



## **Memo: CCE-7120640339 Substance Use Disorder Comprehensive Treatment Campus**

### *Acknowledgement & Signature Required*

August 21, 2025

Application ID: CCE-7120640339

Project Title: Substance Use Disorder Comprehensive Treatment Campus

Sponsor: San Bernardino County Department of Behavioral Health, a California County

This compliance memo serves as notification that Sponsor for Application CCE-7120640339, San Bernardino County Department of Behavioral Health, is required to submit outstanding Pre-Contracting Compliance Documents and Post-Contracting Compliance Documents. Sponsor has provided the document delivery timeframes outlined below and acknowledges they must provide Horne and CDSS the outstanding Pre-Contracting Compliance Documents and Post-Contracting Compliance Documents listed below within the respective timeframes outlined below. Sponsor acknowledges that failure to deliver documents within the stated timeframes may result in Sponsor's future draw requests being denied or delayed and may also, as an Event of Default under Section 9.1 of the **Program Funding Agreement (PFA)**, result in Horne or CDSS pursuing other remedies against Sponsor, including, under Section 9.3 of the PFA, terminating the award of Program Funds or terminating the PFA. The Pre-Contracting Compliance Documents and Post-Contracting Compliance Documents are required under Article 4 and under Exhibit E of the PFA. The PFA, particularly at Article 4 and Exhibit E, provides more detail about the Pre-Contracting Compliance Documents and Post-Contracting Compliance Documents.

### Pre-Contracting Compliance Documents

1. Sponsor must provide Authorizing Resolutions within 30 days After PFA Execution.
2. Sponsor must provide Builders Risk Insurance Policy with CDSS/HORNE as Additional Insured by June 16, 2026.
3. Sponsor must provide All-Risks Insurance Coverage with CDSS/HORNE as Additional Insured by July 14, 2027.
4. Sponsor must provide Worker's Compensation Insurance by December 31, 2025.
5. Sponsor must provide Comprehensive Automobile and Vehicle Liability Insurance with CDSS/HORNE as Additional Insured within 7 days prior to disbursement of the first draw request.
6. Sponsor must provide Commercial General Liability Insurance with CDSS/HORNE as Additional Insured within 7 days prior to disbursement of the first draw request.



### Post-Contracting Compliance Documents

1. Sponsor must provide Final Construction Plans and Specifications by September 30, 2026
2. Sponsor must provide Executed Construction Contract by September 30, 2026
3. Sponsor must provide Labor and Material Bonds and Performance Bonds by September 30, 2026
4. Sponsor must provide Prevailing Wage Certificate prior to disbursement of any construction related funds.
5. Sponsor must provide for CDSS review and approval, land under development title endorsements no later than October 31, 2025.
  - a. Sponsor to submit site plans to the designated Title Company and receive confirmation from title of adequacy in order to issue the land under development title Endorsements prior to the recording of the Performance Deed of Trust (PDOT) and Declaration of Restrictions (DOR), but no later than October 31, 2025.
6. Sponsor must provide for CDSS review and approval, Zoning and Survey coverage no later than October 31, 2025.
  - a. The Sponsor shall take on the responsibility of obtaining an ALTA survey and if deemed necessary by the designated Title Company, will also secure a zoning report, no later than October 31, 2025.
7. Sponsor to provide proof of clean mechanic's lien coverage no later than October 31, 2025.
  - a. Indemnity Agreement: Sponsor to provide an indemnity, should an indemnity be deemed necessary by either Horne, CDSS, or the Title Company, no later than October 31, 2025. Sponsor will be required to coordinate with the Title Company to provide the materials required. The Sponsor will collaborate with the Title Company to ensure any potential mechanic's liens are not created. Sponsor must proceed with caution regarding any work conducted on the site, including the ceremonial groundbreaking event.
8. Sponsor agrees to be compliance with the PDOT, as set forth therein, requiring that the CCE project be on its own legal parcel, prior to recording.
9. Sponsor acknowledges and agrees that CDSS is prepared to allow reasonable modifications to the legal description, such that the CCE Project is its own parcel, under the following conditions:
  - a. Sponsor provides a copy of the newly recorded legal description, prepared and stamped by an engineer of Sponsor's choice and at Sponsor's expense, as soon as it available.
  - b. Sponsor provides the ALTA lender coverages as outlined.
  - c. Sponsor records the CCE PDOT and DOR by the aforementioned deadline, November 8, 2025.
  - d. Sponsor acknowledges and agrees they cannot draw down on any of the awarded CCE grant prior to recording the PDOT and DOR.
  - e. Sponsor acknowledges and agrees that any reconfiguration of land must be for land with the same or greater value. Sponsor to provide Appraisal or other documentation acceptable to HORNE to support the reconfiguration, in the instance that reconfiguration should take place.



- f. Sponsor acknowledges and agrees that the reconfiguration must have insurable legal road access, must be encumbered by Behavior Health restrictions, and CDSS must have first lien priority on the land. In its sole discretion CDSS/Horne may accept land worth up to 5% less than the original reconfiguration.
10. Sponsor must provide all supporting materials at least 30 days prior to the intended recording date.

#### Extensions

The date/timeframes provided above in this compliance memo will not be extended without, in each instance, the express, prior written permission of Horne, on behalf of CDSS, or CDSS, and which express written permission must have been delivered by Horne or CDSS to Sponsor. If Sponsor wishes to extend any date/timeframe specified above in this compliance memo, Sponsor must notify Horne of such wish in writing at least thirty (30) calendar days prior to the applicable date/timeframe or within a timeframe and manner determined by Horne, on behalf of CDSS. Any extension that may be granted hereunder shall be granted only in the sole discretion of Horne, on behalf of CDSS, or in the sole discretion of CDSS. Any one extension that may be granted by Horne, on behalf of CDSS, or by CDSS, shall not relieve Sponsor from complying with all other dates/timeframes under this compliance memo or under the PFA.

By signing this compliance memo, Sponsor warrants that Sponsor will comply with the below:

Provide Horne, on behalf of CDSS, or CDSS with the Pre-Contracting Compliance Documents and Post-Contracting Compliance Documents outlined above by (a) the specified date/timeframe(s) set forth in this compliance memo, or (b) by the date/timeframe(s) authorized by Horne, on behalf of CDSS, or CDSS, in accordance with the "Extension" provision set forth in this compliance memo. Sponsor's failure to perform its obligation set forth in the preceding sentence may result in its draw requests being denied or delayed and may also, as an Event of Default under Section 9.1 of the PFA, result in Horne or CDSS pursuing other remedies against Sponsor, including, under Section 9.3 of the PFA, terminating the award of Program Funds or terminating the PFA.

Print Name: Dawn Rowe, Chair Board of Supervisors

Signature: \_\_\_\_\_

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