PROGRAM FUNDING AGREEMENT

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SUMMARY COVER SHEET

Program Funding Agreement ID	**CCE-7120640339-208**
Program Agreement Effective Date:	
Program Funding Agreement Manager:	**BDO GOVERNMENT SERVICES, LLC (BDO GS)** 661 Sunnybrook Rd., Suite 100, Ridgeland, MS 39157 **BDO GS Principal**: Alethia Thomas
Sponsor:	**San Bernardino County ATTN**: Joshua Dugas Address: 550 Hospitality Lane, Suite 100, San Bernardino, CA 92415 Phone: (909) 252-5142 Email address: joshua.dugas@dbh.sbcounty.gov
Prime Contract Identification:	**California Department of Social Services** **Agreement No.: CCE-7120640339** **Contract Title**: *Community Care Expansion (CCE)*
Contract Type:	Deliverable Based Type Contract Base Performance Period:
Consideration/Budget:	Capital Construction **Not to Exceed $10,515,038**
Billing Terms:	See Attachment F-Payment Schedule
Payment Terms:	Payment remitted thirty (30) days after receipt of undisputed invoice

(this page is not part of the Program Funding Agreement and is for summary/reference purposes only)

This Program Funding Agreement (the "**Agreement**") is entered into ___________, 2026 (the "**Effective Date**"), by and between **BDO GOVERNMENT SERVICES, LLC**, a Delaware limited liability partnership, with offices located at 661 Sunnybrook Rd., Suite 100, Ridgeland, MS 39157 ("**BDO GS**"), and **San Bernardino County**, a California County with offices at 550 Hospitality Lane, Suite 100, San Bernardino, CA 92415 ("**Sponsor**"). BDO GS and Sponsor may be referred to separately as a "**Party**" or collectively as "**Parties**."

RECITALS

A. BDO GS entered into an agreement with the State of California (the "State") through the California Department of Social Services ("CDSS") to facilitate program funding awards and provide services to CDSS as the third-party administrator of the CDSS Community Care Expansion Program ("Program"). The agreement between CDSS and BDO GS shall hereinafter be referred to as the "Prime Contract" or "CDSS Contract";

B. The purpose of the Program is to preserve and expand access to long-term care services for seniors and adults with disabilities in the least restrictive settings, prioritizing applicants and recipients of Supplemental Security Income/State Supplementary Payment ("SSI/SSP") and Cash Assistance Program for Immigrants ("CAPI") who are experiencing or at risk of homelessness;

C. Pursuant to the requirements of the Program and CDSS guidelines, qualified grantees or entities shall use program fund awards to expand or preserve the capacity of eligible residential adult and senior care settings by the acquisition, construction, renovation or other physical improvement of real property, infrastructure, or facilities;

D. Pursuant to the requirements of the Program and CDSS guidelines, certain grantees may use a portion of Program fund awards to establish a capitalized operating subsidy reserve ("COSR") to cover potential or projected operating deficits on a facility that is deed restricted to provide licensed residential care for at least the term of the COSR;

E. In response to that certain Request for Applications issued by a previous agent on behalf of CDSS on or about January 21, 2022 (the "RFA") for the Program, Sponsor submitted an application ("Application") to construct the project described in the current Statement of Work, Attachment E hereto ("SOW"), located at 13333 Palmdale Rd, Victorville, CA 92392 (the "Project"); and Sponsor has been awarded program funds for the Project in an amount not to exceed Ten Million Five Hundred Fifteen Thousand Thirty-Eight Dollars ($10,515,038) ("Program Funds"), and a COSR for the operation of the facility in an amount not to exceed Zero Dollars ($0);

F. The COSR, if any, shall be awarded to Sponsor, subject to the terms of a Capitalized Operating Subsidy Reserve Agreement between Sponsor and BDO GS, the form of which is attached hereto as Attachment L; and

G. This Agreement sets forth the terms and conditions of BDO GS's administration and management of the Program Funds and 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 18999.97–18999.98.

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 172 (Chapter 696, Statutes of 2021) ("AB 172") added sections 18999.97-18999.98 to the Welfare and Institutions Code providing the statutory basis for the Program. CDSS issued the RFA for the Program Funds and BDO GS provides pre-application consultation, technical assistance, general training and support on individual CCE projects, as well as administration and fund management. Program Funds are derived from the State of California General Fund.

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

This Agreement hereby incorporates by reference Sponsor's approved Application, as well as any report prepared by BDO GS 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 172 (Chapter 696, Statutes of 2021), including any subsequent amendments to the statutes contained therein;

1.2 The RFA, in the form attached to this Agreement as Attachment M;

1.3 California Welfare and Institutions Code sections 18999.97–18999.98;

1.4 Guidance issued by CDSS regarding the Program;

1.5 Program Guidelines, or Program Manuals, as adopted by CDSS, and as may be amended from time to time;

1.6 The award letter issued by CDSS to Sponsor ("Award Letter") attached to this Agreement as Attachment N; and

1.7 All other applicable law, including, but not limited to, California Labor Code statutes applicable to public works projects.

Sponsor is solely responsible and liable for Sponsor and 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 expire automatically on June 30, 2029 (the "Expiration Date"), which Expiration Date may be extended by BDO GS or CDSS; (the period from the Effective Date through the Expiration Date shall be referred to herein as the "Term"), unless earlier terminated by BDO GS or CDSS or assigned to CDSS pursuant to Section 2.3 below.

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 CDSS otherwise agree in writing.

2.3 In the event that the Term of this Agreement is not extended, renewed, or terminated early, and either Party hereto shall have a material obligation to the other Party by the terms of this Agreement, which shall not be satisfied on or before the Expiration Date, all of BDO GS's rights and obligations under this Agreement shall be assigned to CDSS, if directed by CDSS, effective June 30, 2029, at 11:59 p.m. Each of the Parties hereto acknowledge and agree that upon the occurrence of an assignment pursuant to this Section 2.3, such an assignment shall be effective without any further action by either Party hereto, or CDSS, and from and after the date of such an assignment: (i) CDSS shall be a Party to this Agreement and shall have all rights and obligations of BDO GS hereunder and (ii) BDO GS shall cease to be a Party to this Agreement and shall be released from its obligations hereunder. Upon the occurrence of such assignment, the Term of this Agreement shall be extended automatically for a period of one (1) year and shall expire without any further action by either Sponsor or CDSS, unless Sponsor and CDSS otherwise agree in writing.

2.4 In the event that the Prime Contract is terminated or amended in a manner removing BDO GS from responsibility as a Party to this Agreement, and either Party hereto shall have a remaining obligation to the other Party by the terms of this Agreement, which shall not be satisfied on or before the Expiration Date, all of BDO GS's right and obligations under this Agreement shall be assigned automatically to CDSS effective upon the date of the termination or amendment.

2.5 Notwithstanding the foregoing or anything to the contrary contained herein, BDO GS and/or CDSS shall have the termination rights as set forth in Article 9 and Article 10, of this Agreement.

ARTICLE 3.
PROGRAM FUNDS

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. Sponsor shall be responsible for any costs to complete the Project in excess of the Program Funds award amount. Sponsor shall return any excess or remaining Program Funds to the State of California upon completion of the Project. Notwithstanding the foregoing, Sponsor may be awarded a COSR to cover deficits in operating expenses attributable to the Project; and the COSR will be subject to the terms of a Capitalized Operating Subsidy Reserve Agreement between Sponsor and BDO GS, the form of which is attached hereto as Attachment L.

ARTICLE 4.
CONDITIONS OF CLOSING AND DISBURSEMENT

This Agreement shall be subject to the conditions precedent to closing set forth in Section 4.1 below. BDO GS shall disburse the Program Funds to Sponsor upon satisfaction of the requirements described in Section 4.2 below. Program Funds disbursed for real property acquisition shall be disbursed only upon satisfaction of the requirements in Section 4.2 and the additional requirements of Section 4.3 below. Program Funds to be disbursed for construction costs shall be disbursed only upon satisfaction of the requirements of Section 4.2 and the additional requirements described in Section 4.4 below. Thereafter, Program Funds shall be disbursed to Sponsor for costs incurred for the Project within thirty (30) days of receipt of a complete request for Program Funds, provided such request for funds is approved by BDO GS or its designee.

4.1.1 Conditions Precedent to Effectiveness of this Agreement. This Agreement shall not become effective until the following have been submitted by Sponsor and approved by BDO GS:

4.1.2 A fully executed copy of this Agreement, including all Attachments;

4.1.3 An executed copy of Certification: Related Party & Related Party Transaction Disclosure;

4.1.4 A completed Government Agency Taxpayer ID Form;

4.1.5 An authorizing resolution or set of authorizing resolutions that, in BDO GS's reasonable determination, materially comports with the Program Requirements.

4.1.6 Unless Sponsor is acquiring real property for the construction or operation of the Project, in which event Sponsor shall be subject to the requirements as described in Section 4.3.5.1, a certified copy of a recorded Declaration of Restrictions in the form attached to this Agreement as Attachment I, or deposit with Escrow Agent for recordation upon the mutual execution and release of this Agreement of a Declaration of Restrictions in such form, which shall be recorded 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;

4.1.7 Unless Sponsor is acquiring real property for the construction or operation of the Project, in which event Sponsor shall be subject to the requirements as described in Section 4.3.5.2, a certified copy of a recorded Performance Deed of Trust in the form attached to this Agreement as Attachment J, or other real estate instrument required by CDSS or deposit with Escrow Agent for recordation upon the mutual execution and release of this Agreement of a Performance Deed of Trust in such form; 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 either twenty (20) years for existing facility capacity expansion projects or thirty (30) years for new facility construction projects, the Sponsor shall record the Performance Deed of Trust against the leasehold and the fee interest to the real property upon which the Project is to be constructed or operated; and deliver to BDO GS within five (5) days after recordation an ALTA Lender's Policy of Title Insurance showing the Performance Deed of Trust in the lien priority, such policy in a form approved by BDO GS and only subject to such title exceptions as are approved by BDO GS, its designee, or CDSS;

4.1.8 Certificates of insurance evidencing coverages required by this Agreement and naming BDO GS and CDSS as additional insureds;

4.1.9 A title report reflecting all existing liens, encumbrances, taxes owed, easements, covenants or any other restrictions on the real property upon which the Project is to be constructed or operated. If Sponsor's interest in the real property upon which the Project is to be constructed or operated is a leasehold, then Sponsor shall provide a current title report for the leasehold interest and the fee interest. For tribal trust land, Sponsor shall provide a certified Title Status Report ("TSR") from the U.S. Department of the Interior Bureau of Indian Affairs ("BIA") or an attorney's opinion regarding chain of title and current title status;

4.1.10 A signed opinion letter from Sponsor's legal counsel opining that this Agreement, the Declaration of Restrictions, the Performance Deed of Trust, and the Program Requirements do not conflict with any existing contract, agreement, or other requirement applicable to Sponsor, the property upon which the Project is to be constructed or operated, or the Project, and are otherwise enforceable against Sponsor; and such opinion letter shall be in the form and substance acceptable to BDO GS and CDSS, in their sole discretion.

4.2 <u>Requirements for Disbursement of Program Funds</u>. No Program Funds shall be released to Sponsor for any Project costs until Sponsor submits, and BDO GS approves, the documents described below for each Program Funds request, and any additional supporting information as may be required:

4.2.1 The Sponsor's request for funds, with all required supporting documents appended thereto;

4.2.2 Delivery of all items listed in Attachment H required for the disbursements of Program Funds.

4.3 Requirements for Disbursement of Program Funds for Acquisition Costs. No Program Funds shall be released to Sponsor for any Project costs related to the acquisition of real property until Sponsor satisfies the requirements described in Section 4.2 above, and Sponsor submits, and BDO GS approves, all documents described in this Section 4.3, and any additional information as may be required by BDO GS. Program Funds disbursed for acquisition of real property will be deposited directly into an escrow account opened by Sponsor for the transfer of title of the real property with Old Republic Title Company, unless another title company is approved by BDO GS.

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

4.3.2 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 BDO GS and dated no more than six (6) months prior to the applicable request for funds;

4.3.3 A commitment from a title insurance company for an ALTA Lenders Title Insurance policy in a form acceptable to BDO GS in the amount of the Program Funds. The condition of title, the insurer, the liability amount, the form of policy, and the endorsements shall be subject to BDO GS approval. The policy shall insure that Sponsor holds good and marketable title (fee simple or leasehold) and shall show the Performance Deed of Trust and Declaration of Restrictions in the lien priority approved by BDO GS and only subject to such title exceptions as are approved by BDO GS, its designee, or CDSS;

4.3.4 Evidence of any additional funds necessary for 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;

4.3.5 Signed escrow instructions, approved by BDO GS, providing for the following:

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

4.3.5.2 a Performance Deed of Trust, or other real estate instrument required by CDSS, in the form attached to this Agreement as

Attachment J shall be recorded at the close of escrow against the real property upon which the Project is to be constructed or operated.

4.3.6 Applicable documents and deliverables described in Attachment H required for the disbursements of Program Funds.

4.4 Requirements for Disbursement of Program Funds for Construction Costs. No Program Funds shall be released to Sponsor for Project costs related to construction on the Project until Sponsor satisfies the requirements described in Section 4.2 above, and Sponsor submits, and BDO GS approves, all documents described below, and any additional information as may be required, with each request for disbursement of funds for construction:

4.4.1 Plans and specifications for the construction work approved by BDO GS;

4.4.2 An executed construction contract, 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, based on the sources and uses attached hereto as Exhibit A and Exhibit B (as the same may be modified from time to time, with prior notice to BDO GS, the "Project Budget") that incorporates the requirements of this Agreement including, but not limited to, the prevailing wage requirements, and contains the Construction Contract Rider in the form attached as Attachment K;

4.4.3 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 BDO GS and CDSS as co-obligees on the bonds;

4.4.4 A written request for Program Funds on a form approved by BDO GS providing sufficient detail and with sufficient supporting documentation to permit BDO GS or its designee to confirm that the request is consistent with the terms of this Agreement and the Project Budget accompanied by (a) certification by Sponsor's architect or project manager that the work for which disbursement is requested has been completed (although BDO GS reserves the right to inspect or have its designee inspect the Project and make an independent evaluation); (b) invoices and related back-up information and documentation required by BDO GS evidencing the amounts being requested; and (c) lien releases and/or mechanics lien title insurance endorsements reasonably acceptable to BDO GS; and

4.4.5 Applicable documents and deliverables described in Attachment H required for the disbursements of Program Funds.

4.5 Disbursements for Predevelopment Expenses. Notwithstanding anything to the contrary stated in this Article 4, or otherwise in this Agreement, Program Funds may be released to Sponsor for certain predevelopment Project costs, subject to approval by BDO GS, its designee, or CDSS, in their sole discretion; provided, that Sponsor has satisfied the requirements set forth in subsections 4.1.1, 4.1.2, 4.1.3, 4.1.4, 4.1.7, 4.1.9, 4.2.1, 4.2.2, and the Project budget includes predevelopment expenses.

ARTICLE 5. CONSTRUCTION PROJECTS/NOTICE TO PROCEED

In the event that Program Funds are used for the performance of construction on the Project, Sponsor shall submit any update to the Project Budget and a copy of the project schedule to BDO GS for its approval prior to issuance of a notice to proceed to Sponsor's general contractor. The updated Project Budget and project schedule shall be consistent with the final plans and specifications for the Project. Sponsor shall not issue a notice to proceed to its general contractor until BDO GS has approved the updated Project Budget and project schedule.

ARTICLE 6. PERFORMANCE

Sponsor shall comply with the schedule set forth in the Performance Milestones in Attachment H and shall provide all applicable documents or deliverables described in Attachment G when requested. Sponsor shall provide regular progress reports to BDO GS, 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 the required Notice of Completion signed by General Contractor and Architect, the certificate of occupancy, and copies of all unconditional lien waivers. Sponsor may apply to BDO GS for an extension of any Performance Milestones or an extension to submit any required deliverable, which BDO GS may approve based on a showing of good cause and acceptable assurances from Sponsor for timely completion of the remaining Performance Milestones as determined by BDO GS. Any extension granted by BDO GS shall not be effective unless granted in writing, and such writing shall be considered an amendment to this Agreement and incorporated herein. Funding sources are summarized and located on https://www.ccegrant.com/ (the "Website"). Any updates to obligation and liquidation dates will be reflected on the Website, with communication updates being sent out to all grantees. Currently, there are three (3) funding sources for the Program, and the deadlines are as follows: General Funds must be obligated by June 2027, and expended by June 2029. The portion of the Program Funds originating from the State of California, General Fund (formerly State Fiscal Recovery Fund or SFRF), must be obligated by June 2024, and expended by December 2026. The portion of Program Funds originating from the State of California, Health and Human Services Agency, Home-and Community Based Services Fund ("HCBS"), must be obligated by December 2023 and expended by March 2024. Any updates related to obligation or expenditure dates and deadlines reflected on the Website and formal communication to the grantee, will be automatically applicable to this Agreement and the funding sources being applied toward the Project. The specific source of funding for a specific activity as well as the affiliated liquidation timeline for that funding source will be shared at the time of disbursement.

FAILURE TO SATISFY ANY ONE OF THE DELIVERY OBLIGATIONS REQUIRED HEREUNDER AND/OR PERFORMANCE MILESTONES (UNLESS SUCH PERFORMANCE MILESTONE IS EXTENDED) SHALL CONSTITUTE A BREACH OF THIS AGREEMENT AND ENTITLE BDO GS TO MANDATE SPONSOR TO RETURN TO THE STATE OF CALIFORNIA ANY PROGRAM FUNDS DISBURSED; IN ANY SUCH INSTANCE, BDO GS MAY, WITH CDSS APPROVAL, ALSO CANCEL THIS AGREEMENT WITHOUT OWING ANY DAMAGES OR OTHER PAYMENT TO SPONSOR.

ARTICLE 7.
FISCAL ADMINISTRATION

7.1 Disbursements of Program Funds to Sponsor by BDO GS shall be made directly to applicable contractors or vendors or to Sponsor, unless such funds are to be used for acquisition of the property upon which the Project is to be constructed or operated or otherwise required to flow through escrow, in which event the Program Funds shall be deposited directly into an escrow account established with a title company approved by BDO GS. All interest earned from the deposit of Program Funds shall be used by Sponsor for eligible Program activities. Program Funds shall be segregated from Sponsor's other funds and shall only be disbursed for eligible Program Funds costs.

7.2 BDO GS has approved the sources and uses attached as Exhibit A and Exhibit B, as such sources and uses may be updated into the Project Budget in accordance with Article 5. Sponsor may adjust line items in the budget without the prior approval of BDO GS, provided that such adjustments do not increase the overall budget amount, and provided further that Sponsor provides notice to BDO GS of the budget changes. Any use of any contingency amounts listed in the sources and uses attached hereto or the Project Budget, however, shall require the prior approval of BDO GS, which may require submittal of Sponsor's plans for mitigation of any events or circumstances necessitating the use of contingency funds. 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 Sponsor for disbursement for subsequent segments of the Project; provided, however, in no event shall the total amount of the Program Funds available to Sponsor exceed the amount set forth in this Agreement without a written amendment to this Agreement approved by BDO GS and CDSS.

7.3 Sponsor shall notify BDO GS 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 BDO GS. Sponsor shall provide prior notice to BDO GS 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 Twenty-Five Thousand Dollars ($25,000); (2) any set of changes in the work the cost of which cumulatively exceeds One Hundred Thousand Dollars ($100,000); (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 BDO GS; or (4) any changes in the project schedule that will extend the completion date. Notice of any additions, changes, or deletions to the work shall not relieve or release Sponsor from any other obligations under this Agreement or relieve or release Sponsor or its surety from any surety bond.

7.4 Sponsor shall provide BDO GS with an updated Project Budget and project schedule for the Project when 50% completion of construction work is achieved that shows all changes in costs and schedule from the Project Budget and project schedule provided to BDO GS prior to issuance of the notice of proceed.

7.5 Any Program Funds that have not been expended by the expiration of the Base Performance Period set forth in the Summary Cover Sheet and the Attached Performance Milestones must be returned to CDSS with accrued interest. Returned Program Funds shall be paid as directed by BDO GS or CDSS, no later than thirty (30) calendar days after the expiration of the applicable Base Performance Period.

7.6 In the event that Sponsor receives a COSR, the terms of disbursement to Sponsor shall be governed by that certain Capitalized Operating Subsidy Reserve Agreement between Sponsor and BDO GS, and not the terms of this Agreement. A COSR shall be available for use by Sponsor only for a period of up to five (5) years from the date of commencement of operations in the new or expanded facility, or March 31, 2029, whichever is earlier, unless otherwise authorized by CDSS; and in the event that the facility carries an operating deficit after the expiration of such five- (5) year period, Sponsor shall be solely liable and responsible for all operating costs previously funded by a COSR. For the avoidance of doubt, in no event shall the total amount of the Program Funds or the COSR available to Sponsor exceed the amounts set forth in this Agreement without a written amendment to this Agreement approved by BDO GS and CDSS.

ARTICLE 8.
CHANGES TO STATEMENT OF WORK

8.1 Sponsor shall not change the SOW without the prior approval of BDO GS or CDSS, which may be approved or disapproved by BDO GS or CDSS, each in its sole discretion. BDO GS and CDSS' decision to disapprove a request to change Sponsor's SOW is fact-specific, and the decision shall be final and not subject to further review. Sponsor shall submit to BDO GS a written request to change the SOW, which shall include a detailed description of the following criteria:

8.1.1 The changes to the services or the Project that Sponsor is requesting to make.

8.1.2 A detailed explanation of why the change is necessary and justification for how the change in Sponsor's Project will preserve or expand capacity of residential adult and senior care facilities and/or serve Qualified Residents as that term is defined in Welfare and Institutions Code section 18999.97.

8.1.3 Anticipated additional costs of changes to the Project, including a financial plan for meeting additional costs.

8.1.4 Any other information requested by BDO GS or CDSS to evaluate Sponsor's request.

Any changes to the SOW approved by BDO GS and/or CDSS shall be provided to BDO GS and considered an amendment to this Agreement and incorporated herein.

8.2 Sponsor is solely liable and responsible for any increases in costs that exceed the Program Fund award. In no event shall BDO GS or CDSS be responsible for any costs that exceed the Program Funds. In the event that Project costs exceed the funds that Sponsor has available to pay such costs, Sponsor shall within thirty
(30) days of such occurrence provide for BDO GS's approval a financial plan for meeting such additional costs which additionally may be approved or disapproved by CDSS, in its sole discretion. A financial plan for meeting additional costs may include Sponsor providing additional funds for the Project or Sponsor incurring additional debt. Sponsor shall not incur any additional debt without the prior written approval of BDO GS.

ARTICLE 9.
DEFAULT AND REMEDIES

9.1 Event of Default. Any of the following shall, after notice by BDO GS or CDSS and expiration of any applicable cure period, constitute an Event of Default under this Agreement:

9.1.1 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 Sponsor's failure to timely satisfy each or any of the conditions set forth in this Agreement, or the Award Letter.

9.1.3 Sponsor's violation of any of the Program Requirements.

9.1.4 BDO GS's or CDSS' determination of the following:

9.1.4.1 Sponsor has concealed any material fact from BDO GS or CDSS related to 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 BDO GS or CDSS by Sponsor in connection with the Application, the Award Letter, or this Agreement shall have been untrue or misleading at the time that such fact or representation was made known to BDO GS, or subsequently becomes untrue or misleading; or

9.1.4.3 Any certification or deliverable provided by Sponsor is determined to be untrue or misleading.

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 BDO GS's and CDSS' satisfaction, as determined by BDO GS and CDSS, in their sole and absolute discretion, within fourteen (14) days of notice to Sponsor, provided in accordance with the notice requirements of this Agreement, then BDO GS, with CDSS approval, may declare a default under this Agreement.

9.2.1 Notwithstanding the foregoing, Sponsor may request additional time to cure any default. BDO GS may, but shall not be required to, grant any such request, subject to CDSS approval. BDO GS's approval of Sponsor's request for additional time to cure shall be subject to Sponsor's continuing and diligent efforts to cure, and any additional cure period provided to Sponsor shall be reasonable, as determined by BDO GS, subject to CDSS approval. For the avoidance of doubt, any extension of the cure period shall be granted by BDO GS or CDSS in writing in their sole discretion.

9.3 BDO GS/CDSS Remedies. Upon the occurrence of an Event of Default, BDO GS (on CDSS' behalf) and/or the State (represented by CDSS in this Agreement) may take any and all actions or remedies that are available under this Agreement, at law, or in equity, including, but not limited to, the following:

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

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

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

9.3.4 withhold or deny further Program Funds or awards to Sponsor, 9.3.5 require Sponsor to return all or part of any Program Funds, including any interest;

9.3.6 any and all remedies under the Performance Deed of Trust;

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 remedies allowed by law or equity.

ARTICLE 10.
TERMINATION

10.1 BDO GS and/or CDSS 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 immediately upon notice of such termination to Sponsor, if (i) an Event of Default occurs; (ii) three (3) breaches, violations or defaults by Sponsor of the terms and conditions of this Agreement (whether the same or different) occur within any twelve (12)-month period, regardless of whether any or all such breaches, violations or defaults are timely corrected;
(iii) 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 if Sponsor discontinues or dissolves its business, or if a receiver is appointed for Sponsor or Sponsor's business; (iv) any lender to Sponsor declares a default under its loan agreement, or funds available to Sponsor from any lender become unavailable such that Sponsor is unable to timely satisfy obligations under this Agreement; or (v) Sponsor fails to provide BDO GS or CDSS with adequate assurances within a reasonable time that Sponsor is financially solvent or, BDO GS or CDSS determines, that Sponsor is financially insecure.

10.2 Upon termination of this Agreement for any reason, neither BDO GS nor CDSS shall be liable for any work that is not performed in accordance with the Agreement. Upon any termination, neither BDO GS nor CDSS shall be responsible for any additional disbursements of Program Funds after the termination date or for any damages to Sponsor as a result of such termination.

ARTICLE 11.
INSURANCE

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

11.1.1 A Builders Risk policy 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 Worker's 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 $1,000,000 combined single limits.

Commercial general liability insurance of not less than $1,000,000 per occurrence with an annual aggregate limit of $2,000,000 for bodily injury and property damage liability combined. The Sponsor's required limits may be satisfied through a combination of general liability and umbrella policies of coverage. 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 Sponsor's limit of liability.

11.2 Policy Requirements. All policies, except Workers' Compensation, shall be endorsed to name BDO GS and CDSS as an Additional Insured with respect to the work to be performed by Sponsor. The endorsements and policies will provide that the insurer waives its rights of subrogation, and the insurer will provide notice to BDO GS 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. BDO GS, in its sole discretion, may accept evidence of self-insurance if BDO GS determines that such self-insurance provides adequate coverage.

11.3 Contractor Insurance Requirements. 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 BDO GS and CDSS as additional insureds on all such insurance during the course of construction.

11.4 Certificates of Insurance. Upon BDO GS's request, Sponsor shall immediately deposit with BDO GS and CDSS a certificate of insurance evidencing the above insurance coverage and naming BDO GS and CDSS as additional insured parties under such policies. Sponsor agrees that the insurance required herein shall remain in effect at all times during the term of the Agreement and the term of the Declaration of Restrictions. During the term of this Agreement, at least thirty (30) calendar days prior to the expiration of any policy of insurance required herein, Sponsor shall provide to BDO GS and CDSS a new certificate of insurance evidencing insurance coverage as provided herein for a period not less than one year. Notwithstanding the expiration of this Agreement, the Sponsor shall provide to CDSS a new certificate of insurance evidencing insurance coverage as provided herein for a period not less than either twenty (20) years for existing facility capacity expansion projects, or thirty (30) years for new facility construction projects, 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. Sponsor shall indemnify, defend and hold harmless BDO GS and CDSS 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 Sponsor (or its lower tier subcontractors or consultants) to maintain the insurance policies required by this Section.

11.6 Insurance Premiums. Neither BDO GS nor CDSS 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

Sponsor agrees that in consideration of the receipt of Program Funds pursuant to the terms of this Agreement, 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 I. The Declaration of Restrictions shall by its terms restrict the development, use, and occupancy of the Project for the term of either twenty (20) years for existing facility capacity expansion projects or thirty (30) years for new facility construction projects, each from either the date of the issuance of a Certificate of Occupancy or the date of 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, Sponsor shall comply with all health and safety requirements associated with the operation and maintenance of the Project for the benefit of the occupants of the Project. 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 I to be recorded against the Project. During the Term of this Agreement and the term of the Declaration of Restrictions Sponsor shall execute such other documents as required by CDSS to comply with the Program Requirements, including operating agreements, deed restrictions, covenants and conditions recorded against the Project.

ARTICLE 13.
POLICIES AND LEGAL AUTHORITIES

13.1 Sponsor covenants comply with all California and federal law, regulations, and published guidelines, to the extent that these authorities contain requirements applicable to Sponsor's performance under this Agreement, construction of, possession or ownership of the Project, including any licensing and health and safety requirements.

13.2 Sponsor shall comply with California Welfare and Institutions Code sections 18999.97 -18999.98 *et seq.*, including any related CDSS guidance, regulations, and/or subsequent additions or amendments thereto.

13.3 In the event Sponsor does not comply with the terms of this Article 13, BDO GS shall have all rights set forth in Article 9 and Article 10 and available at law or in equity.

ARTICLE 14.
INDEMNIFICATION

14.1 Sponsor shall indemnify, defend, and hold harmless BDO GS, its officers, employees, and agents, and CDSS and 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 BDO GS and CDSS, including reasonable attorneys' fees, judgments, settlements or penalties, against all liabilities, claims, suits, demands or liens for damages to persons or property ("Claims") (except to the extent such Claims arise from the gross negligence or willful misconduct of BDO GS or CDSS), arising out of, resulting from, or relating to, Sponsor's performance under this Agreement or related in any way to the Project, and including, but not limited to the following:

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

14.1.2 Any failure on the part of 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 Sponsor under the terms of this obligation.

14.1.4 Any failure on the part of 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 infrastructure or the property of 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.

14.2 Sponsor shall indemnify BDO GS and CDSS under this clause for any of the above acts attributable to its employees, consultants, agents, and/or lower-tiered subcontractors engaged in performance of the work under this Agreement. BDO GS or CDSS shall provide timely notice of any Claim describing in reasonable detail such facts and circumstances with respect to such Claim. Sponsor shall defend BDO GS and CDSS with counsel reasonably acceptable to BDO GS and CDSS. BDO GS and CDSS may, at their option and own expense, engage separate counsel to advise them regarding the Claim and its defense. Such counsel may attend all proceedings and meetings. Sponsor shall not settle any Claim without the consent of BDO GS and CDSS, as applicable.

14.3 Sponsor agrees to indemnify, defend and save harmless BDO GS, its officers, agents and employees and CDSS, its officers, agents and employees from any and all claims, costs (including, but not limited to, all legal expenses, court costs, and attorney's fees 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 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 Sponsor's Project is subject to state prevailing wage law, including California Labor Code section 1720 *et seq.* Sponsor is urged to seek professional legal advice about prevailing wage law requirements and Sponsor's obligations thereunder. Prior to disbursing the Program Funds, Sponsor must provide evidence of Sponsor's and its general contractor's compliance with California's prevailing wage law and all applicable wage and hours laws. 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

If the SOW includes the acquisition of real property, 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 Sponsor desires to proceed with the Project, Sponsor shall provide BDO GS with a Phase II report and any additional reports as required by BDO GS and in a form acceptable to BDO GS. Sponsor shall also provide an asbestos assessment and a lead-based paint report for BDO GS's approval if the Project involves rehabilitation or demolition of existing improvements. Prior to disbursement of Program Funds for real property acquisition, BDO GS shall require Sponsor to provide evidence to BDO GS 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, BDO GS shall require theponsor to provide evidence that all asbestos and/or lead-based paint has been abated.

ARTICLE 17.
RELOCATION

Sponsor must comply with the California Relocation Assistance Law (California Government Code section 7260 *et seq.*) and its implementing regulations ("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, a 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. Sponsor shall provide any required notices and relocation benefits in accordance with the Relocation Laws. Sponsor shall provide

BDO GS with evidence that it has complied with all applicable Relocation Laws and California Health & Safety Code and corresponding regulations for the safe transfer and relocation of residents in residential care facilities licensed by CDSS, and Sponsor shall certify to CDSS that it shall obtain a CDSS-approved relocation plan for each resident in care.

ARTICLE 18.
INSPECTIONS, AUDITS, AND RECORD RETENTION

18.1 BDO GS and CDSS or any of their authorized representatives shall have the right to access any documents, papers, or other records of Sponsor which are pertinent to the Program Funds, 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 Sponsor's books and records, in addition to site inspections, as BDO GS deems appropriate.

18.2 BDO GS and CDSS 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 Sponsor's compliance with this Section, as well as protect against fraud, waste and abuse.

18.3 The right to access records also includes timely and reasonable access to Sponsor's personnel for the purpose of interview and discussion related to the requested documents and/or information.

18.4 The right to access records is not limited to the required retention period but lasts as long as the records are retained by Sponsor.

18.5 Sponsor shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Program Funds, COSR, or Project for a minimum of five (5) years.

18.6 Sponsor shall, and shall ensure that each of its subcontractors, if applicable, shall, comply with the requirements set forth in Attachment C - The California Department of Social Services Confidentiality and Information Security Requirements.

18.7 Sponsor recognizes and acknowledges that CDSS is a public entity subject to the Public Records Act, and information submitted by Sponsor to BDO GS or directly to CDSS may be subject to public disclosure and Sponsor has no right to assume that such information shall be kept confidential.

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

18.9 Sponsor agrees that claims based upon an audit finding and/or an audit finding that is appealed and upheld, shall be recovered by BDO GS or CDSS by one of the following options:

18.9.1 Sponsor's remittance to BDO GS or CDSS of the full amount of the audit exception within thirty (30) days following BDO GS request for payment; or

18.9.2 A repayment schedule which is agreeable to both BDO GS and Sponsor.

BDO GS reserves the right to select which option described above shall be employed; and BDO GS shall notify 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.

ARTICLE 19.
THIRD PARTY BENEFICIARIES

The State, represented by CDSS 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 CDSS, any legal or equitable claim or right. CDSS or another authorized department or agency representing the State of California 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 and 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 Sponsor.

ARTICLE 20.
MISCELLANEOUS

20.1 Dispute Resolution.

20.1.1 The Parties shall use reasonable efforts to resolve any dispute arising under this Agreement within thirty (30) days pursuant to informal mediation before a retired judge with Judicial Arbitration and Mediation Services ("JAMS") in Los Angeles, California.

20.1.2 If the Parties cannot resolve a dispute arising under this Agreement pursuant to Section 20.1.1, the Parties shall submit such dispute to arbitration in accordance with the provisions of the American Arbitration Association. The Parties shall conduct any arbitration in Los Angeles, California. The arbitrator's decision in any such arbitration shall be final, conclusive, and binding on the Parties.

20.1.3 TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES HEREBY UNCONDITIONALLY WAIVE ANY RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY CLAIM ARISING OUT OF THIS AGREEMENT.

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

20.1.5 This Section 20.1 shall not apply to CDSS or the State.

20.2 Attorneys' Fees. If a dispute arising out of this Agreement is finally adjudicated, the non-prevailing party shall pay the prevailing party's reasonable expenses incurred in connection therewith, including reasonable arbitration costs and reasonable attorneys' fees. If multiple items are disputed and the final decision is split, then the Parties shall allocate such expenses pro rata as to each item. Section 20.2, Attorneys' Fees provisions do not apply to the State.

20.3 Waiver. BDO GS's failure to notify 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, at law or in equity. BDO GS or CDSS may seek equitable relief, including an injunction, against 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, Sponsor waives any right to seek, and BDO GS and CDSS 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 Sponsor advises BDO GS or CDSS of the possibility of any such damages.

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

20.7 Notices. Notices under this Agreement must be (i) in writing; (ii) addressed to the receiving Party at the address described on the Summary Cover Sheet (unless notice of a different address is given); 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 three (3) 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 BDO GS, Geoffrey Ross, Geoffrey.Ross@bdogov.com, and Dania Khan, Dania.Khan@bdogov.com; and (ii) for Sponsor, Joshua Dugas, joshua.dugas @dbh.sbcounty.gov. 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 bounceback, 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 state or federal 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 injunction and other decrees, shall be binding and enforceable in all jurisdictions and countries.

20.9 Assignment. 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 BDO GS and CDSS. BDO GS's obligations under this Agreement shall be assignable to CDSS or CDSS's designee upon CDSS's request without Sponsor's consent. In the event that BDO GS assigns its obligations under this Agreement to CDSS, BDO GS shall make commercially reasonable efforts to transition any reasonably necessary documentation related to this Agreement to CDSS or its designee, at no cost to CDSS; provided, however, that BDO GS shall have no obligation to incur any liability, pay fees, charges, or reimbursement in connection with any wind-down or transition services.

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. BDO GS and Sponsor, each, have reviewed and negotiated this Agreement using such independent legal and tax counsel as each has deemed appropriate. 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 the entering into this Agreement. For the avoidance of doubt, 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. Causes 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 of 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 employees in publications, news releases, advertising, speeches, technical papers, photographs, sales promotions, or for 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 one (1) business day after an officer or other authorized representative of Sponsor obtains knowledge thereof, Sponsor shall provide written notice to BDO GS of (i) any litigation or governmental proceeding pending against Sponsor which could materially adversely affect the business, operations, property, assets, condition (financial or otherwise) or prospects of 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 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 a Party's approval, 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 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 Effective Date.

BDO GOVERNMENT SERVICES, LLC	**SPONSOR**: San Bernardino County, a California County
By: ______________________________ **Alethia Thomas, BDO GS Principal**	**By**: ______________________________ **Dawn Rowe, Chair, Board of Supervisors**

EXHIBIT A

BDO GS Summary Sheet CCE Review

Geographic Region	Southern California
Amount Requested	$10,515,038
Facility Type and Bed/Unit Count	RRS - 52 beds/36 units
BDO GS Recommendation	Recommended for award
Date Submitted	June 15, 2022

PROJECT ABSTRACT SUMMARY

The proposed Recovery Residence/Sober Living Home project would expand operations at an existing, vacant facility to 52 beds and 36 units to serve parents, individuals who are pregnant, and men in need of recovery services. The expansion of the proposed project will result in 20 -1 bed units and 16 2-bed units of which 40 beds and 27 units will be dedicated to the CCE target population. The residences will include bedrooms, bathrooms, kitchens, and common living areas with the facility also providing communal laundry spaces. Additionally, the facility will be certified through California Consortium of Addiction Programs and Professionals (CCAPP) to provide a standard level of treatment and recovery care in an in-home setting.

Application Overview	
Application ID	CCE-7120640339
Project Title	Substance Use Disorder Comprehensive Treatment Campus
Type of Entity	County
Target population	The proposed project has been designed to serve 75% SSI/SSP and CAPI adult residents with mental health and/or substance use disorders who are at risk of or are experiencing homelessness.
Address of Proposed Project	13333 Palmdale Rd. Victorville, CA 92392
County	San Bernardino County
Organization Information: Name of Entity **Co-Applicant? Y/N**	San Bernardino County N
Estimated date of completion (from Milestone Template) ***Reviewer notes regarding project completion, if noted***	December 2027

Match Amount	$2,540,102		
Match Source and details	Cash: $2,540,102		
COSR requested/amount	$0		
Facility Type: Recovery Residence/ Sober Living Homes (RRS)	**Total Beds/Units:** 52 Beds/36 Units	**CCE Beds/Units:** 40 Beds /27 Units	**Cost per CCE Bed/Unit:** $262,876
Total Project Amount and amount of funding received from other awards (BHCIP, other sources)	$13,055,140 Total Funding No additional funding sources.		
Sponsor Awarded Projects	The Sponsor has been awarded for one project within the CCE program. CCE-3585456821 has been awarded $14,778,895 in CCE funding.		
Site Plan (schematic)	Reviewed and included as part of the application.		
CCLD Licensing and compliance check	In Good Standing		
APPLICATION REGIONAL COLLABORATION			
Community Outreach and Letters of Support summary	Community outreach and Letters of Support have been provided by the Chief Executive Officer of San Bernardino County and Program Administrator at St. John of God Health Care Services.		
If applicable, does applicant have an MOU or other agreement, or related experience (Q6)	An MOU was not provided; however, the Sponsor possesses 34 years of experience in providing comprehensive substance abuse disorder care including, residential treatment for substance abuse, withdrawal management, clinic-based outpatient treatment for SUD, recovery centers, and multiple recovery residences.		
Analysis of Cost Reasonableness ***(Assessed based on facility type, scope, budget, and schedule of rehabilitation or renovations proposed in accordance with 2 CFR 200.404)***	The cost per CCE bed of this project is $262,876, which is higher than the mean per bed cost of all CCE awarded projects in the Southern California region of $187,549. The proposed project requires new construction of recovery residence buildings on owned, but unused land. The proposed project would be creating buildings with individual units that have personal beds and bathrooms with shared kitchen and living		

	spaces. The residences have studio and 2-bedroom options with the residents having access to community and laundry buildings and amenities.
Analysis of Sustainability **(Alternate Funding Streams, ALW, Subsidies, Vouchers, Medi-Cal, partnerships with social service / behavioral health agencies to provide service funding)** ***Assessed based on demonstrated capacity to produce and implement a business plan, develop projections of costs and revenues (which should account for service delivery), and diversity of revenue sources***	The proposed Recovery Residence/Sober Living Homes aims to provide a sustainable solution to adults and families that suffer from substance use disorder and mental health. San Bernardino County Department of Behavioral Health (DBH) is an integrated health and social services department that provides mental health and substance use disorder (SUD) services to individuals and their families throughout the county. DBH delivers services through a robust continuum of care comprised of department-run programs with nearly 1,500 employees, in addition to over 400 contracts with community organizations, other county departments, state agencies, law enforcement partners, and more. The project proposed herein, St. John of God, has been a contract program with DBH since 1990, offering a comprehensive system of SUD care that includes residential treatment for SUD, withdrawal management (detox), clinic-based outpatient treatment for SUD, a recovery center, and multiple recovery residences. The Sponsor poses extensive experience delivering services at this location through the facilities proposed for rehabilitation and expansion. DBH is also experienced in acquiring and operating facilities to house new programs.
Risks and mitigating factors and/or plan for addressing risks	The proposed project involves construction and infrastructure, which carries inherent risks, including the unpredictability of rising construction costs and availability of material. As construction costs are subject to various external factors such as market demand, supply chain disruptions, and material costs, it is difficult to predict the exact expenses and availability with absolute certainty. To address this potential risk, the project budget has included a contingency to mitigate any unforeseen construction expenditures. In addition, there are other potential risks that can arise during the construction process. These risks can include issues like delays in the construction schedule due to unforeseen circumstances, such as inclement weather, unexpected site conditions, or construction site accidents.

	Finally, a concern with new construction projects involves poor project management that can lead to documentation errors, poorly defined scopes of work, and other hazards. To mitigate these risks, the Sponsor has tasked The Architectural Firm with the project management and oversight tasks. Combined, the firm leaders have over 70 years of experience and have completed 60 new health care renovation and building projects. The Sponsor poses the necessary team to mitigate any risks as they may arise.
Does this fulfill the unmet need(s) of region? ***(The response is pulled from application Q. 11. Per RFA, this may include a local county/tribal/provider needs assessment, a facility wait list, the number of comparable facilities in the area, or other quantifiable documentation.)***	Yes, the services offered through the facility assist San Bernardino County (SBC) in meeting Network Adequacy time/distance standards for outpatient and residential treatment services aim to fulfill an unmet need of the Southern California region. This is the only residential treatment provider for the High Desert region, wherein this proposed campus is located, serving surrounding communities in addition to Victorville. A contracted SUD provider that offers similar multilevel of care as partner, Saint John of God, within the High Desert Region is approximately 43 miles from this property. Furthermore, the High Desert region represents 30% of all consumers served throughout the SUD continuum of care and is the highest referring region to SUD services in SBC.

Project feasibility notes or additional considerations:
The file contains comprehensive documentation that meets all requirements. The match is valued at $2,540,102 in Cash which exceeds the required 10% for the project. The budget has been thoroughly evaluated and deemed reasonable.

Key Project Updates		
BDO GS Requested:	Applicant Provided:	Result:
BDO GS requested scope of work change and updates	Review and feedback regarding information provided in the statement of work.	The statement of work has been reviewed and finalized by the applicant. BDO GS reviewed and verified.
BDO GS requested confirmation of bed/unit count	Details around the beds and units for the proposed project	The applicant provided specifics and clarified the project with consist of 52 beds. 40 beds will be dedicated to qualified residents.

BDO GS requested current Design, Acquisition, and Construction Milestone Schedule	The applicant provided an updated Design, Acquisition, and Construction Milestone Schedule	The applicant provided the following milestones: Acquisition: September 30, 2023 Construction Start: June 2026 Construction End: December 2027 Move In: February 2028 Start of Operations: February 2028
BDO GS requested Construction Plans	Applicant provided Construction Plans	BDO GS verified the scope of the project and validated estimated construction costs
BDO GS requested updated Budget	Applicant provided updated Budget	BDO GS verified the estimated costs associated with the proposed project
BDO GS requested Articles of Incorporation	Applicant provided Articles of Incorporation	BDO GS verified validity of Sponsor's organization documents

Sources		**Amount**	**Per Bed/Unit**	**% of Total**
Construction Sources	Grant	$10,515,038	$202,212	81%
Permanent Sources	Cash	$2,540,102	$48,848	19%
Total Sources		$13,055,140	$251,060	100%
Uses				
Acquisition Costs		$0		
Hard Construction Costs		$10,135,187		
Soft Costs		$2,498,085		
Reserves and Escrows		$0		
COSR		$0		
Developer Fee		$421,868		
Total Uses		$13,055,140		

<u>EXHIBIT B</u>

CASH FLOW PROFORMA

[attached]

UNIT TYPE	Area Median Income %(AMI) Number	Square Feet	Total Sq Feet	Gross Rent	Utility Allowance	Net Rent per Sq Foot	Total Monthly Net Rent	Current Annual Rent
1BR/1BA PBV				$	$	$	$	$
1BR/1BA				$	$	$	$	$
1BR/1BA				$	$	$	$	$
2BR/1BA				$	$	$	$	$
2BR/1BA (Exempt Manager)								
Totals				$	$	$	$	$

Project Name
#REF!

Units: 0

CASH FLOW

	Inflation %	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Potential Gross Income	*Standards:*															
Total Annual Rental Income	*2.0%*	$0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental Subsidy																
Parking	*2.0%*	$0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial	*2.0%*	$0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Facility	*2.0%*	$0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry	*2.0%*	$0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Potential Gross Income:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Allowance																
Total Annual Rental Income	*5.0%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parking	*5.0%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial	*10.0%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Facility	*10.0%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry	*10.0%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Vacancy Allowance:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Income																
Total Annual Rental Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Parking		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Facility		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effective Gross Income:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance & Operating Expenses																
Operating Expenses:	*3.0%*	$0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management Fee	*2.0%*	$0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Resident Services																
Taxes and Insurance																
Total Operating Expenses:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replacement Reserves	*3.0%*	$0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses & Reserves:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Income:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Deferred Developer Fee		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Prinicipal Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest for Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Payment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance		$	$	$	$	$	$	$	$	$	$	$	$	$	$	
Net Case after Deferred Developer Fee		$	$	$	$	$	$	$	$	$	$	$	$	$	$	
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Type Of Loan:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Principal Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest for Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Accumulated Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Payment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balance		$	$	$	$	$	$	$	$	$	$	$	$	$	$	

	Interest Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
First Mortgage Debt Service	**Interest Rate**															
First Mortgage	*4.50%*	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Subsidy Debt Service	**Interest Rate**															
Subsidy Loan 1	*0.25%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subsidy Loan 2	*0.25%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subsidy Loan 3	*0.50%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subsidy Loan 4	*0.50%*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Net Cash Flow in 15 years	#DIV/0!															
Income to Expense Ratio (Min. 1.05)		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Debt Coverage Ratio		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

LIST OF ATTACHMENTS

ATTACHMENT A
STATE REQUIREMENTS

1. California Civil Rights Requirements

a. During the performance of this Agreement, Sponsor and its subcontractors shall not deny the Agreement's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Sponsor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Sponsor and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135 et seq.), the regulations or standards adopted by CDSS to implement such article, the Unruh Civil Rights Act (California Civil Code §51), and Title VI of the Civil Rights Act of 1964.

Sponsor shall permit access by representatives of the Department of Fair Employment and Housing, BDO GS and/or CDSS upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities to ascertain compliance with this clause. Sponsor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

Sponsor shall include the nondiscrimination and compliance provisions of this section in all subcontracts to perform work under the Agreement.

b. Pursuant to Public Contract Code § 2010, a person that submits a bid or proposal to, or otherwise proposes to enter into or renew a contract with, a state agency with respect to any contract in the amount of $100,000 or above shall certify, under penalty of perjury, at the time the bid or proposal is submitted or the contract is renewed, all of the following:

(1) CALIFORNIA CIVIL RIGHTS LAWS: Sponsor certifies compliance with the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135 et seq.), the regulations or

standards adopted by CDSS to implement such article, the Unruh Civil Rights Act (California Civil Code §51), and Title VI of the Civil Rights Act of 1964.

(2) EMPLOYER DISCRIMINATORY POLICIES: For contracts executed or renewed after January 1, 2017, if Sponsor has an internal policy against a sovereign nation or peoples recognized by the United States government, Sponsor certifies that such policies are not used in violation of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135 et seq.), the regulations or standards adopted by CDSS to implement such article, the Unruh Civil Rights Act (California Civil Code §51), and Title VI of the Civil Rights Act of 1964.

c. In the event of Sponsor's noncompliance with the requirements of the provisions herein or with any state or federal statutes, rules, regulations, or orders regarding civil rights or non-discrimination requirements, this Agreement may be cancelled, terminated, or suspended in whole or in part and Sponsor may be declared ineligible for further state contracts or grants.

d. Sponsor will include the contractor certification provisions required by this section in every subcontract or purchase order unless exempted by federal or state statutes, rules, regulations, or orders, so that such provisions will be binding upon each Sponsor or vendor. Sponsor will take such action with respect to any subcontract or purchase order BDO GS may direct as a means of enforcing such provisions.

2. Subcontract Requirements

a. Sponsor may enter into subcontracts for services to be performed pursuant to the SOW provided such subcontracts are consistent with this Agreement and the SOW and provided further that Sponsor follows its procurement policy, a copy of which has been previously provided to and approved by BDO GS. BDO GS or CDSS reserve the right to approve or disapprove the selection of subcontractors and with advance written notice, require the substitution of subcontractors and require Sponsor to terminate subcontracts entered into in support of this Agreement.

(1) Upon receipt of a written notice from BDO GS requiring the substitution and/or termination of a subcontract, Sponsor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within thirty (30) calendar days, unless a longer period is agreed to by CDSS.

b. Sponsor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by BDO GS, make copies available for approval, inspection, or audit.

c. BDO GS and/or CDSS assume no responsibility for the payment of subcontractors used in the performance of this Agreement. Sponsor accepts sole responsibility for the payment of subcontractors used in the performance of this Agreement.

d. Sponsor is responsible for all performance requirements under this Agreement even though performance may be carried out through a subcontract.

e. Sponsor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement.

f. Sponsor agrees to include the following clause, relevant to record retention, in all subcontracts for services:

> subcontractor agrees to maintain and preserve, until three years after termination of this Agreement and final payment from BDO GS, to permit BDO GS or CDSS 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.

g. Unless otherwise stipulated in writing by BDO GS, BDO GS shall be Sponsor's sole point of contact for all matters related to performance and payment under this Agreement.

h. Sponsor shall, as applicable, advise all subcontractors of their obligations to comply with this Attachment.

3. Income Restrictions

Unless otherwise stipulated in this Agreement, Sponsor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by Sponsor under this Agreement shall be paid by Sponsor to BDO GS so that BDO GS can pay CDSS, to the extent that they are properly allocable to costs for which Sponsor has been reimbursed by BDO GS under this Agreement.

4. 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 Sponsor, Sponsor shall provide and shall require is contractors and subcontractors 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.

5. Warranties

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 BDO GS or CDSS 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 Sponsor's performance of this Agreement.

f. All materials and equipment furnished with respect to the Project and all work performed by 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. It has disclosed to BDO GS and CDSS the composition of 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 Sponsor ("Related Party" or "Related Parties") and shall promptly disclose to BDO GS and/or CDSS, during the Term of this Agreement, any change in ownership or control of Sponsor or any merger or acquisition that changes the control of Sponsor. For purposes of this Agreement "control" shall mean any entity that has an ownership interest of greater than twenty percent (20%) in Sponsor, or, has the authority to direct or cause the direction of the affairs or management of Sponsor.

i. It shall disclose to BDO GS and/or CDSS, 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 a Related Party in connection with the Project ("Related Party Transaction").

j. It shall disclose to BDO GS and/or CDSS, 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 requested by BDO GS and/or CDSS in their sole discretion.

k. The provisions set forth herein shall survive any termination or expiration of this Agreement or any Project schedule.

6. Suspension or Stop Work Notification

a. BDO GS 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 BDO GS's Designated Representative. Upon receipt of said notice, 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 BDO GS. The resumption of work (in whole or part) will be at BDO GS's discretion and upon receipt of written confirmation.

(1) Upon receipt of a suspension or stop work notification, 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 90 days of the issuance of a suspension or stop work notification, BDO GS 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, Sponsor may resume work only upon written concurrence of BDO GS.

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, BDO GS shall allow reasonable costs resulting from the suspension or stop work notification in arriving at the settlement costs.

f. In accordance with Article 14 and Section 20.5 of the Agreement, BDO GS shall not be liable to Sponsor or its subcontractors for loss of profits because of any suspension or stop work notification issued under this clause.

7. Compliance with Statutes and Regulations

a. Sponsor shall comply with all applicable California and federal law, regulations, and published guidelines, to the extent that these authorities contain requirements applicable to Sponsor's performance under the Agreement.

ATTACHMENT B

State of California
Department of Social Services

CERTIFICATION REGARDING LOBBYING AND CONFLICTS OF INTEREST

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

1. By entering into the Agreement and accepting Program Funds, Sponsor is in compliance with the Political Reform Act of 1978 and regulations promulgated by the Fair Political Practices Commission (FPPC) regarding requirements relating to lobbying and conflicts of interest.

2. Sponsor is aware of California state laws and regulations regarding employing current or former state employees. If Sponsor has any questions on the status of any person rendering services or involved with the Agreement, BDO GS must be contacted immediately for clarification.

(a) Current State Employees (Pub. Contract Code §10410): 1). No officer or employee of the State shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment. No officer or employee of the State shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

(b) Former State Employees (Pub. Contract Code §10411): 1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which they engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency. For the twelve-month period from the date they left state employment, no former state officer or employee may enter into a contract with any state agency if they were employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to their leaving state service.

If Sponsor violates any provisions of above paragraphs, such action by Sponsor shall render this Agreement void. (Pub. Contract Code §10420). Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e)).

San Bernardino County, a California County	
	Printed Name of Person Signing for Sponsor
Contract Number	**Dawn Rowe**
Date	**Chair, Board of Supervisors**

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

Attachment B - Certification Regarding Lobbying

ATTACHMENT C

The California Department of Social Services Confidentiality and Information Security Requirements Sponsor - v 2019 01

This Confidentiality and Information Security Requirements - Attachment C (hereinafter referred to as "this Exhibit" or "Attachment C") sets forth the information security and privacy requirements Sponsor is obligated to follow with respect to all confidential and sensitive information (as defined herein) disclosed to or collected by Sponsor, pursuant to the Agreement in which this Attachment is incorporated. The CDSS, BDO GS and Sponsor desire to protect the privacy and provide for the security of CDSS Confidential, Sensitive, and/or Personal (CSP) Information (hereinafter referred to as "CDSS CSP") in compliance with state and federal statutes, rules and regulations.

I. **Order of Precedence**. With respect to information security and privacy requirements for all CDSS CSP, unless specifically exempted, the terms and conditions of this Attachment shall take precedence over any conflicting terms or conditions set forth in any other part of the Agreement between Sponsor and BDO GS.

II. **Effect on lower tier transactions**. The terms of this Attachment shall apply to all lower tier transactions (e.g., agreements, sub-agreements, contracts, subcontracts, and sub-awards, etc.). Sponsor shall incorporate the contents of this Attachment into each lower tier transaction.

III. **Confidentiality of Information**.

a. DEFINITIONS. The following definitions apply to this Attachment and relate to CDSS Confidential, Sensitive, and/or Personal Information.

i. "Confidential Information" is information maintained by CDSS that is exempt from disclosure under the provisions of the California Public Records Act (Government Codes Sections 6250 et seq.) or has restrictions on disclosure in accordance with other applicable state or federal laws.

ii. "Sensitive Information" is information maintained by CDSS, which is not confidential by definition, but requires special precautions to protect it from unauthorized access and/or modification (i.e., financial or operational information). Sensitive information is information in which the disclosure would jeopardize the integrity of CDSS (i.e., CDSS' fiscal resources and operations).

iii. "Personal Information" is information, in any medium (paper, electronic, or oral) that identifies or describes an individual (i.e., name, social security number, driver's license, home/mailing address, telephone number, financial matters with security codes, medical insurance policy number, Protected Health Information (PHI), etc.) and must be protected from inappropriate access, use or disclosure and must be made accessible to information subjects upon request. It can also be information in the possession of the Department in which the disclosure is limited by law or contractual Agreement (i.e., proprietary information, etc.).

iv. "Breach" is

1. the unauthorized acquisition, access, use, or disclosure of CDSS CSP in a manner which compromises the security, confidentiality or integrity of the information; or the same as the definition of "breach of the security of the system" set forth in California Civil Code Section 1798.29(f).

v. "Information Security Incident" is

1. unauthorized access or disclosure, modification or destruction of, or interference with, CDSS CSP that actually or potentially jeopardizes the confidentiality, integrity, or availability of an information system or the information the system processes, stores, or transmits or that constitutes a violation or imminent threat of violation of any state or federal law or in a manner not permitted under the Agreement, including this Exhibit.

b. CDSS CSP which may become available to Sponsor as a result of the implementation of the Agreement shall be protected by Sponsor from unauthorized access, use, and disclosure as described in this Attachment.

c. Sponsor is notified that unauthorized disclosure of CDSS CSP may be subject to civil and/or criminal penalties under state and federal law, including but not limited to:

- California Welfare and Institutions Code Section 10850
- Information Practices Act - California Civil Code Section 1798 et seq.
- Public Records Act - California Government Code Section 6250 et seq.
- California Penal Code Section 502, 11140-11144, 13301-13303
- Health Insurance Portability and Accountability Act of 1996 ("HIPAA") - 45 CFR Parts 160 and 164
- Safeguarding Information for the Financial Assistance Programs - 45 CFR Part 205.50
- Unemployment Insurance Code Section 14013

d. **EXCLUSIONS**. "Confidential Information", "Sensitive Information", and "Personal Information" (CDSS CSP) does not include information that

i. is or becomes generally known or available to the public other than because of a breach by Sponsor of these confidentiality provisions;

ii. already known to Sponsor before receipt from CDSS without an obligation of confidentiality owed to CDSS;

iii. provided to Sponsor from a third party except where Sponsor knows, or reasonably should know, that the disclosure constitutes a breach of confidentiality or a wrongful or tortious act; or

iv. independently developed by Sponsor without reference to CDSS CSP.

IV. Sponsor Responsibilities.

a. Training. Sponsor shall instruct all employees, agents, and subcontractors with access to CDSS CSP regarding:

i. The confidential nature of the information;

ii. The civil and criminal sanctions against unauthorized access, use, or disclosure found in the California Civil Code Section 1798.55, Penal Code Section 502 and other state and federal laws;

iii. CDSS procedures for reporting actual or suspected information security incidents in Paragraph V - Information Security Incidents and/or Breaches; and

iv. That unauthorized access, use, or disclosure of CDSS CSP is grounds for immediate termination of this Agreement and may be subject to penalties, both civil and criminal.

b. Use Restrictions. Sponsor shall take the appropriate steps to ensure that their employees, agents, and subcontractors will not intentionally seek out, read, use, or disclose CDSS CSP other than for the purposes described in the Agreement and to meet its obligations under the Agreement.

c. Disclosure of CDSS CSP. Sponsor shall not disclose any individually identifiable CDSS CSP to any person other than for the purposes described in the Agreement and to meet its obligations under the Agreement.

d. Subpoena. If Sponsor receives a subpoena or other validly issued administrative or judicial notice requesting the disclosure of CDSS CSP, Sponsor will immediately notify the BDO GS Project Director and CDSS Information Security and Privacy Officer. In no event should notification to CDSS occur more than three (3) business days after receipt by Sponsor's responsible unit for handling subpoenas and court orders.

e. **Information Security Officer**. Sponsor shall designate an Information Security Officer to oversee its compliance with this Attachment and to communicate with CDSS on matters concerning this Attachment.

f. **Requests for CDSS CSP by Third Parties**. Sponsor shall promptly transmit to the BDO GS Project Director and CDSS Information Security and Privacy Officer all requests for disclosure of any CDSS CSP requested by third parties to the Agreement (except from an Individual for an accounting of disclosures of the individual's personal information pursuant to applicable state or federal law), unless prohibited from doing so by applicable state or federal law.

g. **Documentation of Disclosures for Requests for Accounting**. Sponsor shall maintain an accurate accounting of all requests for disclosure of CDSS CSP Information and the information necessary to respond to a request for an accounting of disclosures of personal information as required by Civil Code Section 1798.25, or any applicable state or federal law.

h. **Return or Destruction of CDSS CSP on Expiration or Termination**. Upon expiration or termination of the Agreement between Sponsor and BDO GS, or upon a date mutually agreed upon by the Parties following expiration or termination, Sponsor shall return or destroy CDSS CSP. If return or destruction is not feasible, Sponsor shall provide a written explanation to the BDO GS Project Director and CDSS Information Security and Privacy Officer, using the contact information in this Agreement. CDSS, in its sole discretion, will make a determination of the acceptability of the explanation and, if retention is permitted, shall inform Sponsor in writing of any additional terms and conditions applicable to the retention of CDSS CSP.

i. **Retention Required by Law**. If required by state or federal law, Sponsor may retain, after expiration or termination, CDSS CSP for the time specified as necessary to comply with the law.

j. **Obligations Continue Until Return or Destruction**. Sponsor's obligations regarding the confidentiality of CDSS CSP set forth in this Agreement, including but not limited to obligations related to responding to Public Records Act requests and subpoenas shall continue until Sponsor returns or destroys CDSS CSP or returns CDSS CSP to CDSS; provided however, that on expiration or termination of the Agreement between Sponsor and BDO GS, Sponsor shall not further use or disclose CDSS CSP except as required by state or federal law.

k. Notification of Election to Destroy CDSS CSP. If Sponsor elects to destroy t CDSS CSP, Sponsor shall certify in writing, to the BDO GS Project Director and CDSS Information Security and Privacy Officer, using the contact information, that CDSS CSP has been destroyed.

l. Background Check. Before a member of Sponsor's workforce may access CDSS CSP, Sponsor must conduct a thorough background check of that worker and evaluate the results to assure that there is no indication that the worker may present a risk to CDSS information technology systems and/or CDSS data. Sponsor shall retain each workforce member's background check documentation for a period of three (3) years following Agreement termination.

m. Confidentiality Safeguards. Sponsor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of CDSS CSP that it creates, receives, maintains, uses, or transmits pursuant to the Agreement. Sponsor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of Sponsor's operations and the nature and scope of its activities, including at a minimum the following safeguards:

i. **General Security Controls**

1. **Confidentiality Acknowledgement**. By executing the Agreement and signing Paragraph XI, CDSS Confidentiality and Security Compliance Statement, Sponsor acknowledges that the information resources maintained by CDSS and provided to Sponsor may be confidential, sensitive, and/or personal and requires special precautions to protect it from

wrongful access, use, disclosure, modification, and destruction.

2. **Workstation/Laptop Encryption**. All Sponsor-owned or managed workstations, laptops, tablets, smart phones, and similar devices that process and/or store CDSS CSP must be encrypted using a FIPS 140-2 certified algorithm which is 128 bit or higher, such as Advanced Encryption Standard (AES). The encryption solution must be full disk unless approved by CDSS Information Security Office.

3. **Data Encryption**. Any CDSS CSP shall be encrypted at rest when stored on network file shares or document repositories.

4. **Server Security**. Servers containing unencrypted CDSS CSP must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.

5. **Minimum Necessary**. Only the minimum necessary amount of CDSS CSP required to perform necessary business functions may be copied, downloaded, or exported.

6. **Removable Media Devices**. All electronic files that contain CDSS CSP must be encrypted when stored on any removable media or portable device (i.e., USB thumb drives, floppies, CD/DVD, smart phone, backup tapes etc.). Encryption must be a FIPS 140-2 certified algorithm which is 128 bit or higher, such as AES.

7. **Antivirus Software**. All Sponsor-owned or managed workstations, laptops, tablets, smart phones, and similar devices that process and/or store CDSS CSP must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.

8. **Patch Management**. To correct known security vulnerabilities, Sponsor shall install security patches and updates in a timely manner on all Sponsor-owned or managed workstations, laptops, tablets, smart phones, and similar devices that process and/or store CDSS CSP as appropriate based on Sponsor's risk assessment of such patches and updates, the technical requirements of Sponsor's systems, and the vendor's written recommendations. If patches and updates cannot be applied in a timely manner due to hardware or software constraints, mitigating controls will be implemented based upon the results of a risk assessment.

9. **User IDs and Password Controls**. All users must be issued a unique user name for accessing CDSS CSP. Sponsor's password policy must be based on information security best practices for password length, complexity, and reuse.

10. **Data Destruction**. Upon termination of the Agreement, all CDSS CSP must be sanitized in accordance with NIST Special Publication 80088, Guidelines for Media Sanitization.

ii. **System Security Controls**

1. **System Timeout**. The system providing access to CDSS CSP must provide an automatic timeout, requiring re-authentication of the user session after no more than thirty (30) minutes of inactivity for applications, and fifteen (15) minutes of inactivity for desktops and laptops.

2. **Warning Banners**. All systems (servers, desktops, laptops, etc.) containing CDSS CSP must display a warning banner at login stating that data is confidential, systems are logged, and system use is for business purposes only. User must be directed to log off the system if they do not agree with these requirements.

3. **System Logging**. The system must maintain an automated audit trail which can identify the user or system process which initiates a request for CDSS CSP, or which alters CDSS CSP. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. If CDSS CSP is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least one (1) year after occurrence.

4. **Access Controls**. The system must use role based access controls for all user authentications, enforcing the principle of least privilege.

5. **Transmission Encryption**. All data transmissions of CDSS CSP by Sponsor outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm, such as Advanced Encryption Standard (AES), with a 128bit key or higher. Encryption can be end to end at the network level, or the data files containing CDSS CSP can be encrypted. This requirement pertains to any type of CDSS CSP in motion such as website access, file transfer, and email.

6. **Intrusion Detection**. All systems involved in accessing, holding, transporting, and protecting CDSS CSP that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

iii. **Audit Controls**

1. **System Security Review**. All systems processing and/or storing CDSS CSP must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing

adequate levels of protection. Reviews shall include vulnerability scanning tools.

2. **Log Reviews**. All systems processing and/or storing CDSS CSP must have a routine procedure in place to review system logs for unauthorized access.

3. **Change Control**. All systems processing and/or storing CDSS CSP must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.

iv. **Business Continuity / Disaster Recovery Controls**

1. **Disaster Recovery**. Sponsor must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic CDSS CSP in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than twenty-four (24) hours.

2. **Data Backup Plan**. Sponsor must have established documented procedures to backup CDSS CSP to maintain retrievable exact copies of CDSS CSP. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and the amount of time to restore CDSS CSP should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of CDSS data.

v. **Paper Document Controls**

1. **Supervision of Information**. CDSS CSP in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information may be observed by an individual

not authorized to access the information. CDSS CSP in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.

2. **Escorting Visitors**. Visitors to areas where CDSS CSP are contained shall be escorted and CDSS CSP shall be kept out of sight while visitors are in the area.

3. **Confidential Destruction**. CDSS CSP must be disposed of through confidential means, such as cross cut shredding and/or pulverizing.

4. **Removal of Information**. CDSS CSP must not be removed from the premises of Sponsor except for identified routine business purposes or with express written permission of CDSS.

5. **Faxing**. CDSS CSP that must be transmitted by fax shall require that Sponsor confirms the recipient fax number before sending, takes precautions to ensure that the fax was appropriately received, maintains procedures to notify recipients if Sponsor's fax number changes, and maintains fax machines in a secure area.

6. **Mailing**. Paper copies of CDSS CSP shall be mailed using a secure, bonded mail service, such as Federal Express, UPS, or by registered U.S. Postal Service (i.e., accountable mail using restricted delivery). All packages must be double packed with a sealed envelope and a sealed outer envelope or locked box.

V. Information Security Incidents and/or Breaches of CDSS CSP

a. **CDSS CSP Information Security Incidents and/or Breaches Response Responsibility**. Sponsor shall be responsible for facilitating the Information Security Incident and/or Breach response process as described in California Civil Code 1798.82(f), and State Administrative Manual (SAM)

Section 5340, Information Security Incident Management, including, but not limited to, taking:

i. Prompt corrective action to mitigate the risks or damages involved with the Information Security Incident and/or Breach and to protect the operating environment; and

ii. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

b. **Discovery and Notification of Information Security Incidents and/or Breaches of CDSS CSP**. Sponsor shall notify the BDO GS Project Director and CDSS Information Security and Privacy Officer of an Information Security Incident and/or Breach as expeditiously as practicable and without unreasonable delay, taking into account the time necessary to allow Sponsor to determine the scope of the Information Security Incident and/or Breach, but no later than three (3) calendar days after the discovery of an Information Security Incident and/or Breach. Notification is to be made by telephone call and email.

c. **Isolation of System or Device**. A system or device containing CDSS CSP compromised by an exploitation of a technical vulnerability shall be promptly disconnected or quarantined and investigated until the vulnerability is resolved. Sponsor will notify CDSS and BDO GS within two (2) business days of a confirmed exploitation of a technical vulnerability and keep CDSS and BDO GS informed as to the investigation until resolution of the vulnerability is completed.

d. **Investigation of Information Security Incidents and/or Breaches**. Sponsor shall promptly investigate Information Security Incidents and/or Breaches of CDSS CSP. CDSS shall have the right to participate in the investigation of such Information Security Incidents and/or Breaches. CDSS shall also have the right to conduct its own independent investigation, and Sponsor shall cooperate fully in such investigations. Sponsor is not required to disclose their un-redacted confidential, proprietary, or privileged information. Sponsor will keep CDSS fully informed of the results of any such investigation.

e. **Updates on Investigation**. Sponsor shall provide regular (at least once a week) email updates on the progress of the Information Security Incident and/or Breach investigation of CDSS CSP to the BDO GS Project Director and CDSS Information Security and Privacy Officer until the updates are no longer needed, as mutually agreed upon between Sponsor and the BDO GS Program Director/CDSS Information Security and Privacy Officer. Sponsor is not required to disclose their un-redacted confidential, proprietary, or privileged information.

f. **Written Report**. Sponsor shall provide a written report of the investigation to the BDO GS Project Director and CDSS Information Security and Privacy Officer within thirty (30) business days of the discovery of the Information Security Incident and/or Breach of CDSS CSP. Sponsor is not required to disclose their un-redacted confidential, proprietary, or privileged information. The report shall include, but not be limited to, if known, the following:

   i. Sponsor point of contact information;

   ii. A description of what happened, including the date of the Information Security Incident and/or Breach of CDSS CSP and the date of the discovery of the Information Security Incident and/or Breach, if known;

   iii. A description of the types of CDSS CSP that were involved and the extent of the information involved in the Information Security Incident and/or Breach;

   iv. A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed CDSS CSP;

   v. A description of where CDSS CSP is believed to have been improperly transmitted, sent, or utilized;

   vi. A description of the probable causes of the improper use or disclosure;

   vii. Whether Civil Code Sections 1798.29 or 1798.82 or any other federal or state laws requiring individual notifications of breaches are triggered; and

viii. A full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the Information Security Incident and/or Breach of CDSS CSP.

g. Cost of Investigation and Remediation. Per SAM Section 5305.8, Sponsor shall be responsible for all direct and reasonable costs incurred by BDO GS or CDSS due to Information Security Incidents and/or Breaches of CDSS CSP resulting from Sponsor's failure to perform or from negligent acts of its personnel, and resulting in the unauthorized disclosure, release, access, review, or destruction; or loss, theft or misuse of an information asset. These costs include, but are not limited to, notice and credit monitoring for twelve (12) months for impacted individuals, BDO GS staff time, CDSS staff time, material costs, postage, media announcements, and other identifiable costs associated with the Information Security Incident, Breach and/or loss of data.

VI. Contact Information. To direct communications to the above referenced BDO GS and CDSS staff, Sponsor shall initiate contact as indicated herein. BDO GS and CDSS reserve the right to make changes to the contact information below by giving written notice to Sponsor. Said changes shall not require an amendment to this Attachment or the Agreement to which it is incorporated.

BDO GS Project Director	**CDSS Information Security & Privacy Officer**
See Summary Cover Sheet of the Program Funding Agreement for BDO GS Project Director information	California Department of Social Services Information Security & Privacy Officer 744 P Street, MS 9-9-70 Sacramento, CA 95814 Email: iso@dss.ca.gov Telephone: (916) 651-5558

VII. Audits and Inspections. CDSS may inspect and/or monitor compliance with the safeguards required in this Attachment. Sponsor shall promptly remedy any violation of any provision of this Attachment and shall certify the same to the BDO GS Project Director and CDSS Information Security and Privacy Officer in writing. The fact that CDSS or BDO GS inspects, or fails to inspect, or has the right to inspect, does not relieve Sponsor of its responsibility to comply with this Attachment.

VIII. Amendment. The Parties acknowledge that federal and state laws regarding information security and privacy rapidly evolves and that amendment of this Attachment may be required to provide for procedures to ensure compliance with such laws. The Parties specifically agree to take such action as is necessary to implement new standards and requirements imposed by regulations and other applicable laws relating to the security or privacy of CDSS CSP.

IX. Interpretation. The terms and conditions in this Attachment shall be interpreted as broadly as necessary to implement and comply with regulations and applicable State laws. The Parties agree that any ambiguity in the terms and conditions of this Exhibit shall be resolved in favor of a meaning that complies and is consistent with federal and state laws and regulations.

X. Termination. An Information Security Incident and/or Breach of CDSS CSP by Sponsor, its employees, agents, or subcontractors, as determined by CDSS, may constitute a material breach of the Agreement between Sponsor and BDO GS and grounds for immediate termination of the Agreement.

XI. CDSS Confidentiality and Security Compliance Statement

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES CONFIDENTIALITY AND SECURITY COMPLIANCE STATEMENT V 2019 01

Information resources maintained by the California Department of Social Services (CDSS) and provided to Sponsor may be confidential, sensitive, and/or personal and requires special precautions to protect it from wrongful access, use, disclosure, modification, and destruction.

We hereby acknowledge that the confidential and/or sensitive records of CDSS are subject to strict confidentiality requirements imposed by state and federal law, which may include, but are not limited to, the following; the California Welfare and

Institutions Code §10850, Information Practices Act - California Civil Code §1798 et seq., Public Records Act - California Government Code §6250 et seq., California Penal Code §502, 11140-11144, 13301-13303, Health Insurance Portability and Accountability Act of 1996 ("HIPAA") - 45 CFR Parts 160 and 164, and Safeguarding Information for the Financial Assistance Programs - 45 CFR Part 205.50. Contractor agrees to comply with the laws applicable to CDSS CSP received.

This Confidentiality and Security Compliance Statement must be signed and returned with the Agreement.

Project Representative

Name (Printed):	Joshua Dugas
Title:	Acting Director
Business Name:	San Bernardino County
Email Address:	Joshua.Dugas@dbh.sbcounty.gov
Phone:	(909) 255-5142
Signature:	
Date Signed:	

READ and ACKNOWLEDGED: Information Security Officer (or authorized official responsible for business' information security program)

Name (Printed):	Rick Shackelford
Title:	Information Security Officer
Business Name:	San Bernardino County
Email Address:	RShackelford@dbh.sbcounty.gov
Phone:	909-388-0910
Signature:	
Date Signed:	

ATTACHMENT D

SPONSOR CDSS CERTIFICATION

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)	Federal ID Number
San Bernardino County	956002748

By (Authorized Signature)

DAWN ROWE, CHAIR, BOARD OF SUPERVISORS
Printed Name and Title of Person Signing

Date Executed	Executed in the County of San Bernardino

SPONSOR CERTIFICATION CLAUSES:

ARTICLE 1.
STATEMENT OF COMPLIANCE

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 WORK PLACE REQUIREMENTS

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 maybe 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 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 violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)

ARTICLE 3.
NATIONAL LABOR RELATIONS BOARD CERTIFICATION

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

ARTICLE 4.
SUBCONTRACTS FOR LEGAL SERVICES $50,000 OR MORE– PRO BONO REQUIREMENT

If applicable to Sponsor, Sponsor hereby certifies that Sponsor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Sponsor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the Agreement equal to the lessor of 30 multiplied by the number of full-time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any Agreement period of less than a full year or 10% of its Agreement with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services and may be taken into account when determining the award of future contracts with the State for legal services.

ARTICLE 5. SWEATFREE CODE OF CONDUCT

a) If applicable to Sponsor, 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. 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 and Public Contract Code Section 6108.

b) Sponsor agrees to cooperate fully in providing reasonable access to 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 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:

Sponsor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and 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 Sponsor shall forfeit to the State (enter amount from Labor Code Section 1775) dollars 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 Sponsor 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 40 hours a week and Sponsor shall forfeit, as a penalty to the State, twenty-five dollars ($25) 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 40 hours in any calendar week, in violation of Labor Code Sections 18101815, 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. Sponsor and each of its subcontractor must comply with the requirements of Labor Code Section 1777.5 and any related regulations regarding the employment of registered apprentices.

Each Sponsor and any of Sponsor's subcontractors shall comply with the Labor Code Section 1776 regarding record keeping.

6.2 AMERICAN WITH DISABILITIES ACT:

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 SPONSORS NAME CHANGE:

An amendment is required to change 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 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:

Sponsor and/or its subcontractors 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 Agreements executed or renewed after January 1, 2017, 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); and

6.9 EMPLOYER DISCRIMINATION POLICIES:

For Agreements executed or renewed after January 1, 2017, if Sponsor has an internal policy against a sovereign nation or peoples recognized by the United States government, 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).

ARTICLE 7.
ANTITRUST CLAIMS

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. Section 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 Sponsor 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 Sponsor 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 E

STATEMENT OF WORK ("SOW")

<table>
<tr><th colspan="2">A: PROJECT AND SPONSOR INFORMATION</th></tr>
<tr><td>Application ID: CCE-7120640339
Project Title: Substance Use Disorder Comprehensive Treatment Campus
Grant Project Address: 13333 Palmdale Rd Victorville, CA 92392
APN(s) #:3105-191-13</td><td>Sponsor Name: San Bernardino County Legal Name: San Bernardino County Entity Type: County EIN: 956002748
Co-Applicant Name (if applicable): N
Acquisition with Grant Funds (Y/N): Y</td></tr>
<tr><th>B: LEAD AUTHORIZED REPRESENTATIVE</th><th>C: PROGRAM FUNDS & MATCH AMOUNT</th></tr>
<tr><td>First and Last Name: Joshua Dugas
Title/Role: Acting Director
Office Phone #: (909) 252-5142
Mobile Phone #: (909) 252-5142
Email: joshua.dugas@dbh.sbcounty.gov</td><td>Program Funds: $10,515,038
COSR Funds: $0.00
Match: $2,540,102
Cash Value: $2,540,102
Total Funds: $13,055,140</td></tr>
<tr><th colspan="2">D: PROJECT CONSTRUCTION</th></tr>
<tr><td colspan="2">Building/Facility Type: e.g., adult residential facilities (ARFs), residential care facilities for the elderly (RCFEs), Permanent Supportive Housing (PSH) that serves the needs of seniors and adults with disabilities (including models that provide site-based care, other residential care settings that serve the target population, including recuperative or respite care settings, or mixed-use:

Recovery Residence/ Sober Living Homes (RRS)</td></tr>
<tr><td colspan="2">Type of Project: e.g., predevelopment, new construction, acquisition, renovation to expand capacity, adaptive reuse:

New Construction</td></tr>
<tr><td colspan="2">Current License Status: e.g., in good standing, pending, N/A:

In Good Standing</td></tr>
</table>

Target Population(s): *Describe the population you intend to serve, which should include Qualified Residents experiencing or at risk of homelessness, per your application for Program Funds.*

This Recovery Residence/Sober Living Home project will provide 52 beds, 75% of which will be reserved for SSI/SSP and CAPI applicants or recipients who are at risk of or experiencing homelessness. There will be 20 units with 1 bed per unit and 16 units with 2 beds per unit. Of the total 52 beds and 36 units, 40 beds and 27 units will be reserved for applicants or recipients of SSI/SSP and CAPI applicants or recipients who are at risk of or experiencing homelessness. Residential treatment reduces inequities for the target populations by providing a stable, secure, and structured environment, and by connecting consumers with the resources necessary for ongoing recovery and stability. These resources include, but are not limited to, housing resources, health resources, outpatient treatment, sober living, and peer support. Recovery residences, for which the consumer population is primarily homeless or in a dependent living situation, further reduce these inequities by granting consumers the ability to recover in a safe environment, thus enhancing their ability to remain sober outside of the treatment setting.

E: PROJECT SCOPE REQUIREMENT

This section may include the project narrative, from the Sponsor's application (Question No. 24), updated to include revisions made to finalize the Sponsor's final award of Program Funds. This section should include the following 1) the goals of the Project, 2) the overall timeline, activities, and milestones, and 3) how you plan to conduct outreach to the intended target population of Qualified Residents experiencing or at risk of homelessness in order to serve them through the Project.

Goals:

The Recovery Residence/Sober Living Home will be built on an existing facility and expand the continuum of care. This will increase the number of transitions to the next level of care and promote ongoing recovery support and aftercare services. Program staff will be trained in American Society of Addiction Medicine (ASAM) which utilizes a Harm Reduction approach to substance abuse. Staff will engage with clients and utilize motivational interviewing to work collaboratively with the client providing individualized client-driven supports. The campus will have an office available offering resources to clients such as homeless services. These resources and services will be made available to clients if the client chooses to access this information. These services will not be made mandatory for clients as a condition to remain housed. The recovery residences will be certified through California Consortium of Addiction Programs and Professionals (CCAPP). Standards will be met to provide an in-home like setting while assisting clients with continued treatment and recovery while they integrate back into the community through permanent housing. The existing facility offers six (6) ASAM 3.2 withdrawal management beds and 54 ASAM 3.1 and 3.5 residential treatment beds (32 beds for men, 16 beds for women, and 6 beds for parents with children). Additionally, through additional local sites that will not be purchased by San Bernardino County, the existing network includes nine (9) recovery residence beds, an SUD outpatient treatment clinic, and a recovery center, all of which the county plans to localize and co-locate. Through the expansion and construction proposed in the project, 5 buildings will be constructed. 1 building will have 4 units with 1 bed per unit. 4 buildings will have 4 units with 1 bed per unit and another 4 units with 2 beds per unit. There will be a total of 52 new beds.

Overall Timeline, Activities, and Milestones:

Acquisition- January 18, 2023

Construction Start Date- June 2026

Construction End Date- December 2027

Move In- February 2028

Start of Operations- February 2028

Outreach:

To ensure the new and rehabilitated beds and units are dedicated specifically to SSI/SSP and CAPI recipients who are at risk of homelessness, DBH will be conducting targeted outreach to engage this older adult population through collaboration with the San Bernardino County Department of Aging and Adult Services and Office of the Public Guardian, Regional Councils on Aging, DBH Age Wise program, and DBH Cultural Competency Advisory Committee - Older Adults Awareness Subcommittee to increase awareness of this service availability for this population. Additionally, San Bernardino County Department of Behavioral Health (DBH) will continue to accept referrals from the Transitional Assistance CalWORKs program, Probation Department, and Children and Family Services Department. DBH also anticipates referrals from neighboring county-operated and contract provider substance use disorder outpatient clinics including Barstow Behavioral Health, High Desert Child, Adolescent and Family Services Center, the CHOICE program, and Apple Valley Clinic.

Performance Deed of Trust:

The proposed project has received funding from BHCIP and the applicability and enforceability of the Performance Deed of Trust, Security Agreement and Fixture Filing (PDOT) in the Program Funding Agreement will be limited in scope to only the portion of the grant project parcel encompassing the CCE project; however, absent subdivision, the PDOT will be recorded against the entire parcel (APN **#:** 3105-191-11-0000). Subdivision has occurred. The PDOT will be recorded against CCE parcel only (APN # 3105-191-13).

F: PROJECT EXPANSION SCOPE REQUIREMENTS					
Facility Type # 1:	**# New Beds** / PSH Units:	**# of New Beds / PSH Units for prioritized Qualified Residents experiencing or at risk of homelessness:**	**Total # of** all Beds / PSH Units:	**Total # of all Beds / PSH Units for Qualified Residents experiencing or at risk of homelessness:**	**New SQFT for Facility:**
Recovery Residence/ Sober Living Homes (RRS)	52 beds /36 units	40 beds/27 units	52 beds/36 units	40 beds /27 units	17,770

G: PROJECT TASKS & DELIVERABLES

PRE-CONTRACTING
The below outlines tasks and deliverables expected of CCE grant recipient to be completed prior to executing the Program Funding Agreement (PFA).

TASK 1: APPLICANT INFORMATION

<table>
<tr><th>Description/Deliverables</th><th>$ FUNDS ALLOCATED</th></tr>
<tr><td>Deliverables – All Applicants:
Completed application via CCE portal.
Government Tax ID (PFA4.1.3)
Articles of Incorporation
Deliverables – For-Profit Entities:
Proof of Prior Experience;
<u>or</u>
Memorandum of Understanding (MOU) or contract with collaborating entity (nonprofit organization, tribal entity, city, or county)
Deliverables – LLCs:
Articles of Organization
Certificate of Good Standing</td><td>CASH MATCH AMOUNT
AS
REQUIRED TO START PROJECT

[CASH MATCH MUST BE EXPENDED PRIOR TO DISBURSEMENT OF PROGRAM FUNDS TO SPONSOR]</td></tr>
</table>

TASK 2: BUDGET INFORMATION

Description/Deliverables

Deliverables – All Applicants:
- Copy of finalized budget (Schedule 1 of SOW)

TASK 3: MATCH VERIFICATION

Description/Deliverables

Deliverables – All Applicants:
- Requirements of Cash Match
- Requirements of Property Equity
- Requirements of In-Kind Match

TASK 4: SITE READINESS/CONTROL

Description/Deliverables

Deliverables – All Applicants:

- Requirements of Cash Match
- Schematic Design Checklist
- Completed Site Plans, Design Development, and/or Construction Drawings, *if applicable*.
    - Pre-Development Projects must provide proposed plans, development, and drawings.
- Design, Acquisition, and Construction Milestone Schedule
- Certificates of insurance evidencing coverages required by the PFA and naming BDO GS and CDSS as additional insureds *(PFA 4.1.7)*
    - As stated in Article 11 of the PFA:
        - 11.1.1 A **Builders Risk policy** 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 **Worker's 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 $1,000,000 combined single limits. Commercial general liability insurance of not less than $1,000,000 per occurrence with an annual aggregate limit of [$5,000,000/$2,000,000] for bodily injury and property damage liability combined. The Sponsor's required limits may be satisfied through a combination of general liability and umbrella policies of coverage. 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 Sponsor's limit of liability.
- **A title report** reflecting all existing liens, encumbrances, taxes owed, easements, covenants or any other restrictions on the real property upon which the Project is to be constructed or operated. If Sponsor's interest in the real property upon which the Project is to be constructed or operated is a leasehold, then Sponsor shall provide a current title report for the leasehold interest and the fee interest. For tribal trust land, Sponsor shall provide a certified Title Status Report ("TSR") from the U.S. Department of the Interior Bureau of Indian Affairs ("BIA") or an attorney's opinion regarding chain of title and current title status. *(PFA 4.1.8) (Not required for Pre-Development Projects)*
- Copy of building permit receipt and notice of exemption filed
- Certification of project construction is 50% complete.
- Receipt of certificate of occupancy
- Notice of completion and receipt of unconditional lien releases
- Receipt of business license and certificate of occupancy
- Anticipated expiration date of the agreement & transfer to state oversight

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, these Deliverables and Certifications are not required to be submitted pursuant to this Task 4, unless otherwise required by Administrator in its sole discretion.

TASK 5: SPONSOR LEGAL REVIEW

Description/Deliverables

Deliverables – All Applicants:

- An authorizing resolution or set of authorizing resolutions that, in BDO GS's reasonable determination, materially comports with the Program Requirements. (PFA 4.1.4)
- A signed opinion letter from Sponsor's legal counsel opining that this Agreement, the Declaration of Restrictions, the Performance Deed of Trust, and the Program Requirements do not conflict with any existing contract, agreement, or other requirement applicable to Sponsor, the property upon which the Project is to be constructed or operated, or the Project, and are otherwise enforceable against Sponsor; and such opinion letter shall be in the form and substance acceptable to BDO GS and CDSS, in their sole discretion. (PFA 4.1.9)

TASK 6: PFA ATTACHMENTS

Description/Deliverables

Deliverables – All Applicants:

The certifications below will be provided by Administrator:

- Attachment B - Signed Certification Regarding Lobbying and Conflicts of Interest
- Attachment C - Signed CDSS Confidentiality and Information Security
- Attachment D - Signed Sponsor CDSS Certification
- Attachment F - Payment Schedule
- Attachment G (Certification #1) - Related Party & Related Party Transaction Disclosure
- Attachment G (Certification #2) - Legal Review of CA Welfare and Institutions Code §18999.97(l)
- Attachment I1 - Declaration of Restrictions *) (Not required for Pre-Development Projects)*
- Attachment I2 - Declaration of Restrictions for Projects with COSR *) (Not required for Pre-Development Projects)*
- Attachment J1 - Performance Deed of Trust, Security Agreement and Fixture Filing *) (Not required for Pre-Development Projects)*
- Attachment J2 - Performance Deed of Trust, Security Agreement and Fixture Filing for Projects with COSR *) (Not required for Pre-Development Projects)*
- Attachment K – Construction Contract Addendum, *if applicable*
- Attachment L - California Department of Social Services Community Care Expansion Program COSR Agreement
- Recorded Dates in Attachment H – Performance Milestones
  - Match funds, property equity, or in-kind match *(See Task 3)*
  - Declaration of restrictions and performance deed of trust *(Attachment I)*
  - Certification of legal review of ca welfare and institutions code §18999.97(i) *(Attachment J)*
  - Evidence of planning agency review and approval *(Preconstruction Performance Milestone)*
  - Due diligence completed for acquisition. *(Preconstruction Performance Milestone)*
  - Acquisition - close of escrow/declaration of restrictions & performance *(See Task 8)*
  - Delivery of design development drawings 100% complete *(See Task 4)*
  - Delivery of construction drawings for first submittal to building dept *(See Task 4)*
  - Construction contract with construction contract rider *(See Task 9)*
  - Evidence of prevailing wage compliance *(See Attachment G, Certification #2)*
  - Copy of building permit receipt and notice of exemption filed. *(See Task #4)*
  - Evidence of required insurance and notice to proceed. *(See Task #4)*
  - Certification of project construction is 50% complete. *(See Task #4)*
  - Receipt of certificate of occupancy *(See Task #4)*
  - Notice of completion and receipt of unconditional lien releases *(See Task #4)*
  - Receipt of business license and certificate of occupancy *(See Task #4)*
  - Anticipated expiration date of the agreement & transfer to state oversight *(See Task #4) (Preconstruction Performance Milestone)*

Post-Contracting The below outlines tasks and deliverables required of CCE grant recipient prior to disbursement of funds.

TASK 7: REQUIREMENT FOR DISBURSEMENT OF PROGRAM FUNDS – ALL APPLICANTS

Description/Deliverables

Deliverables – All Applicants:

- Executed Program Funding Agreement (PFA)
- All documentation necessary to complete draw request.
- Delivery of all items listed in Attachment H required for the disbursements of Program Funds, as applicable. *(PFA 4.2.2) Either documentation is provided or a clear path with dates indicating when these milestones will be met, and respective documents will be submitted.*

TASK 8: REQUIREMENT FOR DISBURSEMENT OF PROGRAM FUNDS – ACQUISITION

Description/Deliverables

Deliverables – Acquisition

- Purchase and Sale Agreement (mutually executed by buyer and seller) *(PFA 4.3.1)*
- Certified Appraisal Report *(PFA 4.3.2)*
- A commitment from a title insurance company for an ALTA Lenders Title Insurance policy in a form acceptable to BDO GS in the amount of the Program Funds. The condition of title, the insurer, the liability amount, the form of policy, and the endorsements shall be subject to BDO GS approval. The policy shall insure that Sponsor holds good and marketable title (fee simple or leasehold) and shall show the Performance Deed of Trust and Declaration of Restrictions in the lien priority approved by BDO GS and only subject to such title exceptions as are approved by BDO GS, its designee, or CDSS; *(PFA 4.3.3)*
- Evidence of any additional funds necessary for 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; *(PFA 4.3.4)*
- Signed Escrow Instructions *(PFA 4.3.5)*
- If the SOW includes the acquisition of real property, 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 Sponsor desires to proceed with the Project, Sponsor shall provide BDO GS with a Phase II report and any additional reports as required by BDO GS and in a form acceptable to BDO GS. Sponsor shall also provide an asbestos assessment and a lead-based paint report for BDO GS’s approval if the Project involves rehabilitation or demolition of existing improvements. Prior to disbursement of Program Funds for real property acquisition, BDO GS shall require Sponsor to provide evidence to BDO GS 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, BDO GS shall require the Sponsor to provide evidence that all asbestos and/or lead-based paint has been abated. *(PFA Article 16)*

TASK 9: REQUIREMENT FOR DISBURSEMENT OF PROGRAM FUNDS – CONSTRUCTION
Description/Deliverables

Deliverables – Construction

- Plans and specifications for the construction work
- Plans and specifications for the construction work approved by BDO GS *(PFA 4.4.1)*
- An executed construction contract, 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, based on the sources and uses attached hereto as Exhibit A and Exhibit B (as the same may be modified from time to time, with prior notice to BDO GS, the "Project Budget") that incorporates the requirements of this Agreement including, but not limited to, the prevailing wage requirements, and contains the Construction Contract Rider in the form attached as Attachment K; *(PFA 4.4.2)*
- 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 BDO GS and CDSS as co-obliges on the bonds; *(PFA 4.4.3)*
- A written request for Program Funds on a form approved by BDO GS providing sufficient detail and with sufficient supporting documentation to permit BDO GS or its designee to confirm that the request is consistent with the terms of this Agreement and the Project Budget accompanied by (a) certification by Sponsor's architect or project manager that the work for which disbursement is requested has been completed (although BDO GS reserves the right to inspect or have its designee inspect the Project and make an independent evaluation); (b) invoices and related back-up information and documentation required by BDO GS evidencing the amounts being requested; and (c) lien releases and/or mechanics lien title insurance endorsements reasonably acceptable to BDO GS; and *(PFA 4.4.4)*
- Applicable documents and deliverables described in Attachment H required for the disbursements of Program Funds. *(PFA 4.4.5)*

TASK 10: REQUIREMENT FOR DISBURSEMENT OF PROGRAM FUNDS – PRE-DEVELOPMENT
Description/Deliverables

Deliverables – Pre-Development

- Completed items applicable to Pre-Development outlined in Pre-Contracting Tasks 1-6
- Completed items outlined in Post-Contracting Task 7

TOTAL: $13,055,140	**TOTAL FUNDING AMOUNT = PROGRAM FUNDS + CASH MATCH**	$13,055,140

SCHEDULE 1

[PROJECT BUDGET ATTACHED]

Applicant Instructions:			
Please review the Budget Narrative and Glossary of Terms for any clarifications.			
Please fill in yellow highlighted cells with as much accurate detail as possible. This budget is the basis of your funding.			
Please seek & include professional development team estimates & actual bids with as much accurate detail as possible.			
Please include Prevailing Wage labor costs for all relevant trades.			
CCE APPLICANT INFORMATION			
Applicant Name and Contact Information	**San Bernardino County, Lead Authorized Representative:**		
County or Tribal Nation	San Bernardino		
Organization Name:	**San Bernardino County**		
Name of Proposed Project:	**Substance Use Disorder Comprehensive Treatment Campus**		
Projected Start Date:	**3/30/2022**		
Contact Name, Email & Phone:	**Jennifer Alsina, jennifer.alsina@dbh.sbcounty.gov, 909-388-0805**		
Assessor Parcel Number (APN)	**3105-191-13**		
Assessor Parcel Number (APN)			
CCE GRANT FULL BUDGET INFORMATION			
Project Development Costs by Phase			
	Funded by Grant	**Funded by Match**	**Total Costs**
FEASIBILITY/DUE DILIGENCE			
Owner Administration (10% autofill)	$8,327		$8,327
Legal			$0
Architect	$36,675	$4,025	$40,700
Consultants (Specify)			$0
Engineers	$19,424	$2,500	$21,924
Construction Manager/Owner's Rep	$27,167	$3,000	$30,167
SIR (Site Investigation Report)			$0
Site Surveys (soils & enviro)			$0
Other Feasibility / Due Diligence Costs			$0
Other Feasibility / Due Diligence Costs			$0
Contingency (10% autofill)	$9,159		$9,159
Total Feasibility Costs	**$100,752**	**$9,525**	**$110,277**
PRE-DEVELOPMENT - (CCE ONLY)			
Owner Administration (10% autofill)	$8,327		$8,327
Legal		$12,684	$12,684
Architect (Schematic Design)	$36,675	$4,025	$40,700
Construction Manager/Owner's Rep			$0
Civil Engineering	$19,424	$10,000	$29,424
MEP Engineers	$27,167	$30,000	$57,167
Consultants (Specify)			$0
Consultants (Specify)			$0
Project Management, Contract Administration & Labor Compliance, Other		$357,845	$357,845
Design Contingency		$50,000	
Design and Engineering		$515,256	$515,256
Design Allowances		$96,254	$96,254
Contingency (20% autofill)	$18,319		$18,319
Total Pre-Development Costs	**$109,911**	**$1,076,064**	**$1,185,975**
DEVELOPMENT PLANNING			
Owner Administration (10% autofill)	$58,473		$58,473
Legal	$6,075	$675	$6,750
Architect (DD and CD's)	$330,076	$100,000	$430,076
Construction Manager/Owner's Rep	$54,333	$6,000	$60,333
Civil Engineer	$42,108	$25,000	$67,108
MEP Engineer	$110,025	$30,744	$140,769
Structural Engineer	$42,108	$20,000	$62,108
Consultants (Specify)			$0
Consultants (Specify)			$0
Consultants (Specify)			$0
Other Dev Planning Costs (Specify)			$0
Other Dev Planning Costs (Specify)			$0
Other Dev Planning Costs (Specify)			$0
Contingency (20% autofill)	$128,640		$128,640
Total Development Planning Costs	**$771,837**	**$182,419**	**$954,256**
LAND COSTS/ACQUISITION			
Owner Administration (2% autofill)	$0		$0
Land Cost or Value			$0
Demolition			$0
Legal			$0

Broker Fee			$0
Appraisal Fee			$0
Construction Manager			$0
Closing Costs			$0
Land Lease Rent Prepayment			$0
Other Acquisition Costs (Specify)			$0
Contingency (5% autofill)	$0		$0
Total Land Costs	$0	$0	$0
Existing Improvements Value (for Match)			$0
Off-Site Improvements			$0
Total Acquisition Costs	**$0**	**$0**	**$0**
REHABILITATION			
Owner Administration (5% autofill)	$0		$0
Legal			$0
Construction Manager/Owner's Rep			$0
Physical Needs Assessment (PNA)			$0
Site Work (Materials and Labor)			$0
Structures (Materials and Labor)			$0
General Requirements/Requirements			$0
Contractor Overhead			$0
Contractor Profit			$0
Prevailing Wages Administration			$0
General Liability Insurance			$0
Relocation Costs			$0
Project Inspection			$0
Signage and Marketing			$0
Furniture/Fixtures/Equipment (FFE)			$0
Urban Greening			$0
Other Rehabilitation: (Specify)			$0
Other Rehabilitation: (Specify)			$0
Other Rehabilitation: (Specify)			$0
Owner's Contingency (20% autofill)	$0		$0
Total Rehabilitation Costs	**$0**	**$0**	**$0**
NEW CONSTRUCTION			
Owner Administration (5% autofill)	$351,710		$351,710
Legal	$27,000	$0	$27,000
Construction Manager/Owner's Rep	$264,121	$0	$264,121
Site Work (Materials and Labor)	$662,526	$600,000	$1,262,526
Hard Costs (Materials and Labor)	$4,814,282	$672,094	$5,486,376
General Conditions/Requirements	$575,698		$575,698
Contractor Profit	$311,947		$311,947
Prevailing Wages Administration	$0		$0
General Liability Insurance	$21,056		$21,056
Project Inspection	$77,400		$77,400
FFE (Furniture/Fixtures/Equipment)	$280,171		$280,171
Signage & Marketing			$0
Urban Greening			$0
Other New Construction: (Specify)			$0
Other New Construction: (Specify)			$0
Other New Construction: (Specify)			$0
Other New Construction: (Specify)			$0
Other New Construction: (Specify)			$0
Owner's Contingency (20% autofill)	$1,477,182		$1,477,182
Total New Construction Costs	**$8,863,093**	**$1,272,094**	**$10,135,187**
CONSTRUCTION PERMITS & FEES			
Owner Administration (10% autofill)	$20,461		$20,461
Bond Premium or Subcontractor Default Insurance (SDI)	$140,658		$140,658
Builders Risk Insurance	$18,951		$18,951
Title and Recording			$0
Permit Fees			$0
Local Development Impact Fees			$0
Employment Reporting			$0
Other Const. Permits & Fees (Specify)	$45,000		$45,000
Other Const. Permits & Fees (Specify)			$0
Other Const. Permits & Fees (Specify)			$0
Owner's Contingency (10% autofill)	$22,507		$22,507
Total Construction Permits & Fees	**$247,577**	**$0**	**$247,577**
RESERVES			
Operating Reserves (Rehabilitation)			$0

Transition Reserves (Move-in)			$0
COSR Funds			$0
Total Reserves Amount	**$0**	**$0**	**$0**
OTHER PROJECT COSTS			
Post Construction Commissioning			$0
Marketing/PR/Communications			$0
Move-In fees			$0
Accounting/Reimbursable			$0
Other Costs: (Specify)			$0
Other Costs: (Specify)			$0
Other Costs: (Specify)			$0
Other Costs: (Specify)			$0
Owner's Contingency (10% autofill)	$0		$0
Total Other Project Costs	**$0**	**$0**	**$0**
DEVELOPER COSTS			
Developer Overhead			$0
Consultants/Processing Agents			$0
Project Administration			$0
Other Developer Costs: (Specify)			$0
Total Developer Costs	**$0**	**$0**	**$0**
Developer Fee (5% autofill)	$421,868		**$421,868**
TOTAL PROJECT COSTS	**$10,515,038**	**$2,540,102**	**$13,055,140**

	$	**% of Total**	
Total Development Costs (Match Basis)	**$8,437,364**		*Excludes Contingency & Developer Fee*
Match $ Amount & % of Total Development Costs	**$2,540,102**	**30.11%**	*Excludes Contingency & Developer Fee*
Total Contingency	**$1,655,806**	**13.11%**	*% of Total Project Cost minus Developer Fee*
Total Reserves	**$0**	**0.00%**	*% of Total Project Cost minus Developer Fee*
Total Administration	**$447,297**	**3.54%**	*% of Total Project Cost minus Developer Fee*

Attachment F: Payment Schedule

<u>Payment schedule</u>: No more than once per month, Sponsor shall submit a complete draw request to BDO GS, or its designee, in a form determined by BDO GS for a specific amount of funds confirmed by specific invoices and supporting documents for actual work completed. BDO GS shall disburse Program Funds to Sponsor or directly to its vendors within thirty (30) days of BDO GS, or its designee's, written approval of Sponsor's complete draw request.

ATTACHMENT G

SPONSOR COMPLIANCE DELIVERY OBLIGATIONS

CERTIFICATION:	**RELATED PARTY & RELATED PARTY TRANSACTION DISCLOSURE**
CERTIFICATION:	**LEGAL REVIEW OF CA WELFARE AND INSTITUTIONS CODE §18999.97(l)**

SPONSOR'S CERTIFICATION:

RELATED PARTY & RELATED PARTY TRANSACTION DISCLOSURE

I, Dawn Rowe, as an authorized representative of San Bernardino County, a California County ("Sponsor"), hereby certify that:

1. I possess the legal authority to submit this certification on behalf of 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 California Department of Social Services ("CDSS") pursuant to the Community Care Expansion Program for the Substance Use Disorder Comprehensive Treatment Campus, Recovery Residence/Sober Living Homes (RRS) ("Project") and acknowledge that CDSS and its contract manager, BDO Government Services, LLC ("BDO GS") are relying on this information in awarding and disbursing Program Funds.

3. Sponsor certifies that it has disclosed to BDO GS and/or CDSS the composition of 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 Sponsor ("Related Party" or "Related Parties").

4. Sponsor certifies that it shall disclose to BDO GS and/or CDSS, promptly, any change in ownership or control of Sponsor or any merger or acquisition that changes the control of Sponsor. For purposes herein, "control" shall mean any entity that has an ownership interest of greater than twenty percent (20%) in Sponsor, or, has the authority to direct or cause the direction of the affairs or management of Sponsor.

5. Sponsor certifies that it shall disclose to BDO GS and/or CDSS, 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. Sponsor certifies that it shall disclose to BDO GS and/or CDSS: (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 BDO GS and/or CDSS in their sole discretion.

SIGNATURES ON THE FOLLOWING PAGE

I certify that the above information is true and correct and that Sponsor shall comply with all requirements set forth above, in Sponsor's Certification: Related Party & Related Party Transaction Disclosure as a condition of receiving the Program Funds.

San Bernardino County, a California County

____
Authorized Signature

Dawn Rowe
Typed Name of Signatory

Chair, Board of Supervisors
Title of Signatory

____
Date

SPONSOR’S CERTIFICATION:

LEGAL REVIEW OF CA WELFARE AND INSTITUTIONS CODE §18999.97(l)

I, Dawn Rowe, as an authorized representative of San Bernardino County, a California County (“Sponsor”), certify that:

1. I possess the legal authority to submit this certification on behalf of 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 California Department of Social Services (“CDSS”) pursuant to the Community Care Expansion Program for the Substance Use Disorder Comprehensive Treatment Campus, Recovery Residence/Sober Living Homes (RRS) (“Project”) and acknowledge that CDSS and its contract manager, BDO Government Services, LLC (“BDO GS”) are relying on this information in awarding and disbursing Program Funds.

3. 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 §18999.97(l) set forth below:

> **Any project that receives funds pursuant to this section shall be deemed consistent and in conformity with any applicable local plan, standard, or requirement, and any applicable coastal plan, local or otherwise, shall be allowed as a permitted use, within the zone in which the structure is located, shall not be subject to a conditional use permit, discretionary permit, or any other discretionary reviews or approvals, and shall be deemed as a ministerial action under Section 15268 of Title 14 of the California Code of Regulations.**

SIGNATURES ON THE FOLLOWING PAGE

I certify under penalty of perjury that the above information is true and correct and that Sponsor has read and understands the terms of this certification and shall comply with all requirements set forth above in Sponsor's Certification: Legal Review of CA Welfare and Institutions Code §18999.97(l) as a condition of receiving the Program Funds.

San Bernardino County, a California County

____
Authorized Signature

Dawn Rowe
Typed Name of Signatory

Chair, Board of Supervisors
Title of Signatory

____
Date

CCE

ATTACHMENT H - PERFORMANCE MILESTONES

Name of Organization **Person completing form:**

These Performance Milestones are the basis for your Project's Payment Schedule so that Program Funds are timely obligated and expended.

ESTIMATED MILESTONES

Preconstruction/Acquisition, Construction, Move-in

PHASE	MILESTONE	COMPLETION DATE: Not To Exceed
Preconstruction	MATCH FUNDS, PROPERTY EQUITY, OR IN-KIND MATCH	Project specific or N/A
Preconstruction	DECLARATION OF RESTRICTIONS AND PERFORMANCE DEED OF TRUST	
Preconstruction	CERTIFICATION OF LEGAL REVIEW OF CA WELFARE AND INSTITUTIONS CODE §18999.97(I)	
Preconstruction	EVIDENCE OF PLANNING AGENCY REVIEW AND APPROVAL	
Preconstruction	DUE DILIGENCE COMPLETED FOR ACQUISITION	
Acquisition	ACQUISITION - CLOSE OF ESCROW/DECLARATION OF RESTRICTIONS & PERFORMANCE	
Preconstruction	DELIVERY OF DESIGN DEVELOPMENT DRAWINGS 100% COMPLETE	
Preconstruction	DELIVERY OF CONSTRUCTION DRAWINGS FOR FIRST SUBMITTAL TO BUILDING DEPT	
Preconstruction	CONSTRUCTION CONTRACT WITH CONSTRUCTION CONTRACT RIDER	
Preconstruction	EVIDENCE OF PREVAILING WAGE COMPLIANCE	
Preconstruction	COPY OF BUILDING PERMIT RECEIPT AND NOTICE OF EXEMPTION FILED	
Construction	EVIDENCE OF REQUIRED INSURANCE AND NOTICE TO PROCEED	Completion before December 2027
Construction	CERTIFICATION OF PROJECT CONSTRUCTION IS 50% COMPLETE	
Construction	RECEIPT OF CERTIFICATE OF OCCUPANCY	
Move-In	NOTICE OF COMPLETION AND RECEIPT OF UNCONDITIONAL LIEN RELEASES	Completion before December 2027 Project specific, N/A December 2027
Move-In	RECEIPT OF BUSINESS LICENSE AND CERTIFICATE OF OCCUPANCY	
CLOSE OUT	ANTICIPATED EXPIRATION DATE OF THE AGREEMENT & TRANSFER TO STATE OVERSIGHT	

Attachment K

CONSTRUCTION CONTRACT ADDENDUM

This Construction Contract Addendum is made this 24th day of March 2026, by and between San Bernardino County, a California County ("**Owner**"), and Snyder Langston, LLC ("**Contractor**").

RECITALS

A. The Owner and BDO Government Services, LLC ("**BDO GS**"), acting as program administrator for the California Department of Social Services ("**CDSS**") have entered into that certain Program Funding Agreement dated November 4, 2025 ("**Agreement**"), pursuant to which Owner was allocated funds pursuant to the Community Care Expansion Program ("**Program Funds**") for the purposes of developing the Project.

B. Owner and Contractor have entered into a construction agreement dated November 4, 2025 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 BDO GS as a condition of providing the Program Funds for the Project. It is a condition to BDO GS 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 BDO GS under the Agreement, and that the obligations of Contractor to BDO GS contained herein are in addition to those obligations of Owner to BDO GS or CDSS 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 BDO GS, upon demand by BDO GS, and to any subsequent assignment of the Contract by BDO GS at the election of BDO GS. 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), BDO GS 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 BDO GS 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 BDO GS, as long as Contractor continues to receive the compensation called for under the Contract.
Contractor agrees that BDO GS shall not have any obligation under the Contract until BDO GS notifies it in writing of BDO GS's election to accept the assignment.

3. **ASSIGNMENT OF SUBCONTRACTS**. Contractor hereby consents to the assignment to BDO GS 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, upon demand by BDO GS, and to any subsequent assignment, by BDO GS, at the election of BDO GS. The assignment will be effective upon acceptance by BDO GS in writing and only as to those subcontracts and agreements, which BDO GS designates in writing. BDO GS 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 an assignment to BDO GS, 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 BDO GS and that BDO GS subsequently may assign such subcontract.

4. **COMMENCEMENT AND COMPLETION OF CONSTRUCTION**. Contractor must begin construction of the Project by the date set for the commencement of construction in the Agreement. 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 Agreement. Incorporated herein are the Statement 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 BDO GS, or CDSS in its 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 BDO GS and CDSS as obligees. Owner shall provide to BDO GS a copy of any and all such payment and performance bonds prior to commencement of construction 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 BDO GS. 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 BDO GS and CDSS are under no duty to review the Plans and Specifications or to inspect construction of the Project. Any review or inspection undertaken by BDO GS or CDSS 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 BDO GS or CDSS as to the quality of the design or construction of the Project.

8. **ADDITIONS OR CHANGES IN WORK**. BDO GS must be notified no later than thirty (30) days of 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 Twenty-Five Thousand Dollars ($25,000). Contractor shall not allow subcontractors to mark-up any change order by more than fifteen percent (15%). Contractor shall provide BDO GS 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 BDO GS and CDSS 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 BDO GS and CDSS'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. **NO DISCRIMINATION**. 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, involvement in the justice system, 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, BDO GS, 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 calendar days of the demand.

Contractor must include the prevailing wage requirement in all subcontracts for work on this Project and must specify that BDO GS and CDSS are intended third party beneficiary 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 Worker's 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 $1,000,000 combined single limits.

13.3 Commercial general liability insurance of not less than $1,000,000 per occurrence with an annual aggregate limit of $5,000,000 for bodily injury and property damage liability combined. Such insurance can be provided pursuant to 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 member, official, employee, or agent of BDO GS or CDSS 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, BDO GS and CDSS and their respective members, officers, officials, employees, and agents (collectively, the "Indemnified Parties"), harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including 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. 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 BDO GS 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 BDO GS**. 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 BDO GS, such notice, demand or communication shall be in writing provided in accordance with the notice requirements of the Agreement. Contractor shall give BDO GS 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 BDO GS the option to cure said default within 30 calendar days. No termination of the Contract by Contractor shall be binding unless BDO GS has been given the required notice and has not cured the default within thirty (30) calendar days.

18. **REMEDIES**. The parties hereto agree that BDO GS, 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, BDO GS 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 BDO GS's obligation to disburse Program Funds to Owner;

18.5 Terminate the Contract; or

18.6 Pursue any other remedy allowed at law or in 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 BDO GS's consent.

25. **RELATIONSHIP OF CONTRACTOR AND BDO GS**. Contractor understands that neither BDO GS nor CDSS undertakes or assumes any responsibility or duty to Contractor or to any third party. The relationship of Contractor and BDO GS/CDSS for this Project shall not be construed as a joint venture, equity venture, or partnership. BDO GS 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 BDO GS or CDSS or to bind BDO GS or CDSS 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 BDO GS. 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 BDO GS.

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.

IN WITNESS WHEREOF, the undersigned parties have executed this Construction Contract Addendum as of the date first written above.

"**CONTRACTOR**"

By: ______________________________________

Title: ______________________________________

San Bernardino County, a California County "**OWNER**"

By: ______________________________________

Title: Dawn Rowe, Chair, Board of Supervisors

Attachment L

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES
COMMUNITY CARE EXPANSION PROGRAM
CAPITALIZED OPERATING
SUBSIDY RESERVE AGREEMENT

This Capitalized Operating Subsidy Reserve Agreement (the "COSR Agreement") is made and entered into __________, 2023, (the "Effective Date"), by and between ____________, a __________ __________ (enter the state of formation, and entity type) ("Sponsor") and BDO Government Services, LLC ("BDO GS") acting as program administrator on behalf of the California Department of Social Services ("CDSS"). BDO GS and Sponsor may be referred to separately as a "Party" or collectively as "Parties."

RECITALS

A. BDO GS is the third-party administrator of the CDSS Community Care Expansion Program ("CCE Program") pursuant to that certain Standard Agreement with the California Department of Social Services, dated effective May 31, 2023, to facilitate program funding awards and to provide certain other services to CDSS. The agreement between CDSS and BDO GS shall hereinafter be referred to as the "Prime Contract" or "CDSS Contract";

B. BDO GS and Sponsor entered into that certain Program Funding Agreement, on or about ______ , (the "Program Funding Agreement"), in connection with BDO GS's administration and disbursement of CCE Program Funds to Sponsor for the purpose of the acquisition, construction, renovation or other physical improvement of real property, infrastructure, or facilities to expand or preserve the capacity of residential adult and senior care facilities, for the benefit of Qualified Residents, as that term is defined in Welfare and Institutions Code Section 18999.97(e); and otherwise in accordance with the requirements of the CCE Program;

C. Pursuant to its Application, Sponsor was awarded Program funds in an amount not to exceed ten million and five hundred and fifteen thousand and thirty-eight dollars and No/100s Dollars ($10,515,038.00) (the "Program Funds") to preserve or expand residential adult and senior care facilities, by the acquisition, construction, renovation or other physical improvement of real property, infrastructure, or facilities, as described in the SOW, as attached to the Program Funding Agreement (the "Project"), in accordance with the terms of the Program Funding Agreement and the requirements of the CCE Program;

D. Sponsor was awarded a Capitalized Operating Subsidy Reserve ("COSR") in an amount not to exceed zero dollars and No/100s Dollars ($______________________.00) (the "COSR Funds") for the purpose of subsidizing operating costs related to the Project so that the Project can serve Qualified Residents. The COSR is available to subsidize operating costs for up to five (5) years from the date of commencement of operation of the Project, subject to the terms of this COSR Agreement and the requirements of the CCE Program or March 31, 2029, whichever date is earlier;

E. As a condition of the Program Funding Agreement, Sponsor has recorded against the real property, upon which the Project is to be constructed (the "Project Property"), a Declaration of Restrictions ("Declaration of Restrictions") restricting the use of the Project Property and the operation of the Project in compliance with the terms of the CCE Program for a period of 30 years, including the requirement that Sponsor give priority to Qualified Residents including those who are currently or formerly homeless or who are at risk of homelessness; and

F. Capitalized terms included herein, and not otherwise defined, shall be defined as provided in the Program Funding Agreement.

AGREEMENT

NOW THEREFORE, based upon the foregoing, and in consideration of the terms, conditions and covenants hereinafter set forth, the Parties agree as follows:

1. COSR Administration. The COSR Funds shall be held and administered by BDO GS for the benefit of the Project.

2. Term of COSR Agreement.

2.1 This COSR Agreement shall commence on the Effective Date and shall automatically expire on June 30, 2029 (the "Expiration Date"); (the period from the Effective Date through the Expiration Date shall be referred to herein as the "Term"), unless earlier terminated upon the occurrence of any of the following, prior to the Expiration Date: (a) depletion of the COSR Funds; (b) the date of the fifth anniversary of the Completion Date; (c) termination of this COSR Agreement by BDO GS pursuant to Section 14.9 of this COSR Agreement; (d) the date of termination of the Program Funding Agreement by BDO GS if such termination is prior to the Expiration Date of the Program Funding Agreement; or (e) the date of expiration or early termination of the Declaration of Restrictions.

2.2 In the event that BDO GS terminates the Program Funding Agreement, any remaining COSR Funds held by Sponsor shall be returned to BDO GS or CDSS, at the direction of CDSS, and no further disbursement of COSR Funds shall be made to Sponsor.

2.3 Within thirty (30) days of the date of expiration or early termination of this COSR Agreement, Sponsor shall deliver to BDO GS or CDSS, at the direction of CDSS, any and all reports and documents required pursuant to Section 11.2 of this COSR Agreement.

2.4 Upon the expiration of the Prime Contract between BDO GS and CDSS, including any amendments or time extensions thereto, if this COSR Agreement has not otherwise been terminated in accordance with the termination provisions stated in this COSR Agreement, the COSR Agreement shall be automatically assigned to CDSS or its designee.

3. Initial Disbursement. An Initial Disbursement, as defined below, shall be permitted by BDO GS once all conditions specified in Section 9 of this COSR Agreement have been satisfied.

4. Definitions.

4.1 "Business Day" means Monday through Friday excluding state and federal holidays.

4.2 "Capitalized Operating Subsidy Reserve Funds ("COSR Funds")" means the capitalized operating subsidy reserve held and administered in accordance with this COSR Agreement by BDO GS or CDSS to cover deficits in Operating Expenses attributable to the Project as a result of Sponsor prioritizing Qualified Residents in accordance with the CCE Program and the Declaration of Restrictions.

4.3 "Certificate of Occupancy" means a certificate, or equivalent, issued by a local building department to Sponsor that indicates that the Project has met all local code requirements and is ready for occupancy.

4.4 "Completion Date" means: (i) the date the Project receives its Certificate of Occupancy for new construction; (ii) the date the Notice of Completion, or equivalent, is recorded, for rehabilitation projects; (iii) the date of the close of escrow for Sponsor's acquisition of Project Property, where no construction or rehabilitation is contemplated.

4.5 "Fiscal Year" means Sponsor's twelve (12) month fiscal year.

4.6 "Gross Income" shall mean with respect to a particular calendar year all revenue, income, receipts, and other consideration actually received from operation and leasing of the Project. Gross Revenue shall include, but not be limited to: all rents, fees and charges paid by residents, Section 8 payments or other rental subsidy payments received, deposits forfeited by residents, all cancellation fees, the proceeds of business interruption or similar insurance; the proceeds of casualty insurance not used to rebuild the Project; and condemnation awards for a taking of part or all of the Project for a temporary period. Gross Revenue shall not include residents' security deposits, loan proceeds, capital contributions or similar advances and insurance proceeds used to rebuild or repair the Project.

4.7 "Initial Disbursement" means the first (1st) advance of funds from the COSR Funds that may be released by BDO GS or CDSS upon the request of Sponsor following the Completion Date.

4.8 "Notice of Completion" shall have the same definition as set forth in California Civil Code §8182.

4.9 "Operating Expenses" with respect to a particular fiscal year shall mean the following costs reasonably and actually incurred for operation and maintenance of the Project to the extent that they are consistent with an annual independent audit performed by a certified public accountant using generally accepted accounting principles or an acceptable equivalent approved by BDO GS or CDSS: property taxes and assessments imposed on the Project; staff costs, debt service currently due on a non-optional basis (excluding debt service due from residual receipts or surplus cash of the Project) on loans associated with development of the Project and approved by BDO GS or CDSS; premiums for property damage and liability insurance; utility services, including water, sewer, and trash collection; maintenance and repair; any annual license or certificate of occupancy fees required for operation of the Project; security services; advertising and marketing; extraordinary operating costs specifically approved in writing by BDO GS or CDSS; payments of deductibles in connection with casualty insurance claims not normally paid from reserves, the amount of uninsured losses actually replaced, repaired or restored, and not normally paid from reserves, and other ordinary and reasonable operating expenses approved in writing by the BDO GS or CDSS and not listed above. Operating Expenses shall not include the following: depreciation, amortization, depletion, or other non-cash expenses; any amount expended from a reserve account; and any capital cost with respect to the Project.

4.10 "Qualified Resident" shall have the meaning set forth in Welfare and Institutions Code Section 18999.97(e).

5. Purpose and Uses of COSR Funds.

5.1 The COSR Funds are intended to cover approved Operating Expenses that exceed Gross Income as a result of the Project serving Qualified Residents as required by the CCE Program and the Declaration of Restrictions.

5.2 The amount of each disbursement from the COSR (each a "COSR Disbursement") shall be determined in advance by BDO GS or CDSS for each Fiscal Year, as set forth in Section 9, below. At any time during the term of this COSR Agreement, BDO GS or CDSS may review, re- underwrite and adjust the COSR amount, or the disbursements thereunder, if it determines in its sole discretion, that COSR payments are not necessary or that the Gross Income is sufficient to cover all Project-related approved Operating Expenses or that such adjustment shall improve the long term viability of the COSR for the benefit of the Project.

5.3 The COSR Funds are estimated to last no more than five (5) years from the Completion Date, but in all events shall be fully expended or returned to the State by March 31, 2029, subject to the terms of this COSR Agreement and the requirements of the CCE Program, and as reflected in the Operating Budget and Cash Flow Projections attached hereto as Exhibit A.

6. Exhaustion of the COSR Funds:

6.1 If, based on prior disbursements of COSR Funds and Sponsor's annual operating budget, BDO GS, CDSS or Sponsor determine that COSR Funds may be exhausted prior to the date of expiration of this COSR Agreement, Sponsor shall submit a plan to BDO GS and CDSS for addressing Operating Expense shortfalls after exhaustion of the COSR Funds at least twelve (12) months prior to the expected depletion of the COSR Funds. The plan shall include, but not be limited to, the following:

6.1.1 An explanation of the efforts Sponsor has made to secure additional sources of funds necessary to continue to serve Qualified Residents.

6.1.2 A process for increasing the Gross Income to cover Operating Expenses.

7. Calculation of COSR Funds Disbursements.

7.1 The amount of the COSR Funds disbursement shall be based on the difference between: (i) the anticipated Gross Income for the Project in any Fiscal Year; and (ii) estimated annual Operating Expenses for the Project for the Fiscal Year.

7.2 COSR Funds disbursement amounts shall be determined annually by BDO GS or CDSS in advance of each Fiscal Year based on Sponsor's annual operating budget as well as cash flow projections submitted to BDO GS or CDSS in a form approved by BDO GS or CDSS in accordance with Section 11.2.2 below at least ninety (90) days prior to the beginning of the Fiscal Year. Annual COSR Funds disbursements in the amount determined by BDO GS or CDSS are subject to Section 10 below.

7.3 The calculation of the Initial Disbursement shall be in accordance with Section 9, below.

7.4 The COSR Funds disbursements shall be reconciled with actual Gross Income and actual Operating Expenses at or prior to each Fiscal Year's end. BDO GS or CDSS may require more frequent reconciliation of the COSR Funds disbursements in its sole and absolute discretion.

7.5 If funds from any COSR Disbursement remain unused in any given year, those funds shall be applied toward the next Fiscal Year's COSR Disbursement, if any or returned to BDO GS if there is no COSR Disbursement for the subsequent Fiscal Year.

8. Ownership, Reduction or Termination of COSR Funds.

8.1 Sponsor acknowledges and agrees that it has no ownership interest in the COSR Funds.

8.2 Sponsor acknowledges and agrees that the COSR Funds may be reduced or reallocated by CDSS prior to depletion if the Project receives new or increased revenue beyond those identified in the original underwriting, and in the judgment of BDO GS or CDSS the Project no longer requires COSR Funds or if the COSR Funds will not be used prior to the date of expiration of this COSR Agreement, in the sole discretion of either BDO GS, CDSS, or its designee.

8.3 Sponsor acknowledges and agrees that the COSR Funds shall be reduced, suspended, or terminated and this Agreement may be terminated by BDO GS and CDSS under the following circumstances:

8.3.1 Sponsor ceases to prioritize applications from Qualified Residents for the Project.

8.3.2 Sponsor is in default under the Program Funding Agreement or the Declaration of Restrictions.

8.3.3 Sponsor misrepresents any information provided in requested reports or documentation.

8.3.4 Sponsor is in default under any loan agreement or promissory note secured by a deed of trust recorded against title to the Project Property or the Project.

9. Conditions for the Initial Disbursement.

9.1 After the Completion Date, as defined herein, Sponsor may request the Initial Disbursement of COSR Funds upon BDO GS's receipt and approval of the following:

9.1.1 Evidence that the Completion Date has occurred.

9.1.2 Evidence of insurance coverage meeting the requirements of the Program Funding Agreement.

9.1.3 An operating budget for the initial operation period which shall be defined as the period from the Completion Date to the end of Sponsor's Fiscal Year, provided, however, if six (6) or fewer months remain in the Fiscal Year of the year in which the Completion Date occurs, the initial operation period shall include the full Fiscal Year after the year in which the Completion Date occurs.

9.1.4 Updates to Exhibit A, reflecting any changes to the first year annual operating budget and long-term cash flow projections.

9.1.5 Other items deemed necessary by BDO GS or CDSS to determine the required amount of COSR Funds to be disbursed, or to meet the requirements of the CCE Program.

9.2 Sponsor shall provide a signed request for the Initial Disbursement of COSR Funds in a form provided by BDO GS at least twenty (20) Business Days prior to the requested date for disbursement of COSR Funds.

9.3 The Initial Disbursement of COSR Funds may include a per diem of the COSR Funds from the beginning of the month the Completion Date occurred through the remainder of the current Fiscal Year; provided, however, that if six (6) or fewer months remain in the current Fiscal Year, the Initial Disbursement may cover the remainder of the current Fiscal Year plus the next full Fiscal Year, not to exceed eighteen (18) months.

10. Subsequent Disbursement of COSR Funds.

10.1 Subsequent COSR Funds disbursements shall require: (i) Request for Disbursement (on a form provided by BDO GS or CDSS) at least twenty (20) Business Days prior to the requested date for disbursement of funds; (ii) approval by BDO GS or CDSS of Sponsor's annual operating budget showing projected Operating Expenses and Gross Income; (iii) reports as required in Section 11.2; and (iv) additional information as requested by BDO GS or CDSS.

10.2 All subsequent COSR Fund disbursements shall be subject to Sponsor's full compliance with all other terms and conditions of this COSR Agreement, the Program Funding Agreement, and the Declaration of Restrictions.

10.3 Notwithstanding the foregoing, all subsequent COSR Funds disbursements shall be conditioned upon COSR Funds remaining available for disbursement.

11. Sponsor's Ongoing Obligations.

11.1 Sponsor is required to give priority to applications from Qualified Residents for occupancy of the Project and to comply with the terms of the Declaration of Restrictions. The COSR Funds are intended to address shortfalls in Gross Income resulting from the acceptance of Qualified Residents for occupancy of the Project. Disbursement of the COSR Funds may be suspended or terminated if Sponsor ceases to serve Qualified Residents as required by the CCE Program, the Declaration of Restrictions, and the Program Funding Agreement.

11.2 Reporting:

11.2.1 Sponsor shall submit an annual operating budget of the Project's projected Operating Expenses and anticipated Gross Income ninety (90) days prior to the beginning of the Project's Fiscal Year, including a cash flow projection. The annual operating budget should reflect COSR Fund distributions requested by Sponsor for that year and any unexpended COSR Funds from prior disbursements. The annual operating budget shall also show whether the COSR Funds are expected to be exhausted during the coming fiscal year and if so, the annual operating budget shall include an explanation pursuant to Section 6.1 including a description of Sponsor's efforts to obtain alternative operating subsidies to replace the COSR Funds.

11.2.2 Sponsor shall submit an annual audit of the Project's actual Gross Income and Operating Expenses ninety (90) days after the end of the Project's Fiscal Year or, if approved by BDO GS or CDSS for organizations with annual gross income of less than One Million Dollars ($1,000,000), a credentialed accountant's certified financial statement that includes a balance sheet/statement of financial position or income statement/statement of activities. The annual audit or financial statement shall reflect the receipt of COSR Funds for that Fiscal Year, any unspent COSR Funds (that were previously distributed to Sponsor) at the end of the Fiscal Year, if applicable, and shall include a schedule of COSR Funds expenditures during the immediately preceding Fiscal Year.

11.2.3 Sponsor, contemporaneously with the submission of its annual operating budget, shall submit a report showing the number of Qualified Residents that applied for occupancy of the Project, the number of Qualified Residents that are currently occupying the Project and an explanation if any Qualified Residents were rejected for occupancy of the Project.

12. Cross-Default. A default under the Program Funding Agreement or the Declaration of Restrictions shall constitute a default under this COSR Agreement and a default under this COSR Agreement shall constitute a default under the Program Funding Agreement and the Declaration of Restrictions.

13. Third Party Beneficiaries. The State of California, represented by CDSS in this COSR Agreement, is a third party beneficiary of this COSR Agreement. This COSR Agreement shall not be construed so as to give any other person or entity, other than the Parties and CDSS, any legal or equitable claim or right. CDSS or another authorized department or agency representing

the State of California may enforce any provision of this COSR Agreement to the extent permitted by law as a third party beneficiary of this COSR Agreement.

14. Miscellaneous.

14.1 Dispute Resolution.

14.1.1 The Parties shall use reasonable efforts to resolve any dispute arising under this COSR Agreement within thirty (30) days pursuant to informal mediation before a retired judge with Judicial Arbitration and Mediation Services ("JAMS") in Los Angeles, California.

14.1.2 If the Parties cannot resolve a dispute arising under this COSR Agreement pursuant to Section 14.1.1, the Parties shall submit such dispute to arbitration in accordance with the provisions of the American Arbitration Association. The Parties shall conduct any arbitration in Los Angeles, California. The arbitrator's decision in any such arbitration shall be final, conclusive, and binding on the Parties.

14.1.3 TO THE FULLEST EXTENT PERMITTED BY LAW, THE PARTIES HEREBY UNCONDITIONALLY WAIVE ANY RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY CLAIM ARISING OUT OF THIS COSR AGREEMENT.

14.1.4 For the avoidance of doubt, this Section 14.1 shall not apply to the State.

14.2 Attorneys' Fees. If a dispute arising out of this COSR Agreement is finally adjudicated, the non-prevailing party shall pay the prevailing party's reasonable expenses incurred in connection therewith, including reasonable arbitration costs and reasonable attorneys' fees. If multiple items are disputed and the final decision is split, then the Parties shall allocate such expenses pro rata as to each item. This Section 14.2 shall not apply to the State.

14.3 Waiver. BDO GS's failure to notify Sponsor of a breach or to insist on strict performance of any provision of this COSR Agreement shall not constitute waiver of such breach or provision.

14.4 Remedies. No remedy in this COSR Agreement is exclusive of any other remedy available under this COSR Agreement, at law or in equity. BDO GS may seek equitable relief, including an injunction, against Sponsor in connection with any breach or threatened breach of this COSR Agreement.

14.5 Limitation of Liability. Except as otherwise provided in this COSR Agreement, or by applicable law, Sponsor waives any right to seek, and BDO GS and CDSS 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 COSR Agreement, even if Sponsor advises BDO GS or CDSS of the possibility of any such damages.

14.6 Relationship. Sponsor is an independent contractor with respect to BDO GS. This COSR Agreement is not intended to create a partnership, joint venture, employment, or fiduciary relationship between the Parties or between any Party hereto and CDSS.

14.7 Notices. Notices under this COSR Agreement must be (i) in writing, (ii) addressed to the receiving Party at the address described below (unless notice of a different address is given), 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 three (3) 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.

Notices to BDO GS: BDO Government Services, LLC (BDO GS)
661 Sunnybrook Rd., Suite 100
Ridgeland, MS 39157
Attention: Geoffrey Ross and Dania Khan

With a copy to:

State of California
California Department of Social Services
744 P Street MS 8-4-70
Sacramento, CA 95814
Attention: Housing and Homelessness Division

Notices to Sponsor: San Bernardino County
550 Hospitality Lane
San Bernardino, CA 92415
Attn: Joshua Dugas, Acting Director

With a copy to:

Jennifer Alsina, Assistant Director
550 Hospitality Lane
San Bernardino, CA 92415

14.7.1 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:

14.7.1.1 Such email must be properly addressed to the other Party's Designated Representatives. For purposes of this COSR Agreement, "Designated Representative" means initially (i) for BDO GS, Geoffrey Ross, Geoffrey.Ross@bdogov.com and Dania.Khan@bdogov.com (ii) for Sponsor, Joshua,Dugas@dbh.sbcounty.gov and Jennifer.Alsina@dbh.sbcounty.gov. A Party may change a Designated Representative only upon notice to the other Party pursuant to the requirements of Section 14.7(iii)(A), (B) or (C).

14.7.1.2 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 14.7(iii)(A), (B) or (C).

14.9 Termination. In addition to the grounds for termination of this COSR Agreement set forth in Sections 2 and 8 of this COSR Agreement, BDO GS may terminate this COSR Agreement upon thirty (30) days' notice if the Prime Contract is terminated by CDSS or if BDO GS is directed by CDSS to terminate this COSR Agreement. If the COSR Agreement is terminated pursuant to this Section 14.9, neither BDO GS nor CDSS shall be responsible for any disbursements pursuant to this COSR Agreement after the termination date or for any damages to Sponsor as a result of such termination.

14.10 Governing Law. The place of performance of this COSR Agreement is California and the laws of the State of California, shall govern the validity, performance, enforcement, and interpretation of this COSR Agreement. Any litigation or enforcement of an award must be brought in the appropriate state or federal 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 injunction and other decrees, shall be binding and enforceable in all jurisdictions and countries.

14.11 Assignment. Sponsor shall not assign, delegate, or otherwise transfer this COSR Agreement, or its duties, or obligations in connection therewith, in whole or in part, without the prior written approval of BDO GS or CDSS. BDO GS's obligations under this COSR Agreement shall be assignable to CDSS or CDSS's designee upon CDSS's request without Sponsor's consent.

14.12 Transition of COSR. In the event that the Prime Contract expires or terminates prior to the disbursement of all COSR Funds awarded to Sponsor, CDSS, or its designee, at the sole discretion of CDSS, shall be responsible for any disbursement of COSR Funds due Sponsor under this COSR Agreement. BDO GS shall make commercially reasonable efforts to transition the COSR Funds and any reasonably necessary documentation related to the COSR Funds to CDSS or its designee at no cost to CDSS, provided, however, that BDO GS shall have no obligation to incur any liability, pay fees, charges, or reimbursement in connection with any wind-down or transition services.

14.13 Entire Agreement; Amendments. This COSR 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 COSR Agreement shall be binding, unless in writing, signed by both Parties. No handwritten changes shall be effective unless initialed by each Party.

14.14 Counsel. The Parties, each, have reviewed and negotiated this COSR Agreement using such legal counsel as each has deemed appropriate.

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

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

14.17 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 COSR Agreement.

14.18 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. Causes 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 of any agency, court, commission, or other instrumentality of any such governments. Times of performance under this COSR 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.

14.19 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 employees 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 COSR 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.

14.20 Notice of Litigation. Promptly, and in any event within one (1) Business Day after an officer or other authorized representative of Sponsor obtains knowledge thereof, Sponsor shall provide written notice to BDO GS of (i) any litigation or governmental proceeding pending against Sponsor which could materially adversely affect the business, operations, property, assets, condition (financial or otherwise) or prospects of 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 Sponsor.

14.21 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 COSR Agreement.

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

14.23 Approvals. Whenever this COSR Agreement calls for a Party's approval, approval shall mean prior written approval (including via email), not to be unreasonably conditioned, delayed, or withheld, unless sole discretion is expressly noted.

14.24 Counterparts; Electronic Signatures. The Parties may sign this COSR 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 WHEREOF, the Parties hereto have executed this COSR Agreement as of the day and year first above written.

SPONSOR:	**BDO Government Services, LLC**:
By: ______________________	By: ______________________
Name: Dawn Rowe	Name: ______________________
Title: Chair, Board of Supervisors	Title: ______________________

EXHIBIT A

Operating Budget and Cash Flow Projections
(Per Cash Flow Proforma)

ATTACHMENT M

RFA

DHCS Behavioral Health Continuum Infrastructure Program Launch Ready Grant and CDSS Community Care Expansion Program

Joint Request for Applications (RFA)

Contents

Part One: Overview

1.1. INTRODUCTION TO THE GRANT OPPORTUNITY AND FUNDING

California Health and Human Services Agency (CalHHS) infrastructure funding, alongside significant new state and federal investments in homelessness, healthcare delivery reform, and the social safety net, is addressing historic gaps in the behavioral health and long-term care continuum to meet growing demand for services and supports across the life span.

The California Department of Health Care Services (DHCS) and California Department of Social Services (CDSS) are working in tandem to design and implement two new programs to support infrastructure projects: the Behavioral Health Continuum Infrastructure Program (BHCIP) and the Community Care Expansion (CCE) program. These investments will ensure care can be provided in the least restrictive settings by creating a wide range of options including outpatient alternatives, urgent care, peer respite, wellness centers, and social rehabilitation models. A variety of care placements can provide a vital off-ramp from intensive behavioral health service settings and transition individuals—including the most vulnerable and those experiencing or at risk of homelessness—to safe community living. Investing in adult and senior care facilities will divert Supplemental Security Income/State Supplementary Payment (SSI/SSP) and Cash Assistance Program for Immigrants (CAPI) applicants and recipients from homelessness as a key part of California's strategic multi-agency approach to increase housing options for seniors and persons with disabilities.

DHCS was authorized through 2021 legislation to establish BHCIP and award approximately $2.1 billion to construct, acquire, and expand properties and invest in mobile crisis infrastructure related to behavioral health. CDSS oversees CCE, which was established through Assembly Bill (AB) 172 (Chapter 696, of Statutes 2021) as a companion effort focused on the acquisition, construction, and rehabilitation of adult and senior care facilities that serve SSI/SSP and CAPI applicants and recipients and other adults who are experiencing or at risk of homelessness.

These combined programs represent the largest such provision of resources for such infrastructure in the state's history and an unprecedented opportunity to effect meaningful, sustainable change in the behavioral health and long-term care continuums in California.

1.2. PURPOSE AND PROGRAM OBJECTIVES—STATE PRIORITIES

Both BHCIP and CCE are designed to address the following State Priorities:

- Invest in behavioral health and community care options that advance racial equity
- Seek geographic equity of behavioral health and community care options
- Address urgent gaps in the care continuum for people with behavioral health conditions, including seniors, adults with disabilities, and children and youth
- Increase options across the life span that serve as an alternative to incarceration, hospitalization, homelessness, and institutionalization
- Meet the needs of vulnerable populations with the greatest barriers to access, including people experiencing homelessness and justice involvement

- Ensure care can be provided in the least restrictive settings to support community integration, choice, and autonomy
- Leverage county and Medi-Cal investments to support ongoing sustainability
- Leverage the historic state investments in housing and homelessness

DHCS is releasing BHCIP funds through six grant rounds targeting various gaps in the state's behavioral health facility infrastructure.

BHCIP Rounds 1 and 2 were released in 2021:

- Round 1: Mobile Crisis, $205M ($55M Substance Abuse and Mental Health Services Administration grant funding)
- Round 2: County and Tribal Planning Grants, $16M

The remaining BHCIP rounds will be released in 2022:

- Round 3: Launch Ready, $518.5M
- Round 4: Children & Youth, $480.5M
- Round 5: Behavioral Health Needs Assessment Phase One, $480M
- Round 6: Behavioral Health Needs Assessment Phase Two, $480.7M

Round 3: Launch Ready ($518.5M), will provide funding to construct, acquire, and rehabilitate real estate assets to expand the behavioral health continuum of treatment and service resources in settings that serve Medicaid (Medi-Cal) beneficiaries. Proposed behavioral health infrastructure projects must demonstrate they have been through a planning process and are ready for implementation. For Round 3: Launch Ready, applications will only be accepted from projects that are determined to be launch ready and are submitted according to the timeline in this RFA (Section 1.4). Awarded grant funds for Round 3: Launch Ready must be obligated by June 2024 and liquidated by December 2026.

The CCE program will provide $805 million in funding for acquisition, construction, and rehabilitation to preserve and expand adult and senior care facilities that serve SSI/SSP and CAPI applicants and recipients, including those who are experiencing or at risk of homelessness.

CCE Capital Expansion

- Approximately 75 percent of funds ($570,000,000) will be made available for capital expansion projects, including acquisition, construction, and rehabilitation of residential care settings. Grantees may be approved to use a portion of these funds to establish a capitalized operating subsidy reserve (COSR) for these projects, available for use for up to 5 years.
- Applications for CCE Capital Expansion project funding will be accepted on a project-by-project basis through this joint RFA and funded on a rolling basis until funds are exhausted. However, projects that cannot be funded prior to applicable obligation and liquidation deadlines may not be funded. A portion of the CCE budget includes Home and Community-Based Services (HCBS)funding that must be obligated by December 2023 and liquidated by June 2026, as well as State Fiscal Recovery Funds (SFRF) that

must be obligated by June 2024 and liquidated by December 2026. The exact timeline for obligation and liquidation of funds for each funded project will be provided in the grant award announcement.

CCE Preservation, Including Capital Preservation

- Approximately 25 percent of the funds will be made available for rehabilitation to preserve settings that currently serve the target populations, including $55 million for a COSR for existing licensed facilities, including but not limited to those facilities that receive preservation capital funding. These funds will be provided to counties and tribes through a direct-to-county and -tribe allocation process that will be announced separately from this joint RFA.

1.3. AUTHORIZING AND APPLICABLE LAW

BHCIP: Welfare and Institutions Code, Division 5, Part 7

CCE: Welfare and Institutions Code, Division 9, Part 6, commencing with section 18999.97

1.4. TIMELINE

Table 1a: Timeline for BHCIP Applications

RFA release	January 31, 2022
Pre-application consultations	Beginning February 1, 2022; ongoing
Application portal open	February 15, 2022
Joint RFA informational webinar Please preregister.	February 10, 2022; 10:30 a.m.-12:00 p.m. PT
Frequently asked questions	Updated regularly and posted on website
Deadline for questions	7 days prior to each application due date
Part One application due date*	March 31, 2022
Part Two application due date*	May 31, 2022
Part One Award announcements*	May/June 2022
Part Two Award announcements*	July/August 2022

*See Section 2.2 Application Process (page 6)

Table 1b: Timeline for CCE Applications

RFA release	January 31, 2022
Pre-application consultations	Beginning February 1, 2022; ongoing
Application portal open	February 15, 2022
Joint RFA informational webinar Please preregister.	February 10, 2022; 10:30 a.m.-12:00 p.m. PT
Frequently asked questions	Updated regularly and posted on website
Deadline for questions	Ongoing
Application due date	Accepted on a rolling basis until grant funds are exhausted
Award announcements	Beginning in March 2022 and ongoing
Evaluation of statewide funding redistribution	October 2022

Part Two: Application, Submission, Award

2.1. TOTAL GRANT AMOUNTS

BHCIP Launch Ready: $518,500,000 is available to construct, acquire, and rehabilitate real estate assets to expand the behavioral health continuum of treatment and service resources in settings that serve Medicaid (Medi-Cal) beneficiaries.

CCE: $570,000,000 is available for acquisition, construction, and rehabilitation capital expansion projects ("expansion" projects) of residential care settings to expand the community care options that serve seniors and adults with disabilities experiencing or at risk of homelessness.

2.2. APPLICATION PROCESS

BHCIP

Round 3: Launch Ready will be composed of two application parts to balance the needs of projects capable of immediate expansion with applicants who require more time to develop their application. This will offer applicants two potential deadlines for submissions. Applicants in Part One will be evaluated competitively against each other. Round 3: Launch Ready Part One is intended for entities that can submit the application and necessary materials by March 31, 2022. Part One applicants will receive priority. Any remaining funds not awarded in Part One will be available for Part Two applicants. Part Two applicants will be evaluated competitively against each other.

Applications will be accepted electronically beginning February 15, 2022. Applications may not be hand-delivered or mailed. The application and attachments, along with instructions for submittal of the online application, can be found on the Improving California's Infrastructure website. No modified formats will be accepted. The cutoff date for all Part One applications is March 31, 2022, at 5:00 p.m. PT. The cutoff date for all Part Two applications is May 31, 2022, at 5:00 p.m. PT. Applications cannot be edited once submitted. It is the applicant's responsibility to ensure that the submitted application is accurate. Reviewers may request additional clarifying information from the applicant.

CCE

CCE applications will be accepted and reviewed on a rolling basis until all grant funds are exhausted. However, projects that cannot be funded prior to applicable obligation and liquidation deadlines may not be funded.

Applications will be accepted electronically beginning February 15, 2022. Applications may not be hand-delivered or mailed. The application and attachments, along with instructions for submittal of the online application, can be found in the Improving California's Infrastructure website. No modified formats will be accepted. Applications cannot be edited once submitted. It is the applicant's responsibility to ensure that the submitted application is accurate. Reviewers may request additional clarifying information from the applicant.

BHCIP and CCE application process

The application is a public record that is available for public review pursuant to the California Public Records Act (CPRA) (Chapter 3.5 [commencing with Section 6250] of Division 7 of Title 1 of the Government Code). After final awards have been issued, DHCS or CDSS may disclose any materials provided by the applicant to any person making a request under the CPRA. Applicants are cautioned to use discretion in providing information not specifically requested, such as personal phone numbers and home addresses. If the applicant does provide such information, they will be waiving any claim of confidentiality and will have consented to the disclosure of submitted material upon request.

Reasonable Accommodations for BHCIP and CCE: For individuals with disabilities, DHCS or CDSS will provide assistive services such as reading or writing assistance and conversion of the RFA, questions/answers, RFA addenda, or other Administrative Notices in Braille, large print, audiocassette, or computer disk. To request copies of written materials in an alternate format, please send an email to support@CCEprogram.com.

DHCS and CDSS will prioritize completed applications by geographic distribution to ensure the equitable and fair distribution of funds (Table 2). Both programs will adopt a regional funding approach, similar to models used in other state-funded capital programs (e.g., Homekey). Counties are assigned to one of seven geographic regions, each with a specific funding amount reserved. The funding amount reserved was determined based on the program-specific methodology described below. Applicants within each region will compete against other applicants in that same region, thereby supporting geographic equity and funding disbursement across the state.

DHCS and CDSS will reserve up to 20 percent of the BHCIP Round 3 funds and CCE Capital Expansion funds to ensure funding is effectively used to address and support the needs of vulnerable populations and gaps within the care continuum, consistent with the State Priorities. For example, the discretionary set-aside may be used to fund high-scoring projects in regions that have met their funding reserve.

Regional Funding Reserve Methodology

For BHCIP funding reserves, a ratio of available Launch Ready funding to the Behavioral Health Subaccount county allocations has been used, with 5 percent set aside for tribal entities.

For BHCIP, following an initial round of funding allocations (timeframes to be determined by DHCS), funds **may** be used for viable applications falling outside of the initial allocation priority schedules, geographical divisions, or other initial fund allocation restrictions.

The CCE regional funding reserve methodology was calculated using the distribution of adult and senior care facilities in counties across the state, the 2019 Homeless Point-in-Time count, and the proportion of SSI/SSP applicants and recipients across the state. Of the total amount of CCE funding provided under this RFA, 8 percent will be competitively awarded to small counties (populations of 200,000 or fewer) and 5 percent of funds will be reserved for tribal communities.

The RFA will be open to CCE applicants on a rolling basis. CDSS has established an initial priority application period from the release date of the CCE application through September 30, 2022. During this prioritization period, CDSS will group applications into one of the seven geographic regions, unless the application is prioritized for the rural or tribal entity set-asides. This timeframe will allow applicants time to prepare projects and seek relative technical assistance (TA). It also provides CDSS with additional data on the statewide need and interest. After September 30, 2022, CDSS reserves the right to stop grouping applications by geographic region, and instead deploy unused funds from any undersubscribed geographic region(s) to fund subsequent applications statewide.

Table 2: Regions and Counties

Counties by Geographic Distribution	**BHCIP Launch Ready** Estimated Targeted Funding Levels (less 20% discretionary and 5% tribal set-asides) (Total available: $394,060,000)	**Community Care Expansion** Estimated Targeted Funding Levels (less 20% discretionary and 5% tribal set-asides) (Total available: $430,171,874)
Los Angeles County	$138,033,407	$135,281,766
Bay Area: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma	$80,110,607	$85,690,868
Southern California: Imperial, Orange, Riverside, San Bernardino, San Diego, Ventura	$75,954,578	$100,473,714
San Joaquin Valley: Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare	$44,552,480	$45,982,932
Sacramento Area: El Dorado, Placer, Sacramento, Sutter, Yolo, Yuba	$23,553,889	$31,914,624
Central Coast: Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz	$14,912,943	$15,052,939

Balance of State: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity, Tuolumne	$16,942,096	$15,775,031

2.3. PRE-APPLICATION CONSULTATIONS AND TA

BDO Government Services, LLC (BDO GS), a consulting and research firm focused on improving health and human services systems, is serving as the administrative entity for CCE. BDO GS assists state and local organizations to implement and evaluate a wide range of services focusing on mental health treatment and recovery, substance use disorder treatment and prevention, workforce development, homelessness, housing, long-term services and supports, and criminal justice.

Beginning on February 1, 2022, and as part of the RFA process, either the previous third-party administrator or BDO GS will provide a pre-application consultation and individual agency/county TA. In addition, BDO GS will offer ongoing general training and TA throughout the life of the project. Applicants are required to submit a request for a pre-application consultation and complete a survey to determine their understanding of the RFA requirements. These include facility siting, permit and licensing requirements, construction plans and launch readiness, oversight and management, match requirements, and budgeting practices. In addition, applicants will be required to discuss how their proposed project meets local and/or regional gaps identified through an assessment, as well as how it addresses the state's priorities. A BDO GS implementation specialist will work with applicants to support them in these areas by connecting them with subject matter experts in real estate, financing, and programmatic best practices serving the prioritized or target population to bring targeted TA to applicant and grantees.
Additional information related to pre-application consultation and TA throughout the grant period can be found on the training and technical assistance webpage.

The Round 2 funding via BHCIP consisted of a planning RFA for counties and tribes for BHCIP and CCE projects. For applicants who have received a BHCIP Round 2 Planning Grant, that grant will be considered during the TA planning process in order to leverage local planning already underway.

2.4. APPLICATION SCORING CRITERIA

Applications for BHCIP and CCE must meet the following minimum criteria to be considered for award:

- Full and complete application
- Commitment to serve population and to address the gaps identified in the community
- Demonstrated match

- Completed pre-application consultation

- Attested to meet federal, state, and local laws
- Reasonable cost compared to projects within the same region
- Able to expend funds within the required timeline

CCE applicants will be awarded on a rolling basis. Projects that meet the minimum criteria will be eligible to be funded, until all grant funds are committed. BHCIP is a competitive application process. Funding decisions will be based on a variety of factors, including

- Alignment with the State Priorities described in 1.2, above;
- Alignment with local and/or regional needs, gaps, and priorities as described in 3.2, below;
- Alignment with needs and gaps described in the statewide assessment, *Assessing the Continuum of Care for Behavioral Health Services in California: Data, Stakeholder Perspectives, and Implications*;
- Assurance that funds are invested throughout the state;
- Extent to which the project addresses gaps in underserved areas;
- Extent to which the project addresses gaps in underserved populations;
- Review of each project's proposed costs and a determination of reasonableness for the facility type, scope, budget, and schedule of rehabilitation or renovations proposed;
- Degree to which the applicant leverages local funding;
- Ability to use funds within the funding timeline;
- Degree to which the applicant demonstrates long-term sustainability of the proposed project;
- Proposed increase in the number of persons to be served by the expansion;
- Ability to meet match expectations; and
- Degree to which the proposed plan for serving the target population(s) demonstrates the use of established best practices.

Funds awarded pursuant to the program must be used to supplement, and not supplant, other funding available from existing local, state, or federal programs or from grants with similar purposes.

Real Estate Acquisition and Development experts under contract with BDO GS will conduct financial viability assessments of each applicant's project. Through review of the RFA pre-application consultation, interviews, and financial document review, they will assess long-term operational sustainability (i.e., once the capital project is complete and in use for its intended purpose). TA provided will not factor into the evaluation of the application submitted. Staff providing TA will not be scoring applications.

2.5. AWARD PROCESS

Successful applicants will receive an award letter and a Standard Agreement from BDO GS, the DHCS and CDSS administrative entity. The agreement must be signed, returned, and fully executed with BDO GS before initial funding will be awarded.

BHCIP only: Applications that are not funded during Round 3 may be considered for future funding rounds, subject to the requirements and priorities of those rounds. TA will be available to help applicants explore future BHCIP funding rounds, as well as other potential sources of funds to support the proposed projects.

CCE only: Applications that meet the minimum criteria outlined in Section 2.4, eligibility criteria described in Section 3.1, and the eligible uses requirements in Section 3.2 will be considered for funding until all available funds are fully obligated. However, projects that cannot be funded prior to applicable obligation and liquidation deadlines may not be funded. A portion of the CCE budget includes federal funding that must be obligated by June 2024 and liquidated by December 2026. The exact timeline for obligation and liquidation of funds for each funded project will be provided in the grant award announcement. Applicants that are not awarded initially will be provided TA for resubmission, subject to the availability of funds.

2.6. APPEALS

California law does not provide a protest or appeal process against award decisions made through an informal selection method. Applicants submitting a response to this RFA may not protest or appeal the award. All award decisions made by DHCS and CDSS shall be final. Applicants for CCE funds that fail to be awarded initially will be provided TA for resubmission, subject to the availability of funds.

Part Three: Program Requirements

3.1. ELIGIBILITY CRITERIA

Eligible applicants for BHCIP Launch Ready and CCE funds include counties, cities, tribal entities (including 638s and urban clinics), nonprofit organizations, for-profit organizations, and other private organizations, including private real estate developers, whose projects reflect the State Priorities. Each of these entities may apply independently or may apply jointly with another eligible entity as a co-applicant. Co-applicants can include multi-county projects. As allowed or required by context, "applicant" shall be interpreted to include any of the foregoing entities, as well as that entity's nonprofit or for-profit corporation co-applicant. Upon receiving an award of funds, the eligible applicant and any co-applicant(s) will, both individually and collectively, be referred to as the "grantee" for purposes of this RFA.

Applicants are encouraged to apply for funding from both programs (BHCIP and CCE), as applicable. See Section 3.2 for examples.

Applicants may submit applications with a variety of partners to encourage innovative, comprehensive local and regional approaches. For applicants with partners, including co-applicants, all proposed partners must submit letters of commitment with the application. The required match will be determined by the types of applicants. If a private organization has a collaboration with a county, for example, the project qualifies for the county match amount, as long as supporting documentation is submitted.

Proposed BHCIP Launch Ready projects need to expand community capacity for serving the behavioral health (mental health and substance use disorder [SUD]) population and must make a commitment to serve Medi-Cal beneficiaries. Under CCE, projects need to expand capacity in residential care settings that serve seniors and adults with disabilities who require long-term care supports, with priority for people experiencing or at risk of homelessness who are applicants or recipients of SSI/SSP or CAPI benefits.

Private organizations that do not have prior experience must apply with a partner. These private organizations (including real estate developers) without related prior experience that are collaborating with nonprofit organizations, tribal entities, cities, or counties may apply, with the requirement that the private organization must have

- A Memorandum of Understanding (MOU) or other agreement with the nonprofit organization, tribal entity, city, or county to confirm the private organization's role in the project, including that they are working on behalf of the service provider, and
- Related prior experience, reflected in the successful development, ownership, or operation of a relevant project for individuals who qualify as members of the target population.

3.2. ELIGIBLE USES

Eligible facility types for BHCIP Launch Ready projects must expand the community continuum of behavioral health treatment resources to build new capacity or expand existing capacity for short-term crisis stabilization, acute and sub-acute care, crisis residential, community-based mental health residential, SUD residential, peer respite, mobile crisis, community and outpatient behavioral health services, and other clinically enriched longer-term treatment and rehabilitation options for persons with behavioral health disorders in an appropriate and least restrictive and least costly setting.

Eligible settings for CCE include residential settings that expand the long-term care continuum and serve the target population, including but not limited to licensed adult and senior care facilities, recuperative or respite care settings, and independent residential settings. Facilities funded by regional centers are not eligible for CCE funds.

Applicants will be expected to define the types of facilities or settings they will operate and populations they will serve. Evaluation criteria will be used by the state to ensure that a given project is serving its target population in line with the State Priorities. In addition, all applicants must share data to demonstrate project need. This may include, for example, a local county/tribal/provider needs assessment, a facility wait list, the number of comparable facilities in the area, or other quantifiable documentation. Applicants will be required to demonstrate how the proposed project will advance racial equity and will be required to certify that they will not exclude populations, including those who are justice involved, unless required by state law. In addition, BHCIP-funded behavioral health facilities, as applicable, must provide Medi-Cal behavioral health services and will be expected to have in place a contract with their county to ensure the provision of Medi-Cal services once the funded facility's expansion or construction is complete.

Applicants are encouraged to think broadly about how BHCIP and CCE funds together can be maximized to design person-centered projects based on the needs and gaps within their local systems of care, coupled with the state's priorities. The following are examples of projects that could apply for both programs:

- An adult residential facility (ARF) applies for CCE funding to make the facility Americans with Disabilities Act (ADA) accessible and expand capacity to serve additional SSI/SSP or CAPI applicants and recipients. The provider also applies for BHCIP funds to add a day treatment, clubhouse, or peer-run/peer-operated center on their property.
- A residential care facility for the elderly (RCFE) applies for CCE funds to add additional beds to serve individuals who are experiencing homelessness and applies for BHCIP funds to add a behavioral health outpatient office within their network for their Medi-Cal population.
- A behavioral health crisis residential facility applies for BHCIP funding to expand facility capacity and CCE funding to create a residential setting that provides step-down residential support services for SSI/SSP or CAPI applicants and recipients at risk of homelessness.

The following facility types and subcategories may be considered for project funding through BHCIP or CCE, separately or together.

Outpatient Services (includes a variety of settings delivering clinical support services, but not overnight residential services)		
	BHCIP	**CCE**
Community wellness centers (including those that are youth focused)	x	
Hospital-based outpatient treatment (outpatient detoxification/withdrawal management)	x	
Intensive outpatient treatment	x	
Narcotic Treatment Programs (NTPs)	x	
NTP medication units	x	
Office-based outpatient treatment	x	
Sobering centers (funded under DMC-ODS and/or Community Supports)	x	

Residential Clinical Programs (includes a variety of settings primarily focused on delivering clinical services; also provide shelter and support, from overnight to many days, weeks, and months)		
	BHCIP	**CCE**
Acute inpatient hospitals—medical detoxification/withdrawal management (medically managed inpatient detoxification/withdrawal management facility)	x	
Acute psychiatric inpatient facilities	x	
Adolescent residential treatment facilities for SUD	x	
Adult residential treatment facilities for SUD	x	
Chemical dependency recovery hospitals	x	
Children's crisis residential programs (CCRPs)	x	

Community treatment facilities (CTFs)	x	
Crisis stabilization units (CSUs)	x	
General acute care hospitals (GACHs) and acute care hospitals (ACHs)	x	
Mental health rehabilitation centers (MHRCs)	x	
Psychiatric health facilities (PHFs)	x	
Short-term residential therapeutic programs (STRTPs)	x	
Skilled nursing facilities with special treatment programs (SNFs/STPs)	x	
Social rehabilitation facilities (SRFs)	x	

Residential Support Programs (BHCIP-funded facilities listed here are primarily focused on shelter and support services, from overnight to many months; funded facilities are required to serve Medi-Cal recipients. CCE will fund adult and senior care settings to provide care and support to seniors and adults with disabilities.)		
	BHCIP	**CCE**
Peer respite	x	x
Recovery residence/sober living homes	x	x
Adult residential facilities (ARFs)		x
Residential care facilities for the elderly (RCFEs)		x
Permanent Supportive Housing that serves the needs of seniors and adults with disabilities (including models that provide site-based care, such as Program for All Inclusive Care for the Elderly [PACE] and the Assisted Living Waiver programs)		x
Other residential care settings that serve the target population, including recuperative care sites		x

Facility types that are not eligible for funding:

- Correctional settings
- Schools
- Facilities funded by regional centers (CCE only)

3.3. MATCH

Applicants will be required to provide matching funds as part of the project. Match requirements are set according to applicant type.

- Tribal entities = 5% match
- Counties, cities, and nonprofit providers = 10% match
- For-profit providers and/or private organizations = 25% match

In order to incentivize local partnerships while also helping to expedite projects, for-profit providers who partner with tribes, counties, cities, or nonprofit providers will be eligible for the lower match. For example, a sole proprietor operating a small ARF that has partnered with a county will have a match requirement of 10%.

Match in the form of cash and in-kind contributions—such as land or existing structures—to the real costs of the project will be allowed for both BHCIP and CCE. The state must approve the match source. Cash may come from

- American Rescue Plan Act (ARPA) funds granted to counties and cities,
- Local funding,
- Mental Health Services Act (MHSA) funds in the 3-year plan (considered "other local"),
- Opioid Settlement Funds for SUD facilities (BHCIP only),
- Foundation/philanthropic support,
- Loans or investments, or
- Other.

Real property in the form of publicly or privately owned or donated land and/or buildings owned may count as match. Examples include

- Unused city or county buildings,
- Buildings originally intended for another purpose,
- Surplus land,
- State property, and
- Land trust.

Services will not be allowed as match.

3.4. GENERAL PROGRAM REQUIREMENTS

To be eligible to receive funding, projects must meet the following requirements as they relate to the applicant and project types. Refer to Section 3.5 for additional information on eligible pre-development funding.

Site control: Applicant has clear control of the property to be acquired or rehabilitated, as evidenced by one of the following:

- Clear title with no encumbrances or limitations that would preclude the proposed use (fee title);
- Existing long-term lease for the required use restriction period, with provisions to make improvements on the property;
- A leasehold estate held by a tribal entity in federal tribal trust lands property, or a valid sublease thereof that has been or will be approved by the Bureau of Indian Affairs;
- Fully executed option to purchase, sales contract, or other enforceable agreement to acquire the property;
- A letter of intent (LOI) that outlines the terms of a sale or lease contract, providing that a fully executed option will be completed within 60 days; or
- Fully executed option to lease, or similar binding commitment from property owner to agree to a long-term lease for the required use restriction period.

Permits

- Applicant documents understanding of approvals and permitting needed, and the capacity to obtain these approvals and permits, as evidenced by both of the following:
  - Providing detailed information regarding the site of the proposed capital project, including zoning, land use limitations, permissible "as of right" uses, and any approvals or variances that may be required and
  - Including a list of the approvals and permits required to complete the project as described in the construction plan (below), along with the sequences of these approvals and permits.

- Applicant commits to making initial required applications within 60 days of award, as applicable.

Licensure/certification

- Applicant provides documentation of all required certifications/licenses, including but not limited to those required by the appropriate department under CalHHS.
- For applicable projects that cannot be licensed/certified by the state and/or local level until they are completed, applicant will demonstrate that they understand the applicable licensing/certification timelines and requirements. Tribal entities that are exempt from state licensing and/or requirements must describe the basis for their exemption and their plan for meeting programmatic requirements. As part of the TA that will be made available, applicants may receive information and guidance about the licensure and certification process.

Preliminary construction plans for proposed project, such as

- Site plan (if applicable);
- Architectural drawings, blueprints, and/or other renderings;
- If no construction plan is yet in place, a valid cost estimate from an architect, licensed general contractor, or engineer.

Acquisition and/or construction timeline

- Acquisition should begin within approximately 6 months of award. Development must begin immediately after acquisition and be completed within the approved timeline. Applicant should provide a timeline from a licensed general contractor or construction manager to illustrate how this will be achieved.
- Applications for projects that can start sooner may be rated higher.

Capacity to meet match requirements (see Section 3.3)

Approval and engagement

- Organizational support is indicated by a letter from the CEO and/or board, county board of supervisors, or tribal council resolution, as applicable.

- Applicant provides documentation of active community engagement and support, particularly with people with lived experience. Insights from the community should be included in project planning, design, implementation, and evaluation. Examples may include survey results, notes taken during stakeholder engagement sessions, etc.
- **BHCIP Launch Ready only**: City, nonprofit, or private applicants must include a letter of support from their county behavioral health agency or, if a tribal facility, the tribal board at the time of application or within the grant decision period.
    - The letter must indicate that BHCIP grantees that operate Medi-Cal behavioral health services will have in place a contract with their county to ensure the provision of Medi-Cal services once the financed facility's expansion or construction is complete.

Service use restriction

Applicants will be required to commit to a service use restriction as follows:

- BHCIP: Commitments to provision of services and building use restriction for entire 30-year period.
- CCE: Commitments to provision of services and building use restriction for 30 years for new facilities and a 20-year use restriction for capacity expansion for an existing facility.

3.5. Pre-DEVELOPMENT (CCE ONLY)

Prospective applicants that demonstrate viable projects via the pre-application consultation with real estate TA from the grant administrator or its Community Development Financial Institution (CDFI) partners may have the opportunity to apply for pre-development costs within the RFA using CCE funds only.

Examples may include but are not limited to:

- Hiring a development team (lawyer, architect, owner's representative or construction manager)
- Physical needs assessment
- Feasibility study
- Site plan
- Environmental survey (Phase 1 & 2 reports)
- Schematic and construction drawing and architectural plans
- Construction cost estimates
- Preliminary engineering/dry utilities
- Stakeholder coordination
- Preliminary development budgets
- Basic underwriting

3.6. BUDGET DEVELOPMENT

Applicants are required to submit a budget with their BHCIP Launch Ready and CCE applications to assist DHCS/CDSS in establishing reasonableness of the final amount awarded. Applicants are encouraged to use the BHCIP Launch Ready and CCE budget templates in Attachment A (Form 1) to create a budget and will be asked to insert the budget figures as part of the online application process. All items budgeted must be inclusive of all costs, including taxes and fees, in U.S. dollars. If an applicant has a current Negotiated Indirect Costs Rate Agreement (NICRA) established with a federal cognizant agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals, then the applicant may use its current NICRA. Alternatively, if the applicant does not have a NICRA, the applicant may elect to use a rate of 10 percent of the modified total direct costs pursuant to 2 CFR 200.414(f).

3.7. CAPITALIZED OPERATING SUBSIDY RESERVE (COSR) (CCE)

CCE applicants may request a portion of their funds be used for a COSR. A COSR can be an essential component of development projects serving households with very low incomes. The COSR helps to ensure continued operations and long-term sustainability of capital projects like CCE. CCE projects wishing to use funds from the project development budget for a COSR will be required to create a Funding and Disbursement Agreement (FDA). The COSR can be used to cover operational costs associated with utilities, maintenance and repairs, taxes and insurance, and staff, among others. CCE COSR funds will be capitalized in the applicant's development budget, helping to mitigate risk among long-term project investors. A COSR is available for use for up to 5 years from the time operations in the new or expanded facility begin; future funding streams should be included in the project development budget, in the event that the facility carries an operating deficit after the 5-year CCE COSR timeframe ends.

3.8. ACCESSIBILITY AND NON-DISCRIMINATION

All developments shall adhere to the accessibility requirements set forth in California Building Code chapters 11A and 11B and the Americans with Disabilities Act, Title II. In addition, developments shall adhere to either the Uniform Federal Accessibility Standards (UFAS), 24 CFR Part 8, or the U.S. Department of Housing and Urban Development's (HUD) modified version of the 2010 ADA Standards for Accessible Design (Alternative 2010 ADAS), HUD-2014-0042-0001, 79 FR 29671 (5/27/14) (commonly referred to as "the Alternative Standards" or "HUD Deeming Memo"). Accessible units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the project and be available in a sufficient range of sizes and amenities consistent with 24 CFR Part 8.26.

Grantees shall adopt a written non-discrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), justice system involvement (except where explicitly required by law), or arbitrary characteristics, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with program funds made available pursuant to this RFA. Nor shall all other classes of individuals protected from discrimination under federal or state fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with program funds made available pursuant to this RFA.

Grantees shall comply with the requirements of the Americans with Disabilities Act of 1990, the Fair Housing Amendments Act, the California Fair Employment and Housing Act, the Unruh Civil Rights Act, Government Code Section 11135, Section 504 of the Rehabilitation Act of 1973, and all regulations promulgated pursuant to those statutes, including 24 CFR Part 100, 24 CFR Part 8, and 28 CFR Part 35.

3.9. STATE & FEDERAL PREVAILING WAGE

A project funded by a BHCIP or CCE grant is a "public work" if the applicant intends to use the BHCIP and/or CCE funds for the "[c]onstruction, alteration, demolition, installation, or repair" of a building or structure (Cal. Lab. Code section 1720(a); Cal. Lab. Code section 1750(b)(1)). Applicants using BHCIP and/or CCE grants to fund public works are subject to California's prevailing wage and working hours laws (Division 2, Part 7, Chapter 1 of the California Labor Code) and the applicant's project is subject to compliance monitoring and enforcement by the Department of Industrial Relations (Cal. Lab. Code section 1771.4(a)(1)).

If DHCS or CDSS selects an applicant to receive a BHCIP and/or CCE grant and the applicant is using the grant to fund a public work, then the applicant shall submit a Certification of Compliance to the awarding department (i.e., DHCS or CDSS) certifying that the applicant shall comply with California's prevailing wage and working hours laws (including posting job notices, as required by Labor Code section 1771(a)(2)) and all applicable federal prevailing wage laws. The Certification of Compliance shall also state that the applicant shall maintain its labor records in compliance with all applicable state and federal laws (Cal. Lab. Code section 1776), and shall make all labor records available to the Department of Industrial Relations, and any other applicable enforcement agencies upon request (Cal. Lab. Code section 1771.4(a)(3)). The Certification of Compliance shall be signed by the general contractor(s) and the applicant.

If DHCS or CDSS selects an applicant to receive a BHCIP and/or CCE grant and the applicant is not using the grant to fund a public work, then the applicant shall submit a Certification of Inapplicability to the awarding department (i.e., DHCS or CDSS) explaining why the project is not a public work as defined by California Labor Code section 1720. The Certification of Inapplicability shall be signed by the general contractor(s) and the applicant.

An applicant shall not receive the BHCIP and/or CCE funds from the awarding department (i.e., DHCS or CDSS) until the awarding department has received and approved the applicant's Certification of Inapplicability or Certification of Compliance.

3.10. EXEMPTIONS

In accordance with California Welfare and Institutions Code sections 5960.3 and 18997.97(l), projects funded by a BHCIP or a CCE grant are

1. Deemed to be consistent with and in conformity with any applicable local plan, standard, or requirement;

2. Deemed to be allowed as a permitted use within the zone in which the structure is located; and

3. Not subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals.

3.11. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) EXEMPTION (BHCIP ONLY)

CEQA shall not apply to a project funded by BHCIP if that project meets the requirements outlined in California Welfare and Institutions Code section 5960.3(b). Applicants shall determine if they meet the requirements outlined in section 5960.3(b) to qualify for the exemption from CEQA. And, in accordance with section 5960.3(c), if an applicant determines that it qualifies for the exemption from CEQA, then the applicant shall file a Notice of Exemption with the Office of Planning and Research and the clerk of the county in which the project is located in the manner specified in subdivisions (b) and (c) of section 21152 of the Public Resources Code, and the applicant shall provide DHCS with a copy of the filed Notice of Exemption. If the applicant determines that CEQA applies to its project, the applicant shall provide DHCS with copies of all appropriate documentation demonstrating the project's compliance with CEQA once the applicant has received project approval.

DHCS is not responsible for determining if applicants meet the CEQA exemption requirements set forth in section 5960.3(b). Furthermore, DHCS is not responsible for filing a section 5960.3(c) notice of exemption on behalf of an applicant.

3.12. LOW-RENT HOUSING PROJECT EXEMPTION

In accordance with California Welfare and Institutions Code sections 5960.35(b)(1) and 18999.98, a project funded with a BHCIP or a CCE grant shall not be considered a "low-rent housing project," as defined in Section 1 of Article XXXIV of the California Constitution, if the project meets any one of the following criteria:

1. The project is privately owned housing, receiving no ad valorem property tax exemption, other than exemptions granted pursuant to subdivision (f) or (g) of Section 214 of the Revenue and Taxation Code, not fully reimbursed to all taxing entities, and not more than 49 percent of the dwellings, apartments, or other living accommodations of the project may be occupied by persons of low income;

2. The project is privately owned housing, is not exempt from ad valorem taxation by reason of any public ownership, and is not financed with direct long-term financing from a public body;

3. The project is intended for owner-occupancy, which may include a limited-equity housing cooperative as defined in Section 50076.5 of the Health and Safety Code, or cooperative or condominium ownership, rather than for rental-occupancy;

4. The project consists of newly constructed, privately owned, one-to-four-family dwellings not located on adjoining sites;

5. The project consists of existing dwelling units leased by the state public body from the private owner of these dwelling units;

6. The project consists of the rehabilitation, reconstruction, improvement or addition to, or replacement of, dwelling units of a previously existing low-rent housing project, or a project previously or currently occupied by lower-income households, as defined in Section 50079.5 of the Health and Safety Code; or

7. The project consists of the acquisition, rehabilitation, reconstruction, improvement, or any combination thereof, of a project which, prior to the date of the transaction to acquire, rehabilitate, reconstruct, improve, or any combination thereof, was subject to a contract for federal or state public body assistance for the purpose of providing affordable housing for low-income households and maintains, or enters into, a contract for federal or state public body assistance for the purpose of providing affordable housing for low-income households.

If a project funded with a BHCIP or CCE grant is a "low-income housing project" as defined by Section 1 of Article XXXIV of the California Constitution but does not meet any of the criteria listed above, then the applicant shall comply with the requirements set forth in that section of the California Constitution.

Part Four: Program Operations

4.1. PROGRAM OVERSIGHT AND REPORTING

As specified by DHCS or CDSS and upon request, grantees shall provide progress reports in connection with the approved timeline, statement of work (SOW), and budget and any updates to the timeline for completion of the project. The progress reports should include the project's completion milestones and any updates or substantial changes. Grantees shall promptly notify DHCS or CDSS of any changes in grantee organization, authorization, or capacity. This information will be outlined in the Standard Agreement.

Grantees are required to meet BHCIP Launch Ready, CCE program, and other state and federal reporting, financial, and administrative requirements, as well as submit required reporting data through an online grantee data portal. Reporting requirements will include quarterly reports and a final report, along with an annual BHCIP Launch Ready or CCE Program and Expenditure Report for 5 years following Standard Agreement execution. The annual report will be due no later than January 31 for the prior calendar year of January 1 to December 31. The reports and data entered in the grantee data portal shall be in such form and contain such information as required by DHCS or CDSS, as appropriate, in its sole and absolute discretion. Funding will be contingent upon provision of submission of data and reporting. These requirements will be fully detailed upon award.

In addition to the foregoing, each grantee shall submit to DHCS or CDSS such periodic reports, updates, and information as deemed necessary by DHCS or CDSS to monitor compliance and/or perform program evaluation. Any requested data or information shall be submitted in electronic format in a format provided by DHCS or CDSS.

Additional reporting requirements may be required by DHCS and CDSS for up to 30 years after completion of project construction.

4.2. DISBURSEMENT OF GRANT FUNDS

The Standard Agreement will set forth the general conditions for disbursement. Once the Standard Agreement between the applicant and BDO GS is fully executed, an initial payment will be issued directly to the applicant to begin development activities. Subsequent funding will be released following the verified completion of project milestones and deliverables and the submission of required documentation and reports. More details regarding the funding and disbursement process will be provided upon award.

Grantees will be responsible for submitting invoices and ensuring expenses are allowable and have sufficient backup documentation. Grantees shall ensure that the expenditure of BHCIP Launch Ready or CCE program funds is consistent with the requirements of the relevant program.

The BHCIP Launch Ready and CCE program teams will monitor the expenditures to ensure they comply with this RFA and may conduct desk or site audits. The teams may also request the repayment of funds or pursue any other remedies available, at law or in equity, for failure to comply with program requirements.

Part Five: Attachments

Attachment A: Application

- Form 1: Budget template
- Form 2: Budget narrative and definition of terms
- Form 3: Schematic design checklist
- Form 4: Design/acquisition/construction milestone schedule
- Form 5: Development team description/contact form
- Form 6: Community engagement form
- Form 7: Applicant’s certification

Attachment B: Pre-Application Consultation Process

May 21, 2024

San Bernardino County 303 E Vanderbilt Way, 4th Floor
San Bernardino, CA 92410
Project: Substance Use Disorder Comprehensive Treatment Campus

Dear San Bernardino County:

Community Care Expansion (CCE) Program Grant - Award Augmentation Notification

The purpose of this letter is to inform you that the California Department of Social Services (CDSS) has approved an additional $421,867 to San Bernardino County for the Community Care Expansion (CCE) Capital Expansion grant award for CCE-7120640339.

On March 23, 2023, CDSS notified you that up to $10,093,171 was reserved for San Bernardino County for the CCE Capital Expansion grant award based on the application package you submitted for the project named above. This additional $421,867 has been reserved for your project due to adjustment of developer fee costs relevant to executing the Program Funding Agreement. A total of up to $10,515,038 has been reserved for your project for your CCE Capital Expansion grant award.

BDO GS, the CCE administrative entity, will share important details related to your project award augmentation. Please continue to work with your grant coordinator to submit any required documentation relevant to this award augmentation.

Thank you for the time and effort you put into the application process, as well as your commitment to helping improve residential care settings to serve seniors and adults with disabilities in your community. CDSS values our partnership and looks forward to working with you. If you have any questions, please contact your assigned BDO GS Grant Coordinator.

Sincerely,

Julie McQuitty

Julie McQuitty
Chief, Program Policy and Quality Assurance Branch
Housing and Homelessness Division
California Department of Social Services