:**
  - Executed Program Funding Agreement
  - Completed Government Agency Taxpayer ID Form
  - Program Funding Projection Model
  - Authorizing Resolution(s)
  - Evidence of Establishment of IDBA Account
  - Evidence of Deposit of Cash Match Funds into AHP designated Match Funds bank account
  - Recorded Declaration of Restrictions, if Program Funds are NOT allocated in the Project Budget for Task 2
  - Current Title Report
  - Opinion Letter by Legal Counsel
  - Certificates of Insurance, if Program Funds are NOT allocated in the Project Budget for Task 2.
  - Complete Draw Request for Expenditure of Cash Match Funds
  - Executed Facility Access Agreement with State of California, Department of Health Care Services
  
- **Certifications as provided by AHP:**
  - Certification # 1 - Budget Prevailing Wage Compliance

- Certification # 2 - Related Party and Related Party Transaction Disclosure
- Certification # 3 - Execution of Program Funding Agreement
- Certification # 4 - Match Funds, Property Equity, or In-Kind Match
- Certification # 5 - Declaration of Restrictions, if Program Funds are NOT allocated in the Project Budget for Task 2
- Certification # 6 - Legal Review of CA Welfare and Institutions Code §5960.31
- Facility Access Certification – Execution of Contract with State of California, Department of Health Care Services

Future Project Funding is dependent on successful completion of Deliverables and Certifications of this Task 1.

COUNTY

**TASK 2: ACQUISITION**

**Description/Deliverables**

**A. Sponsor shall submit to AHP the following prior to the disbursement of any Program Funds for Task 2:**

- **Deliverables:**
  - Purchase and Sale Agreement (mutually executed by buyer and seller)
  - Certified Appraisal Report of Target Acquisition Property
  - Signed Escrow Instructions
  - Evidence of Any Additional Funds Necessary to Acquire Real Property, if necessary
  - Recorded Declaration of Restrictions (upon close of escrow)
  - Estimate of Escrow Closing Costs
  - Complete Draw Request for Program Funds
  - Certificates of Insurance: Commercial General Liability, Workers’ Compensation, Automobile and Property

- Phase I Environmental Report
- Phase II Environmental Report, if necessary
- Asbestos Assessment and Lead-Based Paint Report, if necessary
- Planning Agency Review Narrative, if necessary
- **Certifications as provided by AHP:**
  - Certification # 5 - Declaration of Restrictions
  - Certification # 7 - Planning Agency Review
  - Certification # 8 - Due Diligence Completed

Future Project funding is dependent on successful completion of Deliverables and Certifications of this Task 2.

**TASK 3: CONSTRUCTION PERMITS/FEEES AND PRE-CONSTRUCTION PLANNING**

**Description/Deliverables**

**A. Sponsor shall submit to AHP the following prior to the disbursement of any Program Funds for Task 3:**

- **Deliverables:**
  - Planning Agency Review Narrative, if NOT completed for Task 2.
  - Planning Department Approval(s), if necessary
  - Phase I Environmental Report
  - Phase II Environmental Report, if necessary
  - Asbestos Assessment and Lead-Based Paint Report, if necessary
  - Estimated Total Plan Check Fees from Building Department (prior to disbursement of Program Funds for construction permits/fees)
  - Complete Draw Request for Program Funds, submitted every thirty (30) days as needed
- **Certifications as provided by AHP:**
  - Certification # 7 - Planning Agency Review, if NOT completed for Task 2.
  - Certification # 8 - Due Diligence Completed, if NOT completed for Task 2.
  - Certification # 9 - Design Development Drawings (DDs) 100% Complete (prior to disbursement of Program Funds for construction permits/fees)
  - Certification # 10 - Construction Drawings (CDs) for First Submittal to Building Department (prior to disbursement of Program Funds for construction permits/fees)



**B. Sponsor shall submit to AHP the following during the course of Task 3: Pre-Construction Planning:**

- **Certifications as provided by AHP:**

- Certification # 9 - Design Development Drawings (DDs) 100% Complete
- Certification # 10 - Construction Drawings (CDs) for First Submittal to Building Department

Future Project funding is dependent on successful completion of Deliverables and Certifications of this Task 3. If any of these Deliverables or Certifications are submitted at Task 2, these Deliverables and Certifications are not required to be submitted pursuant to this Task 3, unless otherwise required by AHP in its sole discretion.

**TASK 4: REHABILITATION/NEW CONSTRUCTION**

**Description/Deliverables**

**A. Sponsor shall submit to AHP the following prior to the disbursement of any Program Funds for Task 4:**

- **Deliverables:**

- Evidence of Builder's Risk, General Liability, Workers' Compensation, and Automobile Insurance
- Payment and Performance Bond by Contractor
- Complete Set of Approved/Stamped Construction Drawings (digital format)
- Executed Construction Contract with Construction Contract Addendum
- Evidence of Project registration with the California Department of Industrial Relations (DIR)
- Approvals and Written Utility Service Commitments (will serve letters) from all Local Agencies, as required
- Completed Draw Request for Program Funds, submitted every thirty (30) days as necessary
- Planning Agency Review Narrative, if necessary
- Phase I Environmental Report, if NOT completed for Task 2 or Task 3
- Phase II Environmental Report, if necessary
- Asbestos Assessment and Lead-Based Paint Report, if necessary

- **Certifications as provided by AHP:**

- Certification # 7 - Planning Agency Review, if NOT completed for Task 2
- Certification # 8 - Due Diligence Completed, if NOT completed for Task 2
- Certification # 9 - Design Development Drawings (DDs) 100% Complete, if NOT completed for Task 3
- Certification # 10 - Construction Drawings (CDs) for First Submittal to Building Department, if NOT completed for Task 3

- Certification # 11 - Construction Contract with Construction Contract Addendum
- Certification # 12 - Prevailing Wage Compliance (General Contractor)

**B. Sponsor shall submit to AHP the following during the course of Task 4:**

• **Deliverables:**

- Evidence of Remediation or Abatement, if necessary
- Site Inspection Reports, as necessary
- Building Permits, as necessary
- Updated Construction Contract Budget and Schedule prior to Issuance of Notice to Proceed
- Updated Construction Contract Budget and Schedule at Expenditure of 50% of the Costs of Construction
- Notice to Proceed
- Temporary Certificate of Occupancy, if necessary
- Certificate of Occupancy, from the jurisdiction where the Project is located.
- Notice of Completion
- Completed Facility, Ready for Licensing and Operations
- Building Permit signed off by Local Building Department or Equivalent

• **Certifications as provided by AHP:**

- Certification # 13 - Building Permit Receipt and Notice of Exemption Filed (California Environmental Quality Act)
- Certification # 14 - Required Insurance and Notice to Proceed
- Certification # 15 - Project Construction Is 50% Complete
- Certification # 16 - Receipt of Certificate of Occupancy (“CoO”)
- Certification # 17 - Notice of Completion and Receipt of Conditional/Unconditional Final Releases of Liens
- Certification # 18 - Receipt of Business License and Operational

Future Project funding is dependent on successful completion of Deliverables and Certifications of this Task 4. If any of these Deliverables or Certifications are submitted at Task 2 or Task 3, these Deliverables and Certifications are not required to be submitted pursuant to this Task 4, unless otherwise required by AHP in its sole discretion. For the avoidance of doubt, for any building permit(s), including any demolition permit(s) required during the course of construction or demolition, Sponsor shall submit prior to the disbursement of Program Funds for Task 4 all of the following: (i) all permits for work to be completed, (ii) all executed construction contracts for work to be completed, (iii) certificates of insurance required pursuant to Article 11 of the Program Funding Agreement, (iv) an updated construction contract

budget and schedule prior to issuance of any notice to proceed in connection with each permit for construction or demolition, as applicable, and (v) each notice to proceed.

#### **TASK 5: OTHER PROJECT COSTS**

##### **Description/Deliverables**

**A. Sponsor shall submit to AHP the following prior to the disbursement of any Program Funds for Task 5:**

- **Deliverables:**
  - Complete Draw Request for Program Funds
  - Detailed Description of “Other Project Costs” needs/uses

#### **TASK 6: RESERVES**

##### **Description/Deliverables**

To be used **as needed** for administrative costs and/or operating costs during rehabilitation.

**A. Sponsor shall submit to AHP the following prior to the disbursement of any Program Funds for Task 6:**

- **Deliverables:**
  - Complete Draw Request for Program Funds
  - Detailed Description of “Reserves” needs/uses

#### **TASK 7: DEVELOPER COSTS**

##### **Description/Deliverables**

**A. Sponsor shall submit to AHP the following prior to the disbursement of any Program Funds for Task 7:**

- **Deliverables:**
  - Complete Draw Request for Program Funds, submitted every thirty (30) days as needed
  - Detailed Description of “Developer Costs” needs/uses

Future Project funding is dependent on successful completion of Deliverables and Certifications of this Task 7.

#### **TASK 8: RELEASE OF RETENTION**

##### **Description/Deliverables**

**Sponsor shall submit to AHP the following prior to the disbursement of any Program Funds for Task 8:**

- **Deliverables:**
  - Completed Draw Request for Program Funds, submitted every thirty (30) days as needed
  - Detailed Description of “Release of Retention” needs/uses
  - Completed AHP Close Out and Transition to State Oversight Procedures
- **Certifications as provided by AHP:**
  - Certification # 17 - Notice of Completion and Receipt of Conditional/Unconditional Final Releases of Liens, if NOT completed for Task 4

**B. Sponsor shall submit to AHP the following during the course of Task 8:**

- **Certifications as provided by AHP:**
  - Certification # 18 - Receipt of Business License and Operational, if NOT completed for Task 4

Future Project funding is dependent on successful completion of Deliverables and Certifications of this Task 8. If any of these Certifications are submitted at Task 4, these Certifications are not required to be submitted pursuant to this Task, unless otherwise required by AHP in its sole discretion.

**TASK 9: ROLLOVER ACCOUNT**

**Description/Deliverables**

**In order to access funds from “Rollover Account,” Sponsor shall submit to AHP the following:**

- **Deliverables:**
  - Complete Draw Request for Program Funds, submitted every thirty (30) days as needed
  - Detailed Description of “Contingency Costs” needs/uses

Amount of unused contingency from each phase = Rollover Account

**SCHEDULE 1**

<b>BOND BHCIP ROUND 1 FORM 2: LAUNCH READY BUDGET</b>		
<b>Applicant Name</b>		
<b>Primary Applicant's legal entity type</b>		
<b>BOND BHCIP ROUND 1 BUDGET: GRANT REQUEST</b>		
<b>FEASIBILITY/DUE DILIGENCE</b>		
<b>USE OF FUNDS</b>	<b>To be funded by grant</b>	<b>Notes and additional comments</b>
Owner Administration (10% autofill)	\$0.00	
Legal		
Architect (schematic drawings/fit study)		
Consultants (specify)		
Engineering		
Construction Manager/Owner's Representative		
Preliminary Title Report (submitted with application)		
Phase 1 Environmental Report		
Phase 2 Environmental Report, if necessary		
Site Surveys (soils and environmental)		
Other Feasibility / Due Diligence Costs		
Other Feasibility / Due Diligence Costs		
Contingency (10% autofill)		
<b>Total Feasibility Costs</b>		
<b>DEVELOPMENT PLANNING</b>		
<b>USE OF FUNDS</b>	<b>To be funded by grant</b>	<b>Notes and additional comments</b>
Owner Administration (10% autofill)		
Legal		
Architecture (design drawings and construction drawings)		
Construction Manager/Owner's Representative		
Civil Engineer		
Mechanical, Electrical, and Plumbing (MEP) Engineer		
Structural Engineer		
Certified Appraisal Fee (for Property Match)		
Consultants (specify)		
Consultants (specify)		
Consultants (specify)		
Other Developmental Planning Costs (specify)		
Other Developmental Planning Costs (specify)		

Other Developmental Planning Costs (specify)		
ALTA Lender's Policy (estimate 0.01% of total grant award)		
Contingency (20% autofill)		
<b>Total Development Planning Costs</b>		
<b>LAND COSTS/ACQUISITION</b>		
<b>USE OF FUNDS</b>	<b>To be funded by grant</b>	<b>Notes and additional comments</b>
Owner Administration (2% autofill)		
Land Cost or Purchase Price		
Closing Costs		
Legal Fees		
Broker's Fee		
Appraisal Fee		
Property Insurance at Closing		
Construction Manager		
Demolition Involved in Acquisition		
Other Acquisition Costs (specify)		
Contingency (5% autofill)		
<b>Total Land Costs</b>		
Off-Site Improvements (if needed)		
<b>Total Acquisition Costs</b>		
<b>REHABILITATION OF EXISTING FACILITY</b>		
<b>USE OF FUNDS</b>	<b>To be funded by grant</b>	<b>Notes and additional comments</b>
Owner Administration (5% autofill)		
Legal		
Construction Manager/Owner's Representative		
Physical Needs Assessment (PNA)		
Asbestos and Lead Paint Survey (required for all rehabs)		
Site Work/Grading (materials and labor)		
Hard Costs (materials and labor); labor must include prevailing wages		
Furniture/Fixtures/Equipment (FFE; 10% cap)		
Demolition		
Contractor Overhead		
Contractor Profit		
Prevailing Wages Administration		
Builder's Risk Insurance		
General Liability Insurance		
Project Inspection		
Urban Greening		

Other Rehabilitation (specify)		
Other Rehabilitation (specify)		
Other Rehabilitation (specify)		
Owner's Contingency (20% autofill)		
<b>Total Rehabilitation Costs</b>		
<b>GROUND-UP NEW CONSTRUCTION</b>		
<b>USE OF FUNDS</b>	<b>To be funded by grant</b>	<b>Notes and additional comments</b>
Owner Administration (5% autofill)		
Legal		
Construction Manager/Owner's Representative		
Site Work (materials and labor)		
Hard Costs (materials and labor); labor must include prevailing wages		
Furniture/Fixtures/Equipment (FFE; 10% cap)		
Demolition		
General Conditions/Requirements		
Contractor Profit		
Prevailing Wages Administration		
Builder's Risk Insurance		
General Liability Insurance		
Project Inspection		
Urban Greening		
Other New Construction (specify)		
Other New Construction (specify)		
Other New Construction (specify)		
Other New Construction (specify)		
Other New Construction (specify)		
Owner's Contingency (20% autofill)		
<b>Total New Construction Costs</b>		
<b>CONSTRUCTION PERMITS AND FEES</b>		
<b>USE OF FUNDS</b>	<b>To be funded by grant</b>	<b>Notes and additional comments</b>
Owner Administration (10% autofill)		
Payment and Performance Bonds by General Contractor		
Building Permit Fees		
Local Development Impact Fees		
DIR Employment Reporting		
Other Construction Permits and Fees (specify)		
Other Construction Permits and Fees (specify)		
Other Construction Permits and Fees (specify)		

Owner's Contingency (10% autofill)		
<b>Total Construction Permits and Fees</b>		
<b>RESERVES</b>		
<b>USE OF FUNDS</b>	<b>To be funded by grant</b>	<b>Notes and additional comments</b>
Operating Reserves (rehabilitation)		
Transition Reserves		
Additional Cash Match (in excess of the required match percentage)		
<b>Total Reserves Amount</b>		
<b>OTHER PROJECT COSTS</b>		
<b>USE OF FUNDS</b>	<b>To be funded by grant</b>	<b>Notes and additional comments</b>
Post-Construction Commissioning		
Accounting/Reimbursable		
Other Costs (specify)		
Other Costs (specify)		
Other Costs (specify)		
Other Costs (specify)		
Owner's Contingency (10% autofill)		
<b>Total Other Project Costs</b>		
<b>DEVELOPER COSTS</b>		
<b>USE OF FUNDS</b>	<b>To be funded by grant</b>	<b>Notes and additional comments</b>
Developer Overhead		
Consultants/Processing Agents		
Project Administration		
Other Developer Costs (specify)		
<b>Total Developer Costs</b>		
<b>TOTAL BOND BHCIP ROUND 1 FUNDING:</b>		



**ATTACHMENT E**  
**PAYMENT SCHEDULE**

**Payment Schedule**

**Payment schedule:** No more than once per month, the Sponsor shall submit a complete draw request to AHP or its designee, in a form determined by AHP, for a specific amount of funds confirmed by specific invoices and supporting documents for actual work completed. The Sponsor shall submit a draw request for any expenditure no later than one hundred eighty (180) days from the date the Sponsor incurs the expense. AHP shall disburse Program Funds to the Sponsor's IDBA within thirty (30) days of AHP's, or its designee's, written approval of the Sponsor's complete draw request.

SAMPLE COUNTY

**ATTACHMENT F**

**THE SPONSOR COMPLIANCE CERTIFICATIONS**

<b>CERTIFICATION NO. 1</b>	<b>BUDGET PREVAILING WAGE COMPLIANCE</b>
<b>CERTIFICATION NO. 2</b>	<b>RELATED PARTY &amp; RELATED PARTY TRANSACTION DISCLOSURE</b>
<b>CERTIFICATION NO. 3</b>	<b>EXECUTION OF PROGRAM FUNDING AGREEMENT</b>
<b>CERTIFICATION NO. 4</b>	<b>MATCH FUNDS, PROPERTY EQUITY, OR IN-KIND MATCH</b>
<b>CERTIFICATION NO. 5</b>	<b>DECLARATION OF RESTRICTIONS</b>
<b>CERTIFICATION NO. 6</b>	<b>LEGAL REVIEW OF CA WELFARE AND INSTITUTIONS CODE §5960.31</b>
<b>CERTIFICATION NO. 7</b>	<b>PLANNING AGENCY REVIEW</b>
<b>CERTIFICATION NO. 8</b>	<b>DUE DILIGENCE COMPLETED</b>
<b>CERTIFICATION NO. 9</b>	<b>DESIGN DEVELOPMENT DRAWINGS 100% COMPLETE</b>
<b>CERTIFICATION NO. 10</b>	<b>CONSTRUCTION DRAWINGS FOR FIRST SUBMITTAL TO BUILDING DEPARTMENT</b>
<b>CERTIFICATION NO. 11</b>	<b>CONSTRUCTION CONTRACT WITH CONSTRUCTION CONTRACT ADDENDUM</b>
<b>CERTIFICATION NO. 12</b>	<b>PREVAILING WAGE COMPLIANCE</b>
<b>CERTIFICATION NO. 13</b>	<b>UTILITY SERVICE COMMITMENTS, BUILDING PERMIT RECEIPT AND NOTICE OF EXEMPTION FILED</b>
<b>CERTIFICATION NO. 14</b>	<b>REQUIRED INSURANCE AND NOTICE TO PROCEED</b>
<b>CERTIFICATION NO. 15</b>	<b>PROJECT CONSTRUCTION IS 50% COMPLETE</b>
<b>CERTIFICATION NO. 16</b>	<b>RECEIPT OF CERTIFICATE OF OCCUPANCY</b>
<b>CERTIFICATION NO. 17</b>	<b>NOTICE OF COMPLETION AND RECEIPT OF CONDITIONAL/UNCONDITIONAL FINAL RELEASES OF LIENS</b>
<b>CERTIFICATION NO. 18</b>	<b>RECEIPT OF BUSINESS LICENSE AND OPERATIONAL</b>
<b>FACILITY ACCESS CERTIFICATION</b>	<b>EXECUTION OF A FACILITY ACCESS AGREEMENT WITH STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES</b>

## SPONSOR'S CERTIFICATION NO. 1

### BUDGET PREVAILING WAGE COMPLIANCE

I, {{ las\_name\_pfa }}, as an authorized representative of {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the “Sponsor”), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California (the “State”) pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} (“Project”) and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. (“AHP”), are relying on this information in awarding and disbursing Program Funds.
3. As part of the application, the Sponsor has submitted a construction budget for the Project. The construction budget was prepared with the assistance and/or consultation of a licensed contractor, architect, or experienced construction manager; the licensed contractor, architect, or construction manager was informed that the Project is a Public Works project as that term is defined in the California Labor Code section 1720 et. seq.; and was prepared using the applicable prevailing wages for all construction work to be performed as part of the Project in accordance with California Labor Code section 1720 et seq.
4. The Sponsor further certifies that the Sponsor (i) has been provided with copies of California Labor Code sections 1771, 1775, 1776, 1777.5, 1813 and 1815, attached hereto as Schedule 1; (ii) has included, or shall include, those California Labor Code provisions in the construction contract with the licensed contractor; and (iii) has notified, or shall notify, the licensed contractor that such California Labor Code provisions must be included in any subcontracts.
5. The Sponsor acknowledges and agrees to periodically review the licensed contractors’ payroll records to monitor compliance with California prevailing wage requirements and to take diligent action if the Sponsor discovers any failure by the licensed contractor or any of its subcontractors to pay prevailing wages or to otherwise comply with the requirements of the California Labor Code.
6. The Sponsor agrees, in accordance with California Labor Code section 1773.3, to provide notice to the California Department of Industrial Relations (“DIR”) of the construction contract within thirty (30) days of the award of such construction contract.
7. The Sponsor shall require the licensed contractor to keep accurate payroll records in compliance with California Labor Code section 1776 and shall require the licensed contractor to make such records available to the DIR in accordance with California Labor Code section 1771.4(a)(3).
8. The Sponsor shall comply with, and shall require its licensed contractor to comply with, any and all other requirements of the California Labor Code related to prevailing wages, all California wage and hours laws, and any applicable federal labor and wage and hour requirements for the duration of the Project.

*SIGNATURE ON THE FOLLOWING PAGE*

SAMPLE COUNTY

I certify under penalty of perjury that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 1, Budget Prevailing Wage Compliance, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
{{ las\_name\_pfa }}  
Typed Name of Signatory

\_\_\_\_\_  
{{ las\_title\_pfa }}  
Title of Signatory

\_\_\_\_\_  
Date

SAMPLE COUNTY

Schedule 1

Copies of California Labor Code Sections 1771, 1775, 1776, 1777.5, 1813, and 1815 Attached

**STATE PREVAILING WAGES STATUTES**

The provisions of California Labor Code sections 1771, 1775, 1776, 1777.5, 1813, and 1815, as set out below and as may be amended, must be incorporated into all construction contracts. All references to sections are to sections of the California Labor Code.

(i) Section 1771:

“Except for public works projects of one thousand dollars (\$1,000) or less, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in this chapter, shall be paid to all workers employed on public works.

This section is applicable only to work performed under contract, and is not applicable to work carried out by a public agency with its own forces. This section is applicable to contracts let for maintenance work.”

(ii) Section 1775:

“(a) (1) The contractor and any subcontractor under the contractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit not more than two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rates as determined by the director for the work or craft in which the worker is employed for any public work done under the contract by the contractor or, except as provided in subdivision (b), by any subcontractor under the contractor.

(2) (A) The amount of the penalty shall be determined by the Labor Commissioner based on consideration of both of the following:

(i) Whether the failure of the contractor or subcontractor to pay the correct rate of per diem wages was a good faith mistake and, if so, the error was promptly and voluntarily corrected when brought to the attention of the contractor or subcontractor.

(ii) Whether the contractor or subcontractor has a prior record of failing to meet its prevailing wage obligations.

(B) (i) The penalty may not be less than forty dollars (\$40) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, unless the failure of the contractor or subcontractor to pay the correct rate of per diem wages was a good faith mistake and, if so, the error was promptly and voluntarily corrected when brought to the attention of the contractor or subcontractor.

(ii) The penalty may not be less than eighty dollars (\$80) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, if the contractor or

subcontractor has been assessed penalties within the previous three years for failing to meet its prevailing wage obligations on a separate contract, unless those penalties were subsequently withdrawn or overturned.

(iii) The penalty may not be less than one hundred twenty dollars (\$120) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, if the Labor Commissioner determines that the violation was willful, as defined in subdivision (c) of Section 1777.1.

(C) If the amount due under this section is collected from the contractor or subcontractor, any outstanding wage claim under Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 against that contractor or subcontractor shall be satisfied before applying that amount to the penalty imposed on that contractor or subcontractor pursuant to this section.

(D) The determination of the Labor Commissioner as to the amount of the penalty shall be reviewable only for abuse of discretion.

(E) The difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the contractor or subcontractor, and the body awarding the contract shall cause to be inserted in the contract a stipulation that this section will be complied with.

(b) If a worker employed by a subcontractor on a public works project is not paid the general prevailing rate of per diem wages by the subcontractor, the prime contractor of the project is not liable for any penalties under subdivision (a) unless the prime contractor had knowledge of that failure of the subcontractor to pay the specified prevailing rate of wages to those workers or unless the prime contractor fails to comply with all of the following requirements:

(1) The contract executed between the contractor and the subcontractor for the performance of work on the public works project shall include a copy of the provisions of this section and Sections 1771, 1776, 1777.5, 1813, and 1815.

(2) The contractor shall monitor the payment of the specified general prevailing rate of per diem wages by the subcontractor to the employees, by periodic review of the certified payroll records of the subcontractor.

(3) Upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages, the contractor shall diligently take corrective action to halt or rectify the failure, including, but not limited to, retaining sufficient funds due the subcontractor for work performed on the public works project.

(4) Prior to making final payment to the subcontractor for work performed on the public works project, the contractor shall obtain an affidavit signed under penalty of perjury from the subcontractor that the subcontractor has paid the specified general prevailing rate of per diem wages to his or her employees on the public works project and any amounts due pursuant to Section 1813.

(c) The Division of Labor Standards Enforcement shall notify the contractor on a public works project within 15 days of the receipt by the Division of Labor Standards Enforcement of a complaint of the failure of a subcontractor on that public works project to pay workers the general prevailing rate of per diem wages.”

(iii) Section 1776:

“(a) Each contractor and subcontractor shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the contractor or subcontractor in connection with the public work. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:

(1) The information contained in the payroll record is true and correct.

(2) The employer has complied with the requirements of Sections 1771, 1811, and 1815 for any work performed by that person on the public works project.

(b) The payroll records enumerated under subdivision (a) shall be certified and shall be available for inspection at all reasonable hours at the principal office of the contractor on the following basis:

(1) A certified copy of an employee’s payroll record shall be made available for inspection or furnished to the employee or the employee’s authorized representative on request.

(2) A certified copy of all payroll records enumerated in subdivision (a) shall be made available for inspection or furnished upon request to a representative of the body awarding the contract and the Division of Labor Standards Enforcement of the Department of Industrial Relations.

(3) A certified copy of all payroll records enumerated in subdivision (a) shall be made available upon request by the public for inspection or for copies thereof. However, a request by the public shall be made through either the body awarding the contract or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to paragraph (2), the requesting party shall, prior to being provided the records, reimburse the costs of preparation by the contractor, subcontractors, and the entity through which the request was made. The public may not be given access to the records at the principal office of the contractor.

(c) Unless required to be furnished directly to the Labor Commissioner in accordance with paragraph (3) of subdivision (a) of Section 1771.4, the certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the division. The payroll records may consist of printouts of payroll data that are maintained as computer records, if the printouts contain the same information as the forms provided by the division and the printouts are verified in the manner specified in subdivision (a).



(d) A contractor or subcontractor shall file a certified copy of the records enumerated in subdivision (a) with the entity that requested the records within 10 days after receipt of a written request.

(e) Except as provided in subdivision (f), any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the awarding body or the Division of Labor Standards Enforcement shall be marked or obliterated to prevent disclosure of an individual's name, address, and social security number. The name and address of the contractor awarded the contract or the subcontractor performing the contract shall not be marked or obliterated. Any copy of records made available for inspection by, or furnished to, a multiemployer Taft-Hartley trust fund (29 U.S.C. Sec. 186(c)(5)) that requests the records for the purposes of allocating contributions to participants shall be marked or obliterated only to prevent disclosure of an individual's full social security number, but shall provide the last four digits of the social security number. Any copy of records made available for inspection by, or furnished to, a joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) shall be marked or obliterated only to prevent disclosure of an individual's social security number.

(f) (1) Notwithstanding any other provision of law, agencies that are included in the Joint Enforcement Strike Force on the Underground Economy established pursuant to Section 329 of the Unemployment Insurance Code and other law enforcement agencies investigating violations of law shall, upon request, be provided nonredacted copies of certified payroll records. Any copies of records or certified payroll made available for inspection and furnished upon request to the public by an agency included in the Joint Enforcement Strike Force on the Underground Economy or to a law enforcement agency investigating a violation of law shall be marked or redacted to prevent disclosure of an individual's name, address, and social security number.

(2) An employer shall not be liable for damages in a civil action for any reasonable act or omission taken in good faith in compliance with this subdivision.

(g) The contractor shall inform the body awarding the contract of the location of the records enumerated under subdivision (a), including the street address, city, and county, and shall, within five working days, provide a notice of a change of location and address.

(h) The contractor or subcontractor has 10 days in which to comply subsequent to receipt of a written notice requesting the records enumerated in subdivision (a). In the event that the contractor or subcontractor fails to comply within the 10-day period, the contractor or subcontractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit one hundred dollars (\$100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. A contractor is not subject to a penalty assessment pursuant to this section due to the failure of a subcontractor to comply with this section.

(i) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section.

(j) The director shall adopt rules consistent with the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code) and the Information Practices Act of 1977 (Title 1.8 (commencing with Section 1798) of Part 4 of Division 3 of the Civil Code) governing the release of these records, including the establishment of reasonable fees to be charged for reproducing copies of records required by this section.”

(iv) Section 1777.5:

“(a) (1) This chapter does not prevent the employment upon public works of properly registered apprentices who are active participants in an approved apprenticeship program.

(2) For purposes of this chapter, “apprenticeship program” means a program under the jurisdiction of the California Apprenticeship Council established pursuant to Section 3070.

(b) (1) Every apprentice employed upon public works shall be paid the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered and shall be employed only at the work of the craft or trade to which he or she is registered.

(2) Unless otherwise provided by a collective bargaining agreement, when a contractor requests the dispatch of an apprentice pursuant to this section to perform work on a public works project and requires the apprentice to fill out an application or undergo testing, training, an examination, or other preemployment process as a condition of employment, the apprentice shall be paid for the time spent on the required preemployment activity, including travel time to and from the required activity, if any, at the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered. Unless otherwise provided by a collective bargaining agreement, a contractor is not required to compensate an apprentice for the time spent on preemployment activities if the apprentice is required to take a preemployment drug or alcohol test and he or she fails to pass that test.

(c) Only apprentices, as defined in Section 3077, who are in training under apprenticeship standards that have been approved by the Chief of the Division of Apprenticeship Standards and who are parties to written apprentice agreements under Chapter 4 (commencing with Section 3070) of Division 3 are eligible to be employed at the apprentice wage rate on public works. The employment and training of each apprentice shall be in accordance with either of the following:

(1) The apprenticeship standards and apprentice agreements under which he or she is training.

(2) The rules and regulations of the California Apprenticeship Council.

(d) If the contractor to whom the contract is awarded by the state or any political subdivision, in performing any of the work under the contract, employs workers in any apprenticeable craft or trade, the contractor shall employ apprentices in at least the ratio set forth in this section and may apply to any apprenticeship program in the craft or trade that can provide apprentices to the site of the public work for a certificate approving the contractor under the apprenticeship standards for the employment and training of apprentices in the area or industry affected. However, the decision of the apprenticeship program to approve or deny a certificate shall be subject to review by the Administrator of

Apprenticeship. The apprenticeship program or programs, upon approving the contractor, shall arrange for the dispatch of apprentices to the contractor. A contractor covered by an apprenticeship program's standards shall not be required to submit any additional application in order to include additional public works contracts under that program. "Apprenticeable craft or trade," as used in this section, means a craft or trade determined as an apprenticeable occupation in accordance with rules and regulations prescribed by the California Apprenticeship Council. As used in this section, "contractor" includes any subcontractor under a contractor who performs any public works not excluded by subdivision (o).

(e) Before commencing work on a contract for public works, every contractor shall submit contract award information to an applicable apprenticeship program that can supply apprentices to the site of the public work. The information submitted shall include an estimate of journeyman hours to be performed under the contract, the number of apprentices proposed to be employed, and the approximate dates the apprentices would be employed. A copy of this information shall also be submitted to the awarding body, if requested by the awarding body. Within 60 days after concluding work on the contract, each contractor and subcontractor shall submit to the awarding body, if requested, and to the apprenticeship program a verified statement of the journeyman and apprentice hours performed on the contract. The information under this subdivision shall be public. The apprenticeship programs shall retain this information for 12 months.

(f) The apprenticeship program supplying apprentices to the area of the site of the public work shall ensure equal employment and affirmative action in apprenticeship for women and minorities.

(g) The ratio of work performed by apprentices to journeymen employed in a particular craft or trade on the public work may be no higher than the ratio stipulated in the apprenticeship standards under which the apprenticeship program operates if the contractor agrees to be bound by those standards. However, except as otherwise provided in this section, in no case shall the ratio be less than one hour of apprentice work for every five hours of journeyman work.

(h) This ratio of apprentice work to journeyman work shall apply during any day or portion of a day when any journeyman is employed at the jobsite and shall be computed on the basis of the hours worked during the day by journeymen so employed. Any work performed by a journeyman in excess of eight hours per day or 40 hours per week shall not be used to calculate the ratio. The contractor shall employ apprentices for the number of hours computed as above before the end of the contract or, in the case of a subcontractor, before the end of the subcontract. However, the contractor shall endeavor, to the greatest extent possible, to employ apprentices during the same time period that the journeymen in the same craft or trade are employed at the jobsite. When an hourly apprenticeship ratio is not feasible for a particular craft or trade, the Administrator of Apprenticeship, upon application of an apprenticeship program, may order a minimum ratio of not less than one apprentice for each five journeymen in a craft or trade classification.

(i) A contractor covered by this section who has agreed to be covered by an apprenticeship program's standards upon the issuance of the approval certificate, or who has been previously approved for an apprenticeship program in the craft or trade, shall employ the number of apprentices or the ratio of apprentices to journeymen stipulated in the applicable

apprenticeship standards, but in no event less than the 1-to-5 ratio required by subdivision (g).

(j) Upon proper showing by a contractor that he or she employs apprentices in a particular craft or trade in the state on all of his or her contracts on an annual average of not less than one hour of apprentice work for every five hours of labor performed by journeymen, the Administrator of Apprenticeship may grant a certificate exempting the contractor from the 1-to-5 hourly ratio, as set forth in this section for that craft or trade.

(k) An apprenticeship program has the discretion to grant to a participating contractor or contractor association a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting the contractor from the 1-to-5 ratio set forth in this section when it finds that any one of the following conditions is met:

(1) Unemployment for the previous three-month period in the area exceeds an average of 15 percent.

(2) The number of apprentices in training in the area exceeds a ratio of 1 to 5.

(3) There is a showing that the apprenticeable craft or trade is replacing at least one-thirtieth of its journeymen annually through apprenticeship training, either on a statewide basis or on a local basis.

(4) Assignment of an apprentice to any work performed under a public works contract would create a condition that would jeopardize his or her life or the life, safety, or property of fellow employees or the public at large, or the specific task to which the apprentice is to be assigned is of a nature that training cannot be provided by a journeyman.

(l) If an exemption is granted pursuant to subdivision (k) to an organization that represents contractors in a specific trade from the 1-to-5 ratio on a local or statewide basis, the member contractors shall not be required to submit individual applications for approval to local joint apprenticeship committees, if they are already covered by the local apprenticeship standards.

(m) (1) A contractor to whom a contract is awarded, who, in performing any of the work under the contract, employs journeymen or apprentices in any apprenticeable craft or trade shall contribute to the California Apprenticeship Council the same amount that the director determines is the prevailing amount of apprenticeship training contributions in the area of the public works site. A contractor may take as a credit for payments to the council any amounts paid by the contractor to an approved apprenticeship program that can supply apprentices to the site of the public works project. The contractor may add the amount of the contributions in computing his or her bid for the contract.

(2) (A) At the conclusion of the 2002–03 fiscal year and each fiscal year thereafter, the California Apprenticeship Council shall distribute training contributions received by the council under this subdivision, less the expenses of the Department of Industrial Relations for administering this subdivision, by making grants to approved apprenticeship programs for the purpose of training apprentices. The grant funds shall be distributed as follows:

(i) If there is an approved multiemployer apprenticeship program serving the same craft or trade and geographic area for which the training contributions were made to the council, a grant to that program shall be made.

(ii) If there are two or more approved multiemployer apprenticeship programs serving the same craft or trade and county for which the training contributions were made to the council, the grant shall be divided among those programs based on the number of apprentices from that county registered in each program.

(iii) All training contributions not distributed under clauses (i) and (ii) shall be used to defray the future expenses of the Department of Industrial Relations for the administration and enforcement of apprenticeship and preapprenticeship standards and requirements under this code.

(B) An apprenticeship program shall only be eligible to receive grant funds pursuant to this subdivision if the apprenticeship program agrees, prior to the receipt of any grant funds, to keep adequate records that document the expenditure of grant funds and to make all records available to the Department of Industrial Relations so that the Department of Industrial Relations is able to verify that grant funds were used solely for training apprentices. For purposes of this subparagraph, adequate records include, but are not limited to, invoices, receipts, and canceled checks that account for the expenditure of grant funds. This subparagraph shall not be deemed to require an apprenticeship program to provide the Department of Industrial Relations with more documentation than is necessary to verify the appropriate expenditure of grant funds made pursuant to this subdivision.

(C) The Department of Industrial Relations shall verify that grants made pursuant to this subdivision are used solely to fund training apprentices. If an apprenticeship program is unable to demonstrate how grant funds are expended or if an apprenticeship program is found to be using grant funds for purposes other than training apprentices, then the apprenticeship program shall not be eligible to receive any future grant pursuant to this subdivision and the Department of Industrial Relations may initiate the process to rescind the registration of the apprenticeship program.

(3) All training contributions received pursuant to this subdivision shall be deposited in the Apprenticeship Training Contribution Fund, which is hereby created in the State Treasury. Upon appropriation by the Legislature, all moneys in the Apprenticeship Training Contribution Fund shall be used for the purpose of carrying out this subdivision and to pay the expenses of the Department of Industrial Relations.

(n) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section. The stipulations shall fix the responsibility of compliance with this section for all apprenticeable occupations with the prime contractor.

(o) This section does not apply to contracts of general contractors or to contracts of specialty contractors not bidding for work through a general or prime contractor when the contracts of general contractors or those specialty contractors involve less than thirty thousand dollars (\$30,000).

(p) An awarding body that implements an approved labor compliance program in accordance with subdivision (b) of Section 1771.5 may, with the approval of the director,

assist in the enforcement of this section under the terms and conditions prescribed by the director.”

(v) Section 1813:

“The contractor or subcontractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit twenty-five dollars (\$25) for each worker employed in the execution of the contract by the respective contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of this article. In awarding any contract for public work, the awarding body shall cause to be inserted in the contract a stipulation to this effect. The awarding body shall take cognizance of all violations of this article committed in the course of the execution of the contract, and shall report them to the Division of Labor Standards Enforcement.”

(vi) Section 1815:

“Notwithstanding the provisions of Sections 1810 to 1814, inclusive, of this code, and notwithstanding any stipulation inserted in any contract pursuant to the requirements of said sections, work performed by employees of contractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than 1 ½ times the basic rate of pay.”

SAMPLE COUNTY

## SPONSOR'S CERTIFICATION NO. 2

### RELATED PARTY & RELATED PARTY TRANSACTION DISCLOSURE

I, {{ las\_name\_pfa }}, as an authorized representative of {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the "Sponsor"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} ("Project") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that it has disclosed to AHP and/or the State the composition of the Sponsor including any entity, member, manager, partner, or person that directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or common control with the Sponsor ("Related Party" or "Related Parties").
4. The Sponsor certifies that it shall disclose to AHP and/or the State, promptly, any change in ownership or control of the Sponsor or any merger or acquisition that changes the control of the Sponsor. For purposes of this Agreement, "ownership" shall mean any entity, member, manager, partner, or person that has an ownership interest of greater than ten percent (10%) in the Sponsor, and "control" shall mean possession of the authority to direct or cause the direction of the affairs or management of the Sponsor.
5. The Sponsor certifies that it shall disclose to AHP and/or the State, promptly, upon the existence or discovery of an actual or potential transaction, agreement, or settlement with a Related Party in connection with the Project ("Related Party Transaction").
6. The Sponsor certifies that it shall disclose to AHP and/or the State: (1) the nature of the relationship, (2) the nature of the potential or actual transaction, agreement, or settlement, (3) the dollar amounts of any such transaction, agreement, or settlement, (4) the dollar amounts due to or from any Related Party, and (5) documents and any additional information, as may be required by AHP and/or the State in their sole discretion.

***SIGNATURE ON THE FOLLOWING PAGE***

I certify that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 2, Related Party & Related Party Transaction Disclosure, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
{{ las\_name\_pfa }}  
Typed Name of Signatory

\_\_\_\_\_  
{{ las\_title\_pfa }}  
Title of Signatory

\_\_\_\_\_  
Date

SAMPLE COUNTY



**SPONSOR'S CERTIFICATION NO. 3**

**EXECUTION OF PROGRAM FUNDING AGREEMENT**

I, {{ las\_name\_pfa }}, as an authorized representative of {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the “Sponsor”), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California (the “State”) pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} (“Project”) and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. (“AHP”), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that it has executed a contract with AHP entitled “Program Funding Agreement”, and that it has provided a true and correct copy of such executed AHP-Sponsor Program Funding Agreement, including all attachments, to AHP.

I certify that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor’s Certification No. 3, Execution of Program Funding Agreement, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
{{ las\_name\_pfa }}  
Typed Name of Signatory

\_\_\_\_\_  
{{ las\_title\_pfa }}  
Title of Signatory

\_\_\_\_\_  
Date

## SPONSOR'S CERTIFICATION NO. 4

### MATCH FUNDS, PROPERTY EQUITY, OR IN-KIND MATCH

I, {{ las\_name\_pfa }}, as an authorized representative of {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the “**Sponsor**”), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California (“**State**”) pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} (“**Project**”) and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. (“**AHP**”), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that, if, and as required by the terms of the Program, the Sponsor is required to provide a match for the Program Funds, and the Sponsor’s match is in the form of cash, the Sponsor has, as required by the terms of the Program Funding Agreement, deposited into the AHP-designated Match Funds bank account the amount of {{ match\_amt\_curated\_written }} ({{ match\_amt\_curated }}) (“**Match Funds**”) as evidenced by a current bank statement provided to AHP.
4. The Sponsor certifies that, if, and as required by the terms of the Program, the Sponsor is required to provide a match for the Program Funds, and the Sponsor’s match is in the form of equity in real property upon which the Project is to be constructed, located at {{ proposed\_address }}, {{ proj\_city }}, {{ proj\_state }} {{ proj\_zip }} (the “**Project Property**”), the Sponsor has provided to AHP (i) the assessed value of the Project Property on the property tax assessment rolls or a written appraisal report setting forth an opinion of fair market value prepared by a certified general appraiser licensed in the State of California, and (ii) all current loan statements reflecting any outstanding loan balances secured by the Project Property, or a statement of outstanding bond debt.
5. The Sponsor certifies that, if, and as required by the terms of the Program, the Sponsor is required to provide an in-kind match for Program Funds, and the Sponsor’s match is in the form of the amount of any reasonable, actual, and documented Project specific fees and expenses incurred by the Sponsor directly for the improvement of the Project Property no more than one (1) year prior to [Month/Day/Year], the date of the Notice of Conditional Award (“**Sunk Costs**”), such expenditures incurred were in the amount of not less than {{ sunk\_costs\_written }} ({{ sunk\_costs }}), as evidenced by Project specific documents, including, but not limited to, invoices with attached proof of payment for work completed, materials purchased, professional, design-build, or other services rendered and paid for by the Sponsor in connection with the Project.

6. At AHP's request, the Sponsor agrees to submit to AHP, promptly, documentation that verifies the Sponsor's statements contained in Sections 3, 4, or 5, prior to disbursement of any Program Funds, including, but not limited to, bank account statements and title documents.

***SIGNATURE ON THE FOLLOWING PAGE***

SAMPLE COUNTY

I certify under penalty of perjury that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 4, Match Funds, Property Equity, or In-Kind Match, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

{{ las\_name\_pfa }}  
\_\_\_\_\_  
Typed Name of Signatory

{{ las\_title\_pfa }}  
\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

SAMPLE COUNTY

**SPONSOR'S CERTIFICATION NO. 5**

**DECLARATION OF RESTRICTIONS**

I, \_\_\_\_\_, as an authorized representative of {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the "Sponsor"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} ("Project") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that the Project is subject to a Regulatory Agreement and Declaration of Restrictions, substantially in the form attached to the Program Funding Agreement as **Attachment H** (the "**Declaration of Restrictions**"), which has been recorded in the official records in the county in which the Project is located, and which, in addition to other matters, restricts the use of the Project. The Sponsor further certifies that it shall provide to AHP, concurrently with this Certification, a copy of such recorded Declaration of Restrictions, which shall evidence recordation in the official records in the county in which the Project is located.

I certify under penalty of perjury that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 5, Declaration of Restrictions, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

## SPONSOR'S CERTIFICATION NO. 6

### LEGAL REVIEW OF CA WELFARE AND INSTITUTIONS CODE §5960.31

I, \_\_\_\_\_, as an authorized representative of {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the "Sponsor"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.

2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} ("Project") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP"), are relying on this information in awarding and disbursing Program Funds.

3. The Sponsor certifies that it has had the opportunity to seek advice from legal counsel as to its rights and responsibilities regarding California Welfare and Institutions Code § 5960.31, set forth below:

**(a) Notwithstanding any other law, projects funded pursuant to paragraph (3) or (4) of subdivision (b) of Section 5965.04 shall be a use by right and shall be subject to the streamlined, ministerial review process and filing requirement, pursuant to subdivisions (b) and (d) of Section 50675.1.5 of the Health and Safety Code, and not subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals, if it meets the criteria of paragraph (1) or (2) and complies with subdivisions (b) and (c).**

**(1) The project is a behavioral health treatment and residential setting, including, but not limited to, children's residential crisis programs, peer respite, children's and adult substance use disorder residential programs, recovery housing, short-term residential therapeutic program, and social rehabilitation program, and shall be located in a zone where residential, office, retail, or parking are a principally permitted use.**

**(2) (A) The project is a real estate asset, as described in Section 5960.05, except for those described in paragraph (1), or in subparagraph (A) of paragraph (1) of subdivision (a) of Section 5831, that is funded pursuant to Section 5967.01, and shall be located in a zone where office, retail, or parking are a principally permitted use.**

**(B) This paragraph shall not be construed to limit the discretion of local jurisdictions to permit real estate assets in a zone not expressly provided in this paragraph.**

**(b) Projects, as applicable, pursuant to this section shall comply with the core components of Housing First, as defined under subdivision (b) of Section 8255, and may include recovery housing, as defined by the United States Department of Housing and Urban Development.**

**(c) Projects pursuant to this section shall meet the labor standards contained in Sections 65912.130 and 65912.131 of the Government Code.**

**(d) For purposes of this section, “use by right” means a development project that satisfies both of the following conditions:**

**(1) The development project does not require a conditional use permit, planned unit development permit, or other discretionary local government review.**

**(2) The development project is not a “project” for purposes of Division 13 (commencing with Section 21000) of the Public Resources Code.**

I certify under penalty of perjury that the above information is true and correct and that the Sponsor has read and understands the terms of this certification and shall comply with all requirements set forth above, in Sponsor’s Certification No. 6, Legal Review of CA Welfare and Institutions Code §5960.31, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

**SPONSOR'S CERTIFICATION NO. 7**

**PLANNING AGENCY REVIEW**

I, \_\_\_\_\_, as an authorized representative of {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the "Sponsor"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} ("Project") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that if constructing a new facility or expanding an existing facility, it shall provide to AHP contemporaneously with this Certification a one-to-two-page narrative report summarizing the results of any preliminary planning meeting with the planning department, or equivalent, in the jurisdiction where the Project is located, including any written documentation and comments received.

I certify under penalty of perjury that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 7, Planning Agency Review, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date



## SPONSOR'S CERTIFICATION NO. 8

### DUE DILIGENCE COMPLETED

I, \_\_\_\_\_, as an authorized representative of {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the "Sponsor"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} ("Project") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that it has obtained a Certified Appraisal Report, setting forth an opinion of fair market value of the real property upon which the Project is to be constructed or operated, prepared by a certified appraiser licensed in the State of California, in a form acceptable to AHP; and the Sponsor has provided copies of the Certified Appraisal Report to AHP.
4. The Sponsor certifies that it has obtained a Phase I environmental site assessment of the Project in conformance with ASTM Standard Practice E-1527 and, if necessary, a Phase II environmental site assessment and that the Sponsor has or shall comply with all recommendations in those assessments as part of the Project. The Sponsor shall provide AHP with copies of all environmental reports and, to the extent applicable, evidence of completion of any recommended environmental remediation.
5. In the event that the Project involves rehabilitation or renovation of an existing structure, the Sponsor certifies that it has obtained an asbestos assessment and lead-based paint report for the Project and has complied or shall comply with all abatement requirements identified therein. The Sponsor certifies that it has provided AHP with copies of all asbestos and lead-based paint reports and, to the extent applicable, evidence of completion of any recommended asbestos or lead-based paint abatement.
6. The Sponsor certifies that it has complied with all applicable federal, state, and local relocation requirements related to the Project, including under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. section 4601 *et seq.*) and the California Relocation Assistance Law (California Government Code section 7260 *et seq.*); and that the Sponsor has complied with all applicable state laws and corresponding regulations for the safe transfer and relocation of residents in residential care facilities licensed by the State and agrees to obtain a State-approved relocation plan for each resident in care.
7. The Sponsor's above certifications are solely for the purpose of confirming that the Sponsor has properly discharged their obligations under the Program Funding Agreement, and AHP's

receipt of these certifications should not be relied upon by the Sponsor or any third parties as a warranty or representation by AHP or DHCS as to the quality of the design or construction of the Project.

**8.** The Sponsor agrees that it is solely responsible and liable for compliance with requirements and recommendations pertaining to asbestos, lead, environmental assessment, local planning, and relocation requirements for the Project and shall indemnify AHP and the State consistent with the terms of the Sponsor's Agreement with AHP and the State.

I certify under penalty of perjury that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 8, Due Diligence Completed, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

SAMPLE COUNTY

**SPONSOR'S CERTIFICATION NO. 9**

**DESIGN DEVELOPMENT DRAWINGS 100% COMPLETE**  
**(to be completed by the Sponsor's Architect)**

I, \_\_\_\_\_, as an authorized representative of \_\_\_\_\_, (the "Architect"), on behalf of {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the "Sponsor"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Architect, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with the Sponsor's application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} ("Project") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP"), are relying on this information in awarding and disbursing Program Funds.
3. I am the lead architect on behalf of the Sponsor for the Project, duly licensed to practice architecture in the State of California pursuant to Chapter 3 of Division 3 of the Business and Professions Code, and have been hired by the Sponsor to provide architectural services for the Project.
4. I hereby certify that design development drawings, including architectural and mechanical, electrical, and plumbing (MEP) drawings for the Project, are one hundred percent (100%) complete.
5. I hereby certify that the Sponsor is ready to commence preparation of construction drawings for the purpose of submittal to the building department, or equivalent, in the jurisdiction where the Project is located.

I certify under penalty of perjury that the above information is true and correct in Sponsor's Certification No. 9, Design Development Drawings 100% Complete, as a condition of the Sponsor receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature  
(Licensed Architect on plan set)

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory (Licensed Architect on plan set)

\_\_\_\_\_  
Date

**SPONSOR'S AND ARCHITECT'S CERTIFICATION NO. 10**

**CONSTRUCTION DRAWINGS FOR  
FIRST SUBMITTAL TO BUILDING DEPARTMENT**

**(to be completed by the Sponsor and the Sponsor's Architect)**

I, \_\_\_\_\_, as an authorized representative of {{  
legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the "Sponsor"), and I,  
\_\_\_\_\_, as an authorized representative of  
\_\_\_\_\_ (the "Architect"), each, hereby certify that:

1. The Sponsor and Architect each certify that they possess the legal authority to submit this certification on behalf of the Sponsor and the Architect, respectively, and the information and statements set forth below are, to the best of their knowledge and belief, true and correct.
2. The Sponsor and Architect each certify that they are providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} ("Project") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that it has obtained updated estimates of all applicable fees and charges due to the local jurisdiction with permitting authority over the Project, including, but not limited to, fees for plan checks, building permits, schools, special assessments, impact fees, and fire permits, among others, as may be applicable to the Project, depending on the jurisdiction, and the Sponsor has sent copies of all such fee estimates to AHP.
4. The Sponsor and Architect each certify that they have construction drawings for the Project that are ready for first submittal to the building department, or its equivalent, in the jurisdiction where the Project is located. The Sponsor shall provide AHP with copies of all such drawings upon request.
5. The Sponsor certifies that it is prepared to submit complete applications and pay required fees to the applicable government authorities for building permits and approvals necessary to construct the Project.
6. The Sponsor and Architect shall attest by their signatures below that the construction drawings for the Project are ready for first submittal to the building department, or its equivalent, in the jurisdiction where the Project is located, within thirty (30) days of the date of execution of this Certification No. 10.

***SIGNATURES ON THE FOLLOWING PAGE***

I certify under penalty of perjury that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's and Architect's Certification No. 10, Construction Drawings for First Submittal to Building Department, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

\_\_\_\_\_

\_\_\_\_\_  
Authorized Signature  
*(Licensed Architect on plan set)*

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory  
*(Licensed Architect on plan set)*

\_\_\_\_\_  
Date

SAMPLE COUNTY

## SPONSOR'S CERTIFICATION NO. 11

### CONSTRUCTION CONTRACT WITH CONSTRUCTION CONTRACT ADDENDUM

I, \_\_\_\_\_, as an authorized representative of {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the "Sponsor"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} ("Project") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that it has negotiated and attached to this Certification a construction contract for the Project as mutually agreed upon by the Sponsor and the general contractor ("**Construction Contract**") which includes a total cost of construction that does not exceed the amount set forth in the application for Program Funds for construction costs of the Project, unless otherwise approved by AHP or the State, in their sole discretion.
4. The Sponsor further certifies that the Construction Contract includes an attachment thereto, in the form attached to the Program Funding Agreement as Attachment I (the "**Construction Contract Addendum**"), which shall contain certain required additional details, conditions, or terms to be agreed upon by and between the Sponsor and the general contractor.
5. Upon full execution of the Construction Contract or any amendment thereof, the Sponsor promptly shall provide AHP a copy of the fully executed Construction Contract, with the Construction Contract Addendum attached thereto and incorporated by reference.
6. The Sponsor certifies that the Construction Contract Addendum, as incorporated into the Construction Contract, shall not be amended or modified in any manner, at any time, without prior approval by AHP or the State, in their sole discretion.
7. The Sponsor certifies that the final Construction Contract for the full course of construction of the Project is based on the fully permitted set of construction drawings, which constitute the full scope of the construction for the Project.
8. The Sponsor certifies that the General Contractor is registered with the California Department of Industrial Relations ("**DIR**") as required by California Labor Code section 1725.5. The Sponsor further certifies that the Construction Contract and any subcontracts entered into by the general contractor shall require the general contractor and all subcontractors to comply with California

Labor Code section 1720 *et seq.* for all work performed for the Project, including, but not limited to, the payment of prevailing wages for all work performed on the Project.

I certify under penalty of perjury that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 11, Construction Contract with Construction Contract Addendum, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

SAMPLE COUNTY

**GENERAL CONTRACTOR'S CERTIFICATION NO. 12**

**PREVAILING WAGE COMPLIANCE**  
**(to be completed by the Sponsor's General Contractor)**

I, \_\_\_\_\_, as an authorized representative of [insert name of General Contractor] ("General Contractor"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the General Contractor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} ("Project") submitted by {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the "Sponsor") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP"), and the Sponsor are relying on this information in awarding and disbursing Program Funds to the Sponsor.
3. General Contractor certifies that all construction work performed on the Project shall comply with California Labor Code section 1720 *et seq.* and require the payment of prevailing wages.
4. General Contractor certifies that the Sponsor has provided General Contractor with copies of California Labor Code sections 1771, 1775, 1776, 1777.5, 1813, and 1815; that the construction contract includes those California Labor Code provisions; and that such California Labor Code provisions shall be included in all subcontracts entered into by General Contractor for the Project.
5. General Contractor agrees to periodically review its subcontractors' payroll records to monitor compliance with California prevailing wage requirements and to take diligent action if General Contractor discovers any failure by a subcontractor to pay prevailing wages and to otherwise comply with the requirements of the California Labor Code.
6. General Contractor shall not release final payment to any subcontractors for work performed on the Project until General Contractor has obtained an affidavit signed under penalty of perjury from the subcontractor that the subcontractor has paid the specified general prevailing wage for all work performed on the Project as well as any other amounts due under the California Labor Code.
7. General Contractor agrees to keep accurate payroll records in compliance with California Labor Code section 1776 and shall require all of its subcontractors to keep such records and to make such records available to the California Department of Industrial Relations ("DIR") in accordance with California Labor Code section 1771.4(a)(3).
8. General Contractor agrees to comply with any and all other requirements of the California Labor Code related to prevailing wages, all California wage and hours laws, and any applicable federal labor and wage and hours requirements for the duration of the Project.



9. General Contractor acknowledges that neither the State nor AHP shall be liable for any penalties or damages resulting from General Contractor's failure to comply with all requirements related to public works projects applicable to the Project.

I certify that the above information is true and correct and that General Contractor shall comply with all requirements set forth above, in General Contractor's Certification No. 12, Prevailing Wage Compliance, as a condition of the Sponsor receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature  
(General Contractor)

\_\_\_\_\_  
Typed Name of Signatory  
(General Contractor)

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

SAMPLE COUNTY

**SPONSOR'S CERTIFICATION NO. 13**

**UTILITY SERVICE COMMITMENTS, BUILDING PERMIT RECEIPT AND NOTICE  
OF EXEMPTION FILED**

I, \_\_\_\_\_, as an authorized representative of {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the "Sponsor"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} ("Project") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that it has obtained and provided to AHP copies of any written utility service commitments (commonly referred to as "will serve letters"), as may be required by the local jurisdiction with permitting authority over the Project.
4. The Sponsor certifies that it has obtained and provided to AHP copies of the building permits issued by the local jurisdiction with permitting authority over the Project required to commence construction on the Project.
5. The Sponsor certifies that, upon receipt of a building permit from the jurisdiction where the Project is located, a Notice of Exemption for the Project has been filed with the County Clerk pursuant to the California Environmental Quality Act ("CEQA") Guidelines section 15062.

***SIGNATURE ON THE FOLLOWING PAGE***

I certify under penalty of perjury that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 13, Building Permit Receipt and Notice of Exemption Filed, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

SAMPLE COUNTY

**SPONSOR'S CERTIFICATION NO. 14**

**REQUIRED INSURANCE AND NOTICE TO PROCEED**

I, \_\_\_\_\_, as an authorized representative of {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the "Sponsor"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} ("Project") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that it has acquired all general liability and any applicable builder's risk and property insurance pursuant to the requirements of Article 11 of the Program Funding Agreement.
4. The Sponsor certifies that it has provided to AHP copies of its certificates of insurance in accordance with the requirements of Article 11 of the Program Funding Agreement.
5. The Sponsor certifies that it has provided to AHP an updated budget and schedule for the Project prior to the Sponsor's issuance of a notice to proceed to its general contractor.
6. The Sponsor certifies that on or about \_\_\_\_\_, 202\_\_, [insert date and delete this note] a notice to proceed was issued to its general contractor to commence construction on the Project.

***SIGNATURES ON THE FOLLOWING PAGE***

I certify that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 14, Required Insurance and Notice to Proceed, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

SAMPLE COUNTY

**SPONSOR'S CERTIFICATION NO. 15**

**PROJECT CONSTRUCTION IS 50% COMPLETE**

I, \_\_\_\_\_, as an authorized representative of {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the "Sponsor"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.

2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} ("Project") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP"), are relying on this information in awarding and disbursing Program Funds.

3. The Sponsor certifies that on or about \_\_\_\_\_, 202\_\_, [insert date and delete this note] Project construction is fifty percent (50%) complete; and further certifies that it has provided to AHP an updated budget and schedule for completion of the Project.

I certify that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 15, Project Construction Is 50% Complete, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

**SPONSOR'S CERTIFICATION NO. 16**

**RECEIPT OF CERTIFICATE OF OCCUPANCY**

I, \_\_\_\_\_, as an authorized representative of {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the "Sponsor"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} ("Project") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that the Project has received its Certificate of Occupancy or equivalent from the jurisdiction where the Project is located.
4. The Sponsor further certifies that it has provided to AHP a copy of the Certificate of Occupancy.

I certify that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 16, Receipt of Certificate of Occupancy, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

**SPONSOR'S CERTIFICATION NO. 17**

**NOTICE OF COMPLETION AND  
RECEIPT OF CONDITIONAL/UNCONDITIONAL FINAL RELEASES OF LIENS**

I, \_\_\_\_\_, as an authorized representative of {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the "Sponsor"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} ("Project") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that, pursuant to California Civil Code section 8182 *et seq.*, it has recorded with the County Clerk in the jurisdiction where the Property is located a Notice of Completion; and that the Sponsor has provided to AHP a copy of the Notice of Completion.
4. The Sponsor certifies that it has obtained from its general contractor conditional/unconditional final releases of all liens for all labor or services provided, or equipment and material delivered, to or on behalf of the Sponsor, for construction or rehabilitation at the Project.
5. The Sponsor further certifies that it has provided to AHP copies of all conditional/unconditional final releases of all liens, which the Sponsor received from its general contractor, and that the Sponsor shall provide to AHP any additional release of lien documentation or information, as may be required by AHP and/or the State in their sole discretion.

***SIGNATURE ON THE FOLLOWING PAGE***



I certify that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 17, Notice of Completion and Receipt of Conditional/Unconditional Final Releases of Liens, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

SAMPLE COUNTY

**SPONSOR'S CERTIFICATION NO. 18**

**RECEIPT OF BUSINESS LICENSE AND OPERATIONAL**

I, \_\_\_\_\_, as an authorized representative of {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the "Sponsor"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} ("Project") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that the Sponsor and the Project, each, as may be required, individually and collectively, has received, renewed, or maintained all licenses, designations, and certifications, including a business license, as may be required, by the jurisdiction where the Project is located and by the State, to operate the Project pursuant to the requirements of the Program Funding Agreement.

I certify that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Certification No. 18, Receipt of Business License and Operational, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Typed Name of Signatory

\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

**SPONSOR'S FACILITY ACCESS CERTIFICATION**

**EXECUTION OF A FACILITY ACCESS AGREEMENT WITH STATE OF CALIFORNIA,  
DEPARTMENT OF HEALTH CARE SERVICES**

I, \_\_\_\_\_, as an authorized representative of {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the "Sponsor"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor, and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the {{ proj\_name }} ("Project") and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP"), are relying on this information in awarding and disbursing Program Funds.
3. The Sponsor certifies that it has executed a contract with the State Department of Health Care Services ("DHCS") entitled Facility Access Agreement ("**Facility Access Agreement**").
4. The Sponsor certifies that it has provided a true and correct copy of the executed Facility Access Agreement, including all attachments, to AHP.

I certify that the above information is true and correct and that the Sponsor shall comply with all requirements set forth above, in Sponsor's Facility Access Certification, Execution of a Facility Access Agreement with State of California, Department of Health Care Services, as a condition of receiving the Program Funds.

\_\_\_\_\_  
Authorized Signature

{{ las\_name\_pfa }}  
\_\_\_\_\_  
Typed Name of Signatory

{{ las\_title\_pfa }}  
\_\_\_\_\_  
Title of Signatory

\_\_\_\_\_  
Date

**ATTACHMENT G**  
**PERFORMANCE MILESTONES**

**ATTACHMENT G - PERFORMANCE MILESTONES**

*These Performance Milestones are the basis for your Project's Payment Schedule so that in all events, all Program Funds must be obligated and expended June 30, 2030.*

**ESTIMATED MILESTONES**

**Preconstruction/Acquisition, Construction, Move-in**

PHASE	MILESTONE	Milestone Certification or Documents	COMPLETION DATE: Not To Exceed
Preconstruction	MATCH FUNDS, PROPERTY EQUITY, OR IN-KIND MATCH	Certification # 4	
Preconstruction	DECLARATION OF RESTRICTIONS	Certification # 5	
Preconstruction	LEGAL REVIEW OF CA WELFARE AND INSTITUTIONS CODE §5960.3(a)	Certification # 6	
Preconstruction	PLANNING AGENCY REVIEW	Certification # 7	
Preconstruction	DUE DILIGENCE COMPLETED FOR ACQUISITION	Certification # 8	
Acquisition	ACQUISITION -CLOSE OF ESCROW/DECLARATION OF RESTRICTIONS	Recorded Deed	Project specific, N/A
Preconstruction	DESIGN DEVELOPMENT DRAWINGS 100% COMPLETE	Certification # 9	
Preconstruction	CONSTRUCTION DRAWINGS FOR FIRST SUBMITTAL TO BUILDING DEPT	Certification # 10	
Preconstruction	CONSTRUCTION CONTRACT WITH CONSTRUCTION CONTRACT RIDER	Certification # 11	
Preconstruction	PREVAILING WAGE COMPLIANCE (GC)	Certification # 12	
Preconstruction	UTILITY SERVICE COMMITMENTS, BUILDING PERMIT RECEIPT, AND NOTICE OF EXEMPTION FILED	Certification # 13	
Construction	REQUIRED INSURANCE AND NOTICE TO PROCEED	Certification # 14	
Construction	PROJECT CONSTRUCTION IS 50% COMPLETE	Certification # 15	Completion before 6/30/30
Construction	RECEIPT OF CERTIFICATE OF OCCUPANCY	Certification # 16	
Move-In	NOTICE OF COMPLETION AND RECEIPT OF UNCONDITIONAL FINAL RELEASES C	Certification # 17	Completion before 6/30/30
Move-In	RECEIPT OF BUSINESS LICENSE AND OPERATIONAL	Certification # 18	Project specific, N/A
CLOSE OUT	ANTICIPATED EXPIRATION DATE OF THE AGREEMENT & TRANSFER TO STATE OVERSIGHT		6/30/2030

RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:

Advocates for Human Potential, Inc.  
490-B Boston Post Road  
Sudbury, MA 01776-3365

Attention: Legal Department

NO FEE FOR RECORDING PURSUANT TO  
GOVERNMENT CODE SECTION 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

## ATTACHMENT H

### REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIONS

This Regulatory Agreement and Declaration of Restrictions (the “**Declaration**”), dated \_\_\_\_\_ for reference purposes, is by and between {{ **legal\_entity\_name** }}, {{ **typ\_of\_legal\_entity** }} (the “**Owner**”) and the State of California (the “**State**”), represented by the **DEPARTMENT OF HEALTH CARE SERVICES**, a public agency of the State of California (“**DHCS**”).

#### RECITALS

A. DHCS oversees the Behavioral Health Continuum Infrastructure Program (“**BHCIP**” or “**Program**”), which was established by California Assembly Bill No. 133 (Chapter 143, Statutes of 2021), and which is governed by California Welfare and Institutions Code section 5960-5960.4, as amended by the State Behavioral Health Infrastructure Bond Act of 2024 (section 4, Chapter 4 of California Assembly Bill 531 (“**AB 531**”)) which provided, in part, for the: (a) addition of section 5965.04 to the California Welfare and Institutions Code allocating additional funding to the Program; and (b) repealed section 5960.45 from the California Welfare and Institutions Code.

B. Under BHCIP, DHCS awards State Behavioral Health Infrastructure Bond Act of 2024 funds (“**Bond BHCIP Funds**”) to qualified entities, through competitive grants, to construct, acquire, and rehabilitate real estate assets to build new capacity or expand existing capacity for facilities that will operate for a minimum of thirty (30) years to provide short-term crisis stabilization, acute and subacute care, crisis residential, community-based mental health residential, substance use disorder residential, peer respite, community and outpatient behavioral health services, and other clinically enriched longer term treatment and rehabilitation options for persons with behavioral health disorders in the least restrictive and least costly settings;

C. On July 17, 2024, DHCS issued a Request for Applications (“**RFA**”) for Bond BHCIP Funds and selected Owner’s Project (as defined below) as a recipient of Bond BHCIP Funds. Advocates for Human Potential, Inc., a Massachusetts corporation (“**AHP**”), acting as the initial program administrator for the initial five (5)-year building phase of BHCIP, entered into a Program Funding Agreement with an Effective Date of \_\_\_\_\_, 20\_\_ (the “**Program**”).

**Funding Agreement**”), with Owner for the distribution of Bond BHCIP Funds in an amount not to exceed {{ amt\_awarded\_written }} ({{ grant\_amt\_requested\_curated }}) (the “**Program Funds**”) over the above-mentioned five (5)-year building phase for Owner to acquire, expand, or construct certain improvements more particularly described in the RFA (“**Owner’s Project**”) on that certain real property commonly known as {{ proposed\_address }}, located in the City of {{ proj\_city }} (“**City**”), County of {{ county }} (“**County**”), State of California, and the improvements thereon (the “**Property**”), as more particularly described and shown on **Exhibit A**, attached hereto and incorporated herein by this reference;

D. As an award recipient, in consideration for the Program Funds, and in order to comply with the policies, programs, and applicable legislation, including the RFA, the Program Funding Agreement, the Facility Access Agreement between DHCS and the Owner, and BHCIP, the Property and the owner thereof are subject to certain requirements and restrictions, including, without limitation, the obligation to ensure that the Property shall be used for {{ fac\_category\_type\_residential\_outpatient | lower }} (the “**Permitted Use**”) for the Restriction Period (defined below), subject to change or modification to another use set forth in **Exhibit B**, attached hereto, and incorporated herein by this reference, with DHCS approval, which must accept and provide services to Medi-Cal beneficiaries as patients;

E. The Property shall be owned, held, used, maintained, and transferred pursuant to the covenants, conditions, restrictions, and limitations as further described herein; and

F. Owner and DHCS have agreed to enter into this Declaration to memorialize some of the aforementioned requirements and restrictions in the public record that will survive the expiration of the Program Funding Agreement to ensure compliance with the same.

**NOW, THEREFORE**, in consideration of the Program Funds paid to the Owner under the Program Funding Agreement and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Owner hereby enters into this Declaration and hereby covenants, agrees, and declares the following:

## **AGREEMENT**

**1. Use of Property.** Owner, for itself and for its successors and assigns, hereby declares and covenants that, for the Restriction Period, the use of the Property, or in the event only a portion thereof has been improved with the use of Program Funds, then only that portion that has been so improved shall be restricted to the Permitted Use. Any change to another use described in Exhibit B, attached hereto and incorporated herein by this reference, shall require the express prior written approval of DHCS in its sole and absolute discretion, which modification and consent may be recorded in the official records of the County.

**2. Use, Maintenance, Repair, and Improvement of the Property.** Owner agrees:

2.1 To use the Property, or that portion of the Property constructed or improved with Program Funds, continuously for the Permitted Use;

2.2 To maintain the Property in conformity with the habitability and fire codes of the City or County where the Property is located in decent, safe, and sanitary condition and repair, and to permit no waste thereof;

2.3 Not to commit or suffer to be done or exist on or about the Property any condition causing the Property to become less valuable, except in accordance with this Declaration;

2.4 Not to apply for any permits or construct any buildings or improvements on the Property, other than the permits, buildings, and improvements contemplated as part of this Declaration, that would detrimentally affect the Property, including, without limitation, the value of the Property, the structural integrity of the Property, or the contemplated uses of the Property set forth in Exhibit B; or add to, remove, demolish, or structurally alter any buildings or improvements included as part of the Property purchased or improved with Program Funds, without DHCS's consent;

2.5 To comply with all applicable laws affecting the Property, including, but not limited to, Behavioral Health Continuum Infrastructure Program, authorized by California Welfare and Institutions Code section 5960-5960.4, and not to suffer or permit any violations of any such applicable law, nor of any covenant, condition, or restriction affecting the Property. To the extent an amendment to the foregoing imposes requirements upon the ownership or operation of the Project more restrictive than those imposed by this Declaration, this Declaration shall be deemed automatically amended, without consent or approval of any other person, to impose such additional or more restrictive requirements; however, Owner hereby agrees to execute such amendment upon request by DHCS;

2.6 To construct and maintain the deliverables developed and produced pursuant to the Program Funding Agreement in compliance with the accessibility requirements of sections 7405 and 11135 of the California Government Code, section 508 of the Rehabilitation Act of 1973 as amended (29 U.S.C. § 794d), regulations implementing the Rehabilitation Act of 1973 as set forth in Part 1194 of Title 36 of the Code of Federal Regulations, and the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 *et seq.*);

2.7 Not to initiate or acquiesce in any change in any zoning or other land use or legal classification which affects any of the Property without DHCS's prior written consent, which may be granted or withheld at DHCS's sole discretion;

2.8 Not to alter the use of all or any part of the Property constructed or improved with Program Funds without DHCS's prior written consent;

2.9 To maintain all licenses, certifications, or designations required to continue operating for the use specified in the Program Funding Agreement, or other use approved in writing by DHCS;

2.10 To pay to DHCS its then-current fees in connection with any consent, approval, transfer, amendment, or waiver requested by Owner, together with any expenses incurred by DHCS in connection therewith;

2.11 To submit to DHCS such periodic reports, updates, and information deemed necessary by DHCS to monitor compliance and/or perform program evaluation. Any requested data or information shall be submitted in electronic format in a manner specified by DHCS;

2.12 To pay all taxes, assessments, and other charges, liens, fines, and impositions attributable to or encumbering the Property, by making payment, prior to delinquency, directly to the payee thereof. Owner shall, upon request by DHCS or its agent, promptly furnish to DHCS or its agent all notices of amounts due under this subsection and receipts evidencing such payments. Owner shall have the right to contest in good faith any claim or lien, or payment due thereunder, so long as Owner does so diligently, without prejudice to DHCS, and provided that Owner has established on Owner's books adequate reserves with respect to such contested assessment, tax, charge, lien, or claim; and

2.13 To defend (with counsel satisfactory to DHCS), indemnify, and hold harmless DHCS and its respective officers, members, supervisors, directors, officials, and employees, counsel, attorneys, and agents, past, present, and future of each of them (collectively, the "**Indemnified Parties**") against all loss, costs, damages, expenses, suits, judgments, actions, and liabilities of whatever nature (including, without limitation, reasonable attorneys' fees, litigation and court costs, and amounts paid in settlement) directly or indirectly resulting from or arising out of or related to (a) the operation, use, occupancy, maintenance, financing, or ownership of the Owner's Project, and (b) any breach of the foregoing obligations. Owner shall pay, upon demand, all of the reasonable fees and expenses paid or incurred by DHCS in enforcing the provisions of this Declaration against Owner.

### **3. Restrictions On Sale, Encumbrance, And Other Acts.**

3.1 Owner shall not voluntarily (which term shall not be interpreted to include a foreclosure of any security for a loan or deed-in lieu) sell, encumber (including recordation of deeds of trust), hypothecate, assign, pledge, convey, or transfer the Property, or any portion thereof, or any of its interests therein, equity interest in Owner, or any general partner interest in the Owner without obtaining DHCS's prior written consent, which shall not be unreasonably withheld by DHCS if (a) the Owner is not in default hereunder or under the Program Funding Agreement and delivers a certificate to DHCS certifying to the same; (b) the purchaser or assignee is not in default under any obligations it may have to DHCS and is not the subject of any legal or enforcement actions by DHCS; (c) evidence reasonably satisfactory to DHCS is presented to establish that the purchaser or assignee has prior experience in the successful development, ownership, and/or operation of a facility described in Exhibit B for individuals who qualify as members of the target population, or has a partner with said relevant experience; (d) DHCS shall have received reasonable evidence satisfactory to DHCS that the Owner's purchaser or transferee has assumed, in writing, the restrictions on the Property and Owner's duties and obligations under this Declaration and the Program Funding Agreement; (e) evidence satisfactory to DHCS that the purchaser or assignee does not have pending against it, nor does it have a history of, building or fire code violations as identified by any department of DHCS; and (f) such other conditions as the State may reasonably impose to ensure compliance by the assignee or purchaser and Property with the requirements of this Declaration and Program Funding Agreement. It is expressly stipulated and agreed that, except for any such sale, transfer or disposition agreed to by DHCS in a separate writing, any sale, transfer, or other disposition of the Property in violation of this Section 3 shall



be null and void , and shall not relieve the Owner of its obligations under this Declaration. Upon any sale or transfer which complies with this Declaration, the Owner shall be fully released from any obligations arising after said sale or transfer, but only to the extent such obligations have been assumed by the transferee of the Property. Any transfer of the Property to any entity, whether or not affiliated with the Owner, shall be subject to the provisions of this Section 3.

3.2 If DHCS determines, in its reasonable discretion, to grant its prior written consent for a sale, transfer, or conveyance of the Property, such consent may impose additional terms and conditions, as necessary, to preserve or establish the fiscal integrity of the Property or to ensure compliance with this Declaration.

3.3 If a trustee under a loan acquires title to the Property by foreclosure or deed in lieu of foreclosure, no consent of the State shall be required to such transfer under this Declaration; however, the consent of DHCS and delivery of items (a) through (f) in Section 3.1 above shall be required for any transfer of the Property subsequent to the trustee's acquisition of the Property by foreclosure or deed in lieu of foreclosure.

#### **4. Insurance, Casualty, and Condemnation.**

4.1 During the Restriction Period, Owner shall obtain and maintain (i) property insurance insuring against, among other things, loss of the Property, or any portion thereof, and Owner's personal property and fixtures by fire and such other hazards and casualties; (ii) commercial liability insurance insuring against liabilities arising out of the ownership, use, occupancy, condition, or maintenance of or the operations, use, and activities in, on, or about the Property; and (iii) other such insurance required by DHCS, and in such amounts as required by DHCS, which policies shall include DHCS as an additional insured upon request by DHCS. All insurance policies and renewals thereof shall be issued by a carrier and in a form acceptable to DHCS. Owner may choose to self-insure to comply with these requirements and agrees to provide written evidence of such insurance coverage within five (5) days of such request by DHCS or AHP.

4.2 In the event of any fire or other casualty to the Property or any part thereof, Owner shall immediately notify DHCS and seek direction from DHCS on how to proceed. DHCS, in its sole and absolute discretion, shall determine whether to instruct the Owner to apply the insurance proceeds to repayment to DHCS of the unamortized Program Funds. DHCS has the right but not the obligation to approve the plans and specifications for any repair and restoration, as well as the right but not the obligation to approve disbursements of insurance proceeds for repair and restoration under a construction escrow or similar arrangement.

5. **Covenants Run with the Land.** The Property is held and hereafter shall be held, conveyed, hypothecated, encumbered, leased, rented, used, and occupied subject to this Declaration. Notwithstanding section 1460, *et seq.*, of the California Civil Code, the provisions hereof shall run with the land and may be enforced either in law or equity by any State agency. DHCS and Owner hereby declare their express intent that the covenants, reservations, and restrictions contained herein shall be deemed both equitable servitudes and covenants running with the land and shall pass to and be binding upon the Owner's successors in title to the Property; provided, however, that upon the expiration of the Restriction Period said covenants, reservations

and restrictions shall expire. Owner expressly acknowledges and agrees that the Declaration is a reasonable restraint on Owner's right to own, use, maintain, and transfer the Property and any estate or interest therein and is not and shall not be construed to be an unreasonable restraint on alienation. Each and every contract, deed, or other instrument hereafter executed covering or conveying the Property, or any portion thereof, shall be held conclusively to have been executed, delivered, and accepted subject to this Declaration, regardless of whether this Declaration is set forth in such contract, deed, or other instrument.

6. **Term of Declaration.** The covenants in this Declaration shall be binding, effective, and enforceable commencing upon the recordation of this Declaration on the fee estate in land in the official records of the County, and they shall continue in full force and effect for a period of at least thirty (30) years after the date of either of the following: (i) the date of issuance of a Certificate of Occupancy, if the Owner's Project is for construction of a new facility, or (ii) the date of recordation of a Notice of Completion, in the official records of the County, if the Project is for the rehabilitation or expansion of an existing facility on the Property (the "**Restriction Period**"), regardless of any sale, assignment, transfer, or conveyance (including, without limitation, by foreclosure sale) of the Property or any portion thereof to any other person or entity.

7. **Default, Remedies.** If Owner defaults in the performance or observance of any covenant, agreement, restriction, or obligation of Owner set forth in this Declaration, and if such default remains uncured for a period of thirty (30) days after notice therefore shall have been given by DHCS to the Owner, then DHCS shall declare an "**Event of Default**" to have occurred hereunder. An Event of Default under this Declaration shall entitle DHCS to any rights, remedies, or damages available in law or equity, including, but not limited to, those that are specified in Section 7.1-7.4 below. DHCS's failure to exercise any specific right or remedy shall not be construed as a waiver of that or any other right or remedy. An Event of Default under this Declaration shall also constitute a default under the Program Funding Agreement, in the event the same has not expired by its terms.

7.1 **Specific Performance.** The use, repair, and maintenance of the Property is of a special and unique kind and character, so that a breach of any material provision of this Declaration by Owner would not have an adequate remedy in law. Therefore, DHCS's rights may be enforced by an action for specific performance and such other equitable relief as is provided by the laws of the State of California.

7.2 **Injunctive Relief.** In pursuing specific performance of the Declaration, DHCS shall be entitled to petition the court for injunctive relief to enjoin any acts or things which may be in violation of this Declaration or the Program Funding Agreement. Such injunctive relief may include a court order restraining any development of the Property that is inconsistent with the foregoing Declaration.

7.3 **Appointment of Receiver.** In addition to or in conjunction with any other remedy available in law or equity, DHCS may apply to a court of competent jurisdiction for the appointment of a receiver to take over and operate the Property in accordance with the requirements of the Program Funding Agreement and this Declaration. The receiver shall have all

powers which shall be necessary or are usual in such cases for the protection, possession, control, management, and operation of the Property.

7.4 Right to Cure Defaults. Upon the occurrence and during the continuance of any Event of Default, the State may, but without any obligation to do so and without notice to or demand on Owner and without releasing Owner from any obligation hereunder, take such actions to cure the Event of Default in such manner and to such extent as the State may deem necessary to protect the security hereof. The cost and expense of any cure hereunder (including reasonable attorneys' fees to the extent permitted by law) shall be due and payable to the State upon demand, plus an administration fee of ten percent (10%).

7.5 Intentionally omitted.

**8. DHCS Review and Inspection.**

8.1 At any time during the term of this Declaration and upon reasonable notice, DHCS or its designee may, but is not obligated to, enter and inspect the Property and inspect all records pertaining to the operation, repair, and maintenance of the Property. Upon request by DHCS, Owner shall notify occupants of upcoming inspections in accordance with state law.

8.2 DHCS or its designee may, but is not obligated to, request any other information that it deems necessary to confirm compliance with this Declaration. Owner shall provide such requested information within fourteen (14) calendar days of DHCS's or its designee's written request for the information.

8.3 DHCS or its designee shall not, by the fact of making or not making any entries or inspections, or by taking or failing to take any action in response thereto: (i) incur or undertake, or be deemed to incur or undertake, any obligation, duty, or liability whatsoever, whether to Owner or to any other person or entity; (ii) be deemed as approving or disapproving any matter, action, incident, or condition related to the Property; or (iii) be deemed as approving or disapproving any matter related to the compliance of the Property with this Declaration or other applicable laws. In no event or circumstance shall DHCS's or its designee's exercise or non-exercise of its discretion under this subsection constitute, or be deemed or interpreted as constituting, any termination, limitation, alteration, or waiver by DHCS or its designee of any right, benefit, or remedies under or with respect to this Declaration.

**9. Owner Representations.** Owner represents and warrants to DHCS that: (1) Owner has sufficient interest in the Property to support the operation of the Property in accordance with this Declaration; (2) to Owner's actual knowledge and belief, there are no agreements, contracts, covenants, conditions, or exclusions to which Owner (or its predecessor in interest) is a party which would, if enforced, prohibit or restrict the use of the Property in accordance with the terms of this Declaration; (3) Owner has the full right and authority to enter into this Declaration; (4) this Declaration constitutes a valid and legally binding obligation on Owner, enforceable in accordance with its terms; and (5) Owner is duly organized, validly existing, and authorized to do business in the State of California.

10. **Amendment, Modification.** This Declaration shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the official records of the County.

11. **Severability.** Every provision of this Declaration is intended to be severable. If any provision of this Declaration is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired.

12. **Governing Law.** This Declaration shall be governed by and interpreted under the laws of the State of California and applicable federal laws.

13. **Recordation of Agreement.** This Declaration shall be recorded on the fee estate in land in the official records of the County no later than December 31, 2025. The Declaration shall be recorded, and shall remain, as a lien against the Property for the Restriction Period. After the expiration of the Restriction Period, and, after the State's receipt of a written request from Owner, the State shall execute a termination of this Declaration.

***SIGNATURES ON THE FOLLOWING PAGES***

**IN WITNESS WHEREOF**, Owner and State have caused this Declaration to be signed by their duly authorized representatives, as of the day and year first written above.

**OWNER:**

{{ legal\_entity\_name }},  
{{ typ\_of\_legal\_entity }}

By: \_\_\_\_\_  
    {{ las\_name\_pfa }}  
    {{ las\_title\_pfa }}

Date: \_\_\_\_\_

**ALL SIGNATURES MUST BE ACKNOWLEDGED**

SAMPLE COUNTY

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, accuracy, or validity of that document.

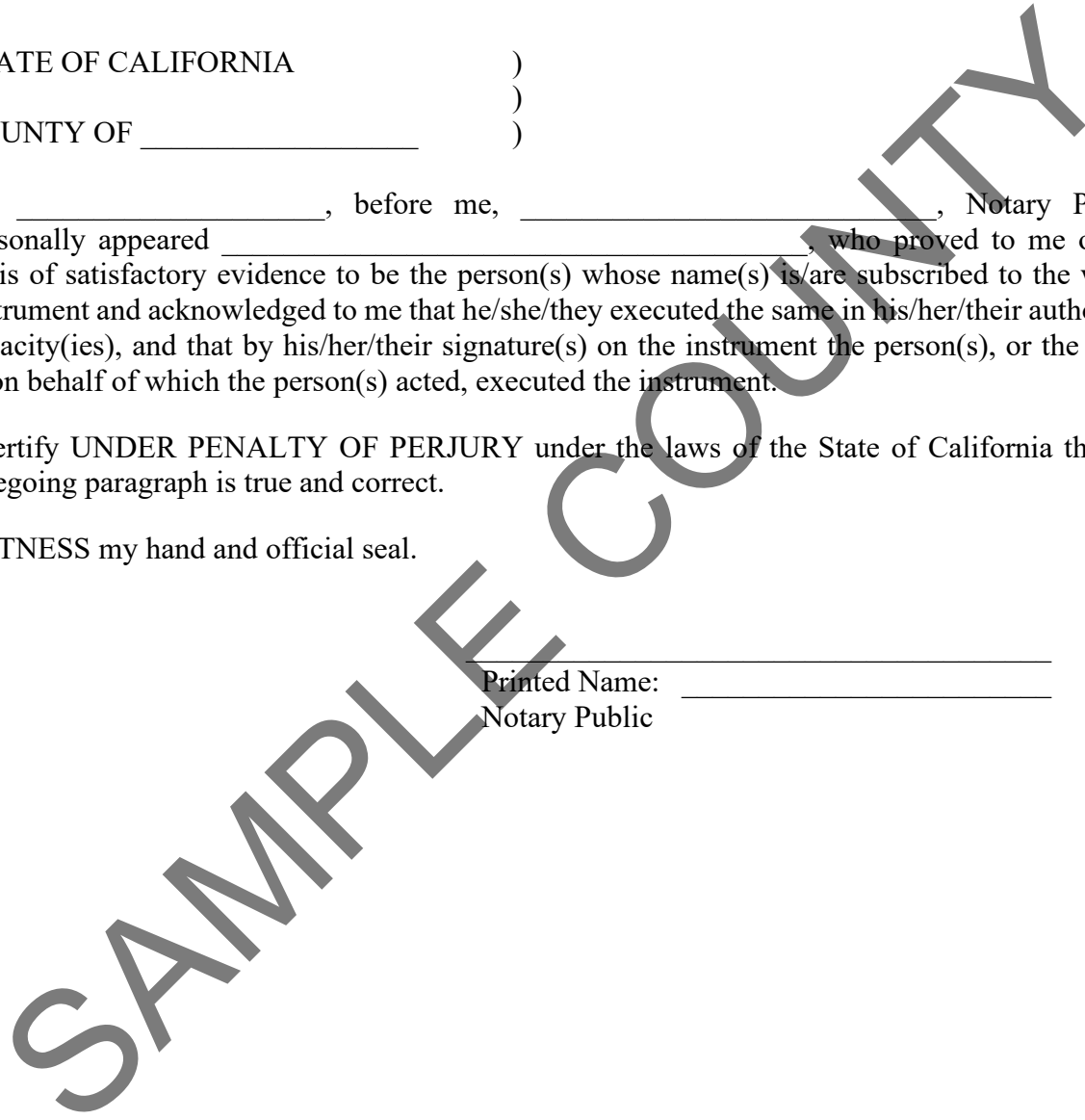
STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_ )

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.

Printed Name: \_\_\_\_\_  
Notary Public \_\_\_\_\_



**DHCS:**

**DEPARTMENT OF HEALTH CARE SERVICES,**  
a public agency of the State of California

By: \_\_\_\_\_  
Holly Clifton, Section Chief  
Community Services Division / Behavioral Health  
Continuum Infrastructure Program Section

Date: \_\_\_\_\_

**ALL SIGNATURES MUST BE ACKNOWLEDGED**

SAMPLE COUNTY

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, accuracy, or validity of that document.

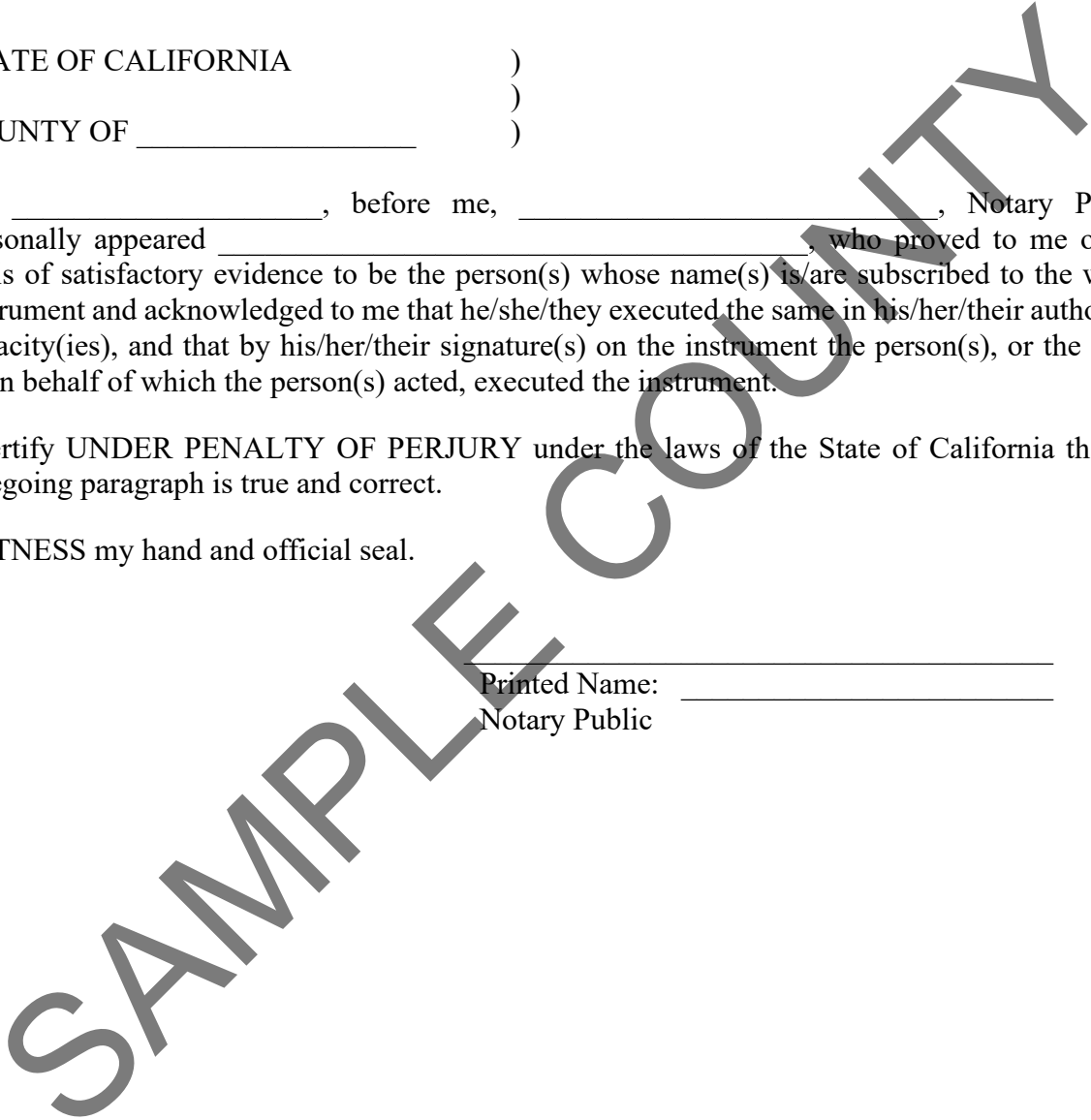
STATE OF CALIFORNIA )  
 )  
COUNTY OF \_\_\_\_\_ )

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.

Printed Name: \_\_\_\_\_  
Notary Public \_\_\_\_\_





**EXHIBIT A**

**LEGAL DESCRIPTION OF THE PROPERTY**

**[TO BE INSERTED BY TITLE COMPANY]**

SAMPLE COUNTY

**EXHIBIT B**

**PROPERTY AND OPERATIONS**

A facility that provides one or more of the following behavioral health (mental health and substance use disorder) services to address significant crisis care and behavioral health gaps in California's infrastructure, including: outpatient clinical support services, including urgent care, short-term crisis, crisis stabilization, substance use disorder, partial hospitalization; or residential clinical services that provide shelter and support, including psychiatric acute care, psychiatric health, psychiatric treatment, substance use disorder, community treatment, general acute care, acute care, mental health rehabilitation, peer respite, short-term therapeutic, skilled nursing with special treatment, or social rehabilitation. The facility shall accept and provide services to Medi-Cal beneficiaries as patients.

SAMPLE COUNTY

## ATTACHMENT I

### CONSTRUCTION CONTRACT ADDENDUM

This Construction Contract Addendum (this “**Addendum**”) is made this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (“**Owner**”) and \_\_\_\_\_ (the “**Contractor**”).

#### RECITALS

A. The Owner and Advocates for Human Potential, Inc., a Massachusetts corporation (“**AHP**”), acting as program administrator for the State of California (the “**State**”) Department of Health Care Services, a public agency of the State of California (“**DHCS**”), have entered into that certain Program Funding Agreement dated \_\_\_\_\_ (the “**Agreement**”), pursuant to which Owner was allocated funds (“**Program Funds**”) pursuant to the Behavioral Health Continuum Infrastructure Program (“**BHCIP**”) for the purposes of developing the project located at {{ proposed\_address }}, {{ proj\_city }}, CA {{ proj\_zip }} (the “**Project**”).

B. Owner and Contractor have entered into a construction agreement dated \_\_\_\_\_, under which Contractor has agreed to undertake construction work on the Project (the “**Contract**”).

C. Owner and Contractor wish to modify and add to the terms of the Contract as set forth in this Addendum, and Contractor agrees to be bound by the following provisions in the construction of said Project, in order to provide for certain terms required by AHP as a condition of providing the Program Funds for the Project. It is a condition to AHP providing the Program Funds that the Contractor agrees to be bound by the terms hereof.

NOW, THEREFORE, Owner and Contractor hereby agree as follows:

**1. OWNER’S OBLIGATIONS.** Owner agrees that any obligation imposed on Contractor by this Addendum does not waive, diminish, or alter any of Owner’s obligations to AHP under the Agreement, and that the obligations of Contractor to AHP contained herein are in addition to those obligations of Owner to AHP or DHCS contained in the Agreement. Owner shall be solely responsible for satisfying its obligations to Contractor under the Contract.

**2. CONSENT TO ASSIGNMENT OF DEVELOPMENT RIGHTS.** Contractor consents to the assignment of its Contract with Owner to AHP, upon demand by AHP and written approval from DHCS, and to any subsequent assignment of the Contract by AHP at the election of AHP. Contractor agrees that if there is a breach of the Agreement or any other Event of Default (as the term may be defined in the Agreement), AHP may elect to enforce the assignment and take over the Contract. Contractor agrees to continue to perform its obligations under the Contract and this Addendum for the benefit and account of AHP in the same manner as if performed for the benefit and account of Owner in the absence of the assignment at no additional cost to AHP, as long as Contractor has received and continues to receive the compensation called for under the Contract. Contractor agrees that AHP shall not have any obligation under the Contract until AHP

notifies it in writing of AHP's election to accept the assignment. DHCS shall not provide its written approval to AHP without first consulting with the Sponsor about AHP's request.

**3. ASSIGNMENT OF SUBCONTRACTS.** Contractor hereby consents to the assignment to AHP of all its interest in all subcontracts and agreements now or hereafter entered into by Contractor for performance of any part of the construction work required to be performed under the Contract. The assignment will be effective upon acceptance by AHP in writing and only as to those subcontracts and agreements which AHP designates in writing. After obtaining DHCS written approval, AHP may accept said assignment at any time during the course of the construction work required to be performed under the Contract and prior to final completion of construction work required to be performed under the Contract in the event of a suspension or termination of Contractor's rights under the Contract. Such assignment is part of the consideration to Owner for entering into the Contract with Contractor and may not be withdrawn prior to final completion of construction work required to be performed under the Contract. Contractor agrees that any subcontract entered by and between Contractor and a subcontractor in connection with the Contract or performance of the construction work required to be performed under the Contract shall expressly provide that such subcontract shall be assignable to AHP and that AHP subsequently may assign such subcontract. DHCS shall not provide its written approval to AHP without first consulting with the Sponsor about AHP's request.

**4. COMMENCEMENT AND COMPLETION OF CONSTRUCTION.** Contractor must begin construction of the Project by the date set for the commencement of construction in the Contract. Contractor must diligently prosecute construction of the Project to completion and must complete construction of the Project by the completion date set forth in the Contract. Incorporated herein are the Scope of Work, Performance Milestones, and Payment Schedule from the Agreement.

**5. CONSTRUCTION BONDS.** Upon execution of the Contract and prior to commencement of construction, unless otherwise approved by AHP or DHCS each in their sole discretion, Contractor must obtain a labor and material (payment) bond and a performance bond, or a dual bond which covers both payment and performance obligations, with respect to the construction of the Project in a penal sum each of not less than one hundred percent (100%) of the scheduled cost of construction. Such bonds must be issued by a company which is authorized to transact surety insurance in California and which has assets exceeding its liabilities in an amount equal to or in excess of the bond amount. The bonds must name AHP and DHCS as co-obligees. Owner shall provide to AHP a copy of any and all such payment and performance bonds prior to commencement of the construction work required to be performed under the Contract.

**6. CONTRACT WORK.** Contractor warrants and represents that it is licensed or otherwise authorized to perform the construction work specified in the Contract in the State of California. All construction work must be performed by persons or entities licensed or otherwise authorized to perform the applicable construction work in the State of California. Contractor shall insert similar provisions in all subcontracts for work for the Project.

**7. QUALITY OF WORK.** Contractor must construct the Project in conformance with the plans and specifications and any modifications thereto approved by AHP. Contractor must construct the Project according to general industry standards and shall employ building

materials of a quality suitable for the requirements of the Project and conforming to general industry standards. Contractor must construct the Project in full conformance with applicable local, state, and federal statutes, regulations, and building and housing codes.

The parties acknowledge that AHP and DHCS are under no duty to review the Plans and Specifications or to inspect construction of the Project. Any review or inspection undertaken by AHP or DHCS of the Project is solely for the purpose of determining whether Owner and Contractor are properly discharging their obligations, and should not be relied upon by Owner, Contractor, or any third parties as a warranty or representation by AHP or DHCS as to the quality of the design or construction of the Project.

**8. ADDITIONS OR CHANGES IN WORK.** AHP must be notified, no later than thirty (30) days after the execution of a change order by and between Owner and Contractor, of any changes in the work required to be performed under the Contract or this Addendum, including any substantial additions, changes, or deletions to the approved plans and specifications, which exceeds One Hundred Thousand Dollars (\$100,000). Contractor shall not allow subcontractors to mark-up any change order by more than fifteen percent (15%). Contractor shall provide AHP and Owner with an updated budget and schedule prior to the commencement of construction at the Project and at fifty percent (50%) completion of the Project showing all changes from the budget and schedule prepared prior to the issuance of the notice to proceed to Contractor.

**9. SITE INSPECTIONS.** Contractor shall permit and facilitate in person and remote observation and inspection of work at the job site by AHP and DHCS and their agents and by public authorities during reasonable business hours.

**10. AUDITS.** Contractor must make available for examination at reasonable intervals and during normal business hours to AHP and DHCS's representatives all books, accounts, reports, files, and other papers or property with respect to all matters covered by the Contract and this Addendum, and must permit these representatives to audit, examine, and make copies, excerpts, or transcripts from such records.

**11. NONDISCRIMINATION.** Contractor may not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, sexual preference, national origin, AIDS or AIDS-related conditions, or disability in any phase of employment during construction. Contractor agrees to post in conspicuous places, available to all employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

**12. PREVAILING WAGES.** All workers performing construction work for the Project employed by Contractor and by any of its subcontractors must be compensated in an amount no less than the general prevailing rate of per diem wages as determined by the California Department of Industrial Relations under California Labor Code sections 1770 *et seq.* and implementing rules and regulations. Contractor must comply with, and must ensure that its subcontractors comply with, all reporting and recordkeeping requirements of the applicable prevailing wage statutes and regulations.

In the event of underpayment of wages by Contractor or by any subcontractor employed on the Project, AHP, in addition to other rights and remedies afforded by this Agreement, may: (1) demand that any underpaying employer comply with these requirements; (2) demand that the underpaying employer pay the difference between the prevailing wage rate and the amount actually paid to workers; (3) withhold and/or pay any Program Funds as necessary to compensate workers the full wages required under this Agreement; and/or (4) pursue any lawful administrative or court remedy to enforce these requirements against the underpaying employer. Any underpaying employer shall comply with a demand to pay any amounts due under this section within ten (10) calendar days of the demand.

Contractor must include the prevailing wage requirement in all subcontracts for work on this Project and must specify that AHP and DHCS are intended third-party beneficiaries of such provisions. Contractor must take reasonable measures to monitor and enforce the prevailing wage requirements imposed on its subcontractors, including withholding payments to those subcontractors who violate these requirements. In the event that Contractor fails to take the above measures, Contractor shall be liable for the full amount of any underpayment of wages, plus costs and attorneys' fees, as if Contractor was the actual employer.

**13. INSURANCE COVERAGE.** Contractor must have in full force and effect during the complete course of construction of the Project, insurance, providing coverage in the types and amounts set forth below:

**13.1** Workers' compensation insurance as required by the State of California.

**13.2** Comprehensive automobile and vehicle liability insurance covering claims for injuries to members of the public and/or damages to property of others arising from use of motor vehicles, including on-site and off-site operations, and owned, non-owned, or hired vehicles, with One Million Dollars (\$1,000,000) combined single limits.

**13.3** Commercial general liability insurance of not less than One Million Dollars (\$1,000,000) per occurrence with an annual aggregate limit of Five Million Dollars (\$5,000,000) for bodily injury and property damage liability combined. Such insurance can be provided pursuant to a combination of a commercial general liability insurance policy and an umbrella policy. The commercial general liability insurance policy shall cover liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured agreement. The commercial general liability insurance shall apply to each insured against whom claim is made or suit is brought subject to the Sponsor's limit of liability.

**14. NON-LIABILITY OF OFFICIALS, EMPLOYEES, AND AGENTS.** No director, officer, official, employee, consultant, or agent of AHP or DHCS shall be personally liable to Contractor for any obligation created under the terms of the Contract or this Addendum except in the case of actual fraud or willful misconduct by such person.

**15. INDEMNITY.** Notwithstanding the insurance requirements herein, Contractor hereby indemnifies, defends, and holds AHP and DHCS and their respective directors, officers, officials, employees, consultants, and agents (collectively, the “Indemnified Parties”), harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including reasonable attorneys’ fees) which an Indemnified Party may incur as a consequence of Contractor’s failure to perform any obligations as and when required by the Contract or this Addendum, any act or omission by Contractor or its subcontractors with respect to the Project, or any failure of any of Contractor’s representations or warranties to be true and complete, except to the extent such losses are caused by the negligence or willful misconduct of the Indemnified Party. Contractor shall pay immediately upon the Indemnified Party’s demand any amounts owing under this indemnity. The duty of Contractor to indemnify includes the duty to defend the Indemnified Party in any court action, administrative action, or other proceeding brought by any third party arising from the Project or the Contract or this Addendum. Contractor’s duty to indemnify the Indemnified Party shall survive the term of the Contract.

**16. HAZARDOUS MATERIALS.** Neither Contractor nor any of its subcontractors may use the real property upon which the Project is to be constructed (the “Project Property”) or allow the Project Property to be used for the generation, manufacture, storage, disposal, or release of Hazardous Materials. Contractor shall immediately notify AHP and Owner in writing of: (a) the discovery of any concentration or amount of Hazardous Materials on or under the Project Property requiring notice to be given to any governmental agency under Hazardous Materials Laws; (b) any knowledge by Contractor that the Project Property does not comply with any Hazardous Materials Laws; (c) the receipt by Contractor of written notice of any Hazardous Materials claims; and (d) the discovery by Contractor of any occurrence or condition on the Project Property or on any real property located within 2,000 feet of the Project Property that could cause the Project Property to be designated as a “hazardous waste property.”

**17. NOTICES; NOTICE OF DEFAULT TO AHP.** If at any time after the execution of the Contract it shall become necessary or convenient for Contractor to serve any notice, demand, or communication upon AHP, such notice, demand or communication shall be in writing provided in accordance with the notice requirements of the Agreement. Contractor shall give AHP prior or concurrent written notice of any default or breach claimed by Contractor against Owner or any other party under the Contract. The notice shall describe the default and give AHP the option to cure said default within thirty (30) calendar days. No termination of the Contract by Contractor shall be binding unless AHP has been given the required notice and has not cured the default within thirty (30) calendar days.

**18. REMEDIES.** The parties hereto agree that AHP, while not a party to the Contract, is an intended third-party beneficiary of the obligations imposed on Contractor in this Addendum. In the event of any breach or violation of any agreement or obligation of Contractor under the Contract or this Addendum, AHP may proceed with any of the following remedies:

**18.1** Bring an action in equitable relief seeking the specific performance by Contractor of the terms and conditions of the Contract or this Addendum and/or enjoining, abating, or preventing any violation of said terms and conditions;

**18.2** Order immediate stoppage of construction and demand that any condition leading to the default be corrected before construction may continue;

**18.3** Enter the Project Property and take any actions necessary in its judgment to complete construction of the Project as permitted under the assignment of development rights;

**18.4** Suspend disbursement of Program Funds for the Project until the breach or violation is corrected, or, if Owner had any concurrent obligation to perform on or ensure performance on the breached obligation, cancel the Program Funds commitment made to Owner and terminate AHP's obligation to disburse Program Funds to Owner;

**18.5** Terminate the Contract; or

**18.6** Pursue any other remedy allowed in law or equity.

**19. GOVERNING LAW.** This Addendum shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law.

**20. DEFINITIONS.** Capitalized terms not defined in this Addendum shall have the same meaning as defined in the Agreement.

**21. ATTORNEYS' FEES AND COSTS.** In the event any legal action is commenced to interpret or to enforce the terms of this Addendum, the prevailing party in any such action shall be entitled to recover all reasonable attorneys' fees and costs incurred in such action.

**22. TIME.** Time is of the essence in the performance of this Addendum by Contractor.

**23. CONSENTS AND APPROVALS.** Any consent or approval required under this Addendum shall not be unreasonably withheld, delayed, or conditioned.

**24. BINDING UPON SUCCESSORS.** All provisions of this Addendum shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferees, and assigns of each of the parties; provided, however, that this section does not waive the prohibition on assignment of this Addendum by Contractor without AHP's consent.

**25. RELATIONSHIP OF CONTRACTOR AND AHP.** Contractor understands that neither AHP nor DHCS undertakes or assumes any responsibility or duty to Contractor or to any third party. The relationship of Contractor and AHP and DHCS for this Project shall not be construed as a joint venture, equity venture, or partnership. AHP shall have no obligation to any party under the Contract but is an intended third-party beneficiary of the obligations under this Addendum. Contractor shall have no authority to act as an agent of AHP or DHCS or to bind AHP or DHCS to any obligation.



**26. ASSIGNMENT.** Contractor may not assign any of its interests under the Contract or the Addendum to any other party, except with the prior written consent of AHP. Any unauthorized assignment shall be void.

**27. AMENDMENTS AND MODIFICATIONS.** Any amendments or modifications to this **Addendum** must be in writing and shall be made only if executed by Owner and Contractor and consented to in writing by AHP.

**28. SEVERABILITY.** Every provision of this Addendum is intended to be severable. If any provision of this Addendum is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not be affected or impaired.

**29. ADDENDUM CONTROLS.** In the event that any provisions of this Addendum and the Contract conflict, the terms of this Addendum shall control.

***SIGNATURES ON THE FOLLOWING PAGE***

SAMPLE COUNTY

**IN WITNESS WHEREOF**, Owner and Contractor have executed this Construction Contract Addendum as of the date first written above.

**OWNER:**

By: \_\_\_\_\_  
    {{ las\_name\_pfa }}  
    {{ las\_title\_pfa }}

Date: \_\_\_\_\_

**CONTRACTOR:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Date: \_\_\_\_\_

SAMPLE COUNTY

**ATTACHMENT J**

**RFA**

SAMPLE COUNTY

**ATTACHMENT K**

**NOTICE OF CONDITIONAL AWARD LETTER**

SAMPLE COUNTY

**ATTACHMENT L**

**FACILITY ACCESS AGREEMENT**  
**BEHAVIORAL HEALTH CONTINUUM INFRASTRUCTURE PROGRAM (BHCIP)**  
**ROUND 1: LAUNCH READY**

**1. STATEMENT OF INTENT**

The purpose of this Facility Access Agreement (this “**Agreement**”) is to provide the State of California (the “**State**”) **Department of Health Care Services (“DHCS”)** with access to a property and facility owned and operated by {{ legal\_entity\_name }}, {{ typ\_of\_legal\_entity }} (the “**Sponsor**”), which received grant funding through the Behavioral Health Continuum Infrastructure Program (“**BHCIP**”). The Sponsor further agrees to provide information and documents to DHCS as outlined in this Agreement. The Sponsor agrees to provide this facility access and to provide the information outlined in this Agreement to enable DHCS to confirm the Sponsor’s compliance with BHCIP requirements and restrictions and applicable federal regulations. The Sponsor enters into this Agreement as a condition of receipt of Bond BHCIP Funds and will comply with this Agreement for the term specified.

**2. BACKGROUND**

DHCS oversees BHCIP pursuant to the requirements of California Welfare and Institutions Code sections 5960-5960.4, as amended by sections 5965-5967.01 that provided, in part, for the: (a) addition of section 5965.04 to the California Welfare and Institutions Code allocating additional funding to the Program; and (b) repealed section 5960.45 from the California Welfare and Institutions Code.

DHCS oversees BHCIP to award State Behavioral Health Infrastructure Bond Act of 2024 funds (“**Bond BHCIP Funds**”) to qualified entities, through competitive grants, to construct, acquire, and rehabilitate real estate assets to address significant crisis care gaps in California’s behavioral health (mental health and substance use disorder) infrastructure.

DHCS awarded the Sponsor Bond BHCIP Funds to acquire, expand, or construct certain improvements (the “**Sponsor’s Project**”) on that certain real property commonly known as {{ proposed\_address }}, located in the City of {{ proj\_city }}, County of {{ county }}, State of California, and the improvements thereon (the “**Property**”); and, to operate the specific type of behavioral health facility (the “**Facility**”) identified in the Sponsor’s application on the Property following the completion of the Sponsor’s Project.

As part of DHCS’s grant award to the Sponsor, the Sponsor entered into a contract with Advocates for Human Potential, Inc., a Massachusetts corporation (“**AHP**”), which is assisting in the management of the Bond BHCIP Funds and administering BHCIP in partnership with DHCS.

This Agreement between DHCS and the Sponsor provides additional obligations the Sponsor has to DHCS as a condition of receiving all funds under the Sponsor’s contract with AHP and in order to comply with the requirements of the statutes governing BHCIP.

### **3. APPLICABILITY OF BHCIP STATUTES**

It is the intent of the parties that the Sponsor and any subsequent owners of the Property continue to be bound by the requirements of the BHCIP statutes and this Agreement for a minimum of thirty (30) years from the date of the Sponsor's contract with AHP, and shall continue in full force and effect for a period of at least thirty (30) years after the date of either of the following: (i) the date of issuance of a Certificate of Occupancy, if the Sponsor's Project is for construction of a new facility, or (ii) the date of recordation of a Notice of Completion in the official records of the county in the jurisdiction where the Property is located, if the Sponsor's Project is for the rehabilitation or expansion of an existing facility on the Property, notwithstanding the repeal of the BHCIP statutes. The BHCIP statutes, as written on the date of this Agreement, are hereby incorporated by reference into this Agreement.

### **4. SPONSOR OBLIGATIONS TO DHCS**

For a minimum of thirty (30) years, the Sponsor shall:

- A. Ensure that the Facility operates in compliance with the requirements set forth in California Welfare and Institutions Code sections 5960-5960.4 and Section 8.A of this Agreement;
- B. Comply with the change of Facility use requirements contained in Section 8.B. of this Agreement, if applicable;
- C. Maintain all books, accounting records, client records, and documents in accordance with the requirements set forth in Section 8.C. of this Agreement;
- D. Provide DHCS access to the Property, the Facility, books, accounting records, client records, and documents in accordance with the requirements set forth in Section 8.D. of this Agreement;
- E. Provide DHCS with reports in the manner and frequency set forth in California Welfare and Institutions Code sections 5960-5960.4 and Section 8.E. of this Agreement; and
- F. Require, as a condition of sale, that any subsequent owners of the Property comply with the terms of this Agreement, if the Sponsor transfers ownership of Facility at any time during the thirty (30) years.

### **5. SERVICE LOCATION**

The services shall be performed at the Property.

### **6. SERVICE HOURS**

The services shall be provided during normal Sponsor working hours and days.

### **7. PROJECT REPRESENTATIVES**

- A. The project representatives during the term of this Agreement will be:

<p><b>Department of Health Care Services</b></p> <p><b>Contract/Grant Manager:</b>  Holly Clifton, Section Chief  Community Services Division / Behavioral Health Continuum Infrastructure Program Section  <b>Telephone:</b> +1 (916) 345-7468  <b>Email:</b> <a href="mailto:holly.clifton@dhcs.ca.gov">holly.clifton@dhcs.ca.gov</a></p>	<p><b>{{ legal_entity_name }}</b></p> <p><b>Contract/Grant Manager:</b>  <b>{{ las_name_pfa }}</b>, <b>{{ las_title_pfa }}</b></p> <p><b>Telephone:</b> <b>{{ las_cell_num_pfa }}</b>  <b>Email:</b> <b>{{ las_email_pfa }}</b></p>
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B. Direct all inquiries to:

<p><b>Department of Health Care Services</b></p> <p>State of California  Department of Health Care Services  Attention: Behavioral Health Expansion Branch, Community Services Division  1501 Capitol Avenue, MS 2633  Sacramento, CA 95814</p> <p><b>Telephone:</b> +1 (916) 345-7468  <b>Email:</b> <a href="mailto:holly.clifton@dhcs.ca.gov">holly.clifton@dhcs.ca.gov</a></p>	<p><b>{{ legal_entity_name }}</b></p> <p>Attention: <b>{{ las_name_pfa }}</b>, <b>{{ las_title_pfa }}</b></p> <p><b>lead_authorized_representative_address_business</b></p> <p><b>{{ lead_auth_rep_city_business }}</b>,  <b>{{ lead_auth_rep_state_business }}</b>  <b>{{ lead_auth_rep_zip_business }}</b></p> <p><b>Telephone:</b> <b>{{ las_cell_num_pfa }}</b>  <b>Email:</b> <b>{{ las_email_pfa }}</b></p>
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C. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this Agreement.

**8. SERVICES TO BE PERFORMED**

A. Operation of the Facility:

For a minimum of thirty (30) years, the Sponsor shall comply with the following requirements:

1. Operate the Facility in accordance with all applicable requirements in California Welfare and Institutions Code sections 5960-5960.4;
2. Operate the Facility as the type of behavioral health services facility identified in the Sponsor’s DHCS-approved BHCIP grant application for Bond BHCIP Funds, and serve the populations identified in the Sponsor’s DHCS-approved BHCIP grant application for BHCIP Funds, unless otherwise approved by DHCS in the manner described in Section 8.B. below; and
3. Accept Medi-Cal beneficiaries.

B. Change in Facility Use

For a minimum of thirty (30) years, if the Sponsor wants to change the type of behavioral health facility that it operates on the Property to something other than what was approved in the Sponsor's BHCIP grant application for Bond BHCIP Funds, or to change or expand populations to be served by the facility, the Sponsor shall submit a written request to DHCS prior to making such a change.

The Sponsor's written request shall:

1. Identify the desired type of behavioral health facility;
2. Identify the populations to be served by the facility;
3. Explain the need for the proposed change; and
4. Identify any licenses, certifications, building modifications, staff, or any other requirement that the Sponsor must obtain before being able to make the proposed change.

As a part of its review of the Sponsor's request, DHCS shall ensure that the change in use or population is tailored to provide behavioral health treatment that will meet community needs identified by local stakeholders, including the county board of supervisors, the county behavioral health director, providers of behavioral health services, and individuals who have or have had a mental health disorder or a substance use disorder. DHCS has absolute discretion to permit or deny the request and may require the Sponsor to provide additional information to evaluate the Sponsor's request.

C. Record Retention

1. The Sponsor shall maintain books, accounting records, client records, and other documents in a manner sufficient to properly reflect all direct and indirect costs of operating the Property during the term of this Agreement, including any matching costs and expenses. The foregoing constitutes "records" for the purpose of this provision.
2. The Sponsor's records and the Property's and Facility's records shall be subject at all reasonable times to inspection, audit, and reproduction by authorized representatives of the State, including DHCS or its authorized representatives.
3. The Sponsor agrees that departments authorized to represent the State (including DHCS, the Department of Finance or its authorized representatives, and the Bureau of State Audits or their designated representatives) and authorized representatives of the United States (including the Comptroller General and the Internal Revenue Service) shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The Sponsor agrees to allow these state and/or federal representatives access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Sponsor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Cal. Gov. Code § 8546.7, 2 CCR §1896.77.)



- 3.1 The Sponsor shall maintain records in a data storage medium that is accessible to DHCS. DHCS, at its sole discretion, shall determine whether the Sponsor's type of data storage medium meets this accessibility requirement.
4. The Sponsor shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Sponsor's Project and the Bond BHCIP Funds for a minimum of forty-eight (48) years from the date of final disbursement to the Sponsor of its award of Bond BHCIP Funds, in compliance with the July 2, 2008 General Obligation Bond Record Retention Memorandum from the California State Treasury Office, 26 C.F.R. §1.148-5(d)(6)(iii)(E), Section 7 of Attachment A of the Sponsor's contract with AHP, and all applicable Internal Revenue Service statutes, regulations, and guidance. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the forty-eight (48) year period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular forty-eight (48) year period, whichever is later.
5. The Sponsor may, at its discretion, following the expiration of this Agreement, reduce its accounts, books and records related to this Agreement to microfilm, computer disk, CD ROM, DVD, or other data storage medium. Upon request by DHCS or an authorized DHCS representative to inspect, audit, or obtain copies of said records, the Sponsor shall supply or make available applicable devices, hardware, and/or software necessary to view, copy and/or print said records. Applicable devices may include, but are not limited to, microfilm readers and microfilm printers, etc.

D. DHCS Monitoring

DHCS, or its authorized representatives, has the right at all reasonable times to inspect the Property and the Facility. If DHCS exercises this right to inspect, the Sponsor shall provide access to the Property and the Facility and shall provide reasonable assistance for the safety and convenience of DHCS or its authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

E. Proof of Insurance

Beginning five (5) years after the Sponsor's contract with AHP, the Sponsor shall provide DHCS with proof of insurance for the Property annually or whenever there is a change in coverage. DHCS shall accept evidence of self-insurance, in the amounts and types sufficient to provide adequate coverage, subject to DHCS approval, in its sole discretion.

F. Assignment of this Agreement Following the Transfer of Ownership of the Facility

If at any time during the thirty (30) year period of this Agreement, the Sponsor sells, gifts, or otherwise transfers ownership of the Property, in whole or in part, the Sponsor shall ensure that, as a condition of the ownership transfer, the subsequent owner of the Property complies with the terms of this Agreement.

Prior to finalizing any transfer of ownership of the Property, the Sponsor shall request that DHCS formally amend this Agreement to assign the Sponsor's obligations under this Agreement to the subsequent owner of the Property.

This Agreement is not assignable by the Sponsor, either in whole or in part, without the consent of DHCS.

G. Remedies

If the Sponsor violates the terms of this Agreement, DHCS or another department authorized to represent the State may impose a corrective action plan and/or take any of the following enforcement actions:

1. Direct AHP to temporarily withhold any grant payments of Bond BHCIP Funds pending correction of the deficiency;
2. Disallow all or part of the cost of the activity or action not in compliance;
3. Direct AHP to wholly or partly suspend or terminate the grant award of Bond BHCIP Funds;
4. Withhold or deny further award of Bond BHCIP Funds to the Sponsor;
5. Require the Sponsor to forfeit and return all or part of the grant award of Bond BHCIP Funds, including any interest; and/or
6. Require the Sponsor to forfeit and return all unused grant Bond BHCIP Funds, including any interest.

DHCS (or another department authorized to represent the State) may specify the timeframes and deadlines for the Sponsor's compliance with the above remedies. All remedies required by DHCS shall be final and are not subject to administrative review.

DHCS (or another department authorized to represent the State) may take any other permissible remedies available in law or equity to enforce the terms of this Agreement.

**9. AMERICANS WITH DISABILITIES ACT**

Sponsor agrees to ensure that deliverables developed and produced pursuant to this Agreement shall comply with the accessibility requirements of sections 7405 and 11135 of the California Government Code, section 508 of the Rehabilitation Act of 1973 as amended (29 U.S.C. § 794d), regulations implementing the Rehabilitation Act of 1973 as set forth in Part 1194 of Title 36 of the Code of Federal Regulations, and the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 *et seq.*). In 1998, Congress amended the Rehabilitation Act of 1973 to require Federal agencies to make their electronic and information technology (EIT) accessible to people with disabilities. California Government Code sections 7405 and 11135 codifies section 508 of the Rehabilitation Act of 1973 requiring accessibility of EIT.

**10. AGREEMENT EXECUTION**

This Agreement shall be signed by DHCS and by a representative of the Sponsor, who by signing warrants that they have the requisite authority to enter into this Agreement on behalf of the Sponsor. This Agreement shall be effective as of the date that the complete document is signed or the date that the contract between the Sponsor and AHP goes into effect, whichever date is later.

\_\_\_\_\_  
Sponsor's Authorized Representative's Signature

    {{ las name pfa }} , {{ las title pfa }}      
Sponsor Representative's Name in Print and Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
DHCS Representative Signature

Holly Clifton, Section Chief  
Community Services Division / Behavioral Health  
Continuum Infrastructure Program Section  
DHCS Representative Name in Print and Title

\_\_\_\_\_  
Date

SAMPLE COUNTY