

## 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:

**HORNE LLP (Horne)**  
661 Sunnybrook Rd., Suite 100, Ridgeland, MS 39157  
  
**Horne Engagement Partner:** Alethia Thomas

Sponsor:

**San Bernardino County** ATTN: Georgina Yoshioka  
Address: 303 E. Vanderbilt Way 4th Floor, San Bernardino, CA  
92410  
Phone: (909) 252-5142  
Email address: georgina.yoshioka@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

Program Funding Agreement Cover Sheet

(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 \_\_\_\_\_, 2025 (the “**Effective Date**”), by and between **HORNE LLP**, a Delaware limited liability partnership, with offices located at 661 Sunnybrook Rd., Suite 100, Ridgeland, MS 39157 (“**Horne**”), and **San Bernardino County**, a California County with offices at 303 E. Vanderbilt Way, San Bernardino, CA 92410 (“**Sponsor**”). Horne and Sponsor may be referred to separately as a “**Party**” or collectively as “**Parties**.”

## **RECITALS**

A. Horne 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 Horne 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 Horne, the form of which is attached hereto as Attachment L; and

G. This Agreement sets forth the terms and conditions of Horne’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 Horne 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 Horne 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 Horne or CDSS; (the period from the Effective Date through the Expiration Date shall be referred to herein as the “Term”), unless earlier terminated by Horne 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 Horne’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 Horne hereunder and (ii) Horne 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 Horne 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 Horne’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, Horne 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 Horne, 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. Horne 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 Horne 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 Horne:
- 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 Horne'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 Horne 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 Horne and only subject to such title exceptions as are approved by Horne, its designee, or CDSS;

4.1.8 Certificates of insurance evidencing coverages required by this Agreement and naming Horne 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 Horne and CDSS, in their sole discretion.

4.2 Requirements for Disbursement of Program Funds. No Program Funds shall be released to Sponsor for any Project costs until Sponsor submits, and Horne 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 Horne approves, all documents described in this Section 4.3, and any additional information as may be required by Horne. 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 Horne.

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 Horne 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 Horne 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 Horne 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 Horne and only subject to such title exceptions as are approved by Horne, 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 Horne, 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 Horne 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 Horne;

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 Horne, 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 Horne and CDSS as co-obligees on the bonds;

4.4.4 A written request for Program Funds on a form approved by Horne providing sufficient detail and with sufficient supporting documentation to permit Horne 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 Horne 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 Horne evidencing the amounts being requested; and (c) lien releases and/or mechanics lien title insurance endorsements reasonably acceptable to Horne; 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 Horne, 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 Horne 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 Horne 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 Horne, 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 Horne for an extension of any Performance Milestones or an extension to submit any required deliverable, which Horne 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 Horne. Any extension granted by Horne 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 HORNE TO MANDATE SPONSOR TO RETURN TO THE STATE OF CALIFORNIA ANY PROGRAM FUNDS DISBURSED; IN ANY SUCH INSTANCE, HORNE 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 Horne 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 Horne. 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 Horne 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 Horne, provided that such adjustments do not increase the overall budget amount, and provided further that Sponsor provides notice to Horne 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 Horne, 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 Horne and CDSS.
- 7.3 Sponsor shall notify Horne 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 Horne. Sponsor shall provide prior notice to Horne 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 Horne; 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 Horne 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 Horne 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 Horne 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 Horne, 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 Horne and CDSS.

## **ARTICLE 8.**

### **CHANGES TO STATEMENT OF WORK**

- 8.1 Sponsor shall not change the SOW without the prior approval of Horne or CDSS, which may be approved or disapproved by Horne or CDSS, each in its sole discretion. Horne 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 Horne 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 Horne or CDSS to evaluate Sponsor's request.

Any changes to the SOW approved by Horne and/or CDSS shall be provided to Horne 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 Horne 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 Horne'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 Horne.

## **ARTICLE 9.**

### **DEFAULT AND REMEDIES**

- 9.1 Event of Default. Any of the following shall, after notice by Horne 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 Horne's or CDSS' determination of the following:
    - 9.1.4.1 Sponsor has concealed any material fact from Horne 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 Horne 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 Horne, 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 Horne's and CDSS' satisfaction, as determined by Horne 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 Horne, 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. Horne may, but shall not be required to, grant any such request, subject to CDSS approval. Horne'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 Horne, subject to CDSS approval. For the avoidance of doubt, any extension of the cure period shall be granted by Horne or CDSS in writing in their sole discretion.
- 9.3 Horne/CDSS Remedies. Upon the occurrence of an Event of Default, Horne (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 Horne 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 Horne 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 Horne or CDSS with adequate assurances within a reasonable time that Sponsor is financially solvent or, Horne or CDSS determines, that Sponsor is financially insecure.
- 10.2 Upon termination of this Agreement for any reason, neither Horne nor CDSS shall be liable for any work that is not performed in accordance with the Agreement. Upon any termination, neither Horne 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 Horne 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 Horne 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. Horne, in its sole discretion, may accept evidence of self-insurance if Horne 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 Horne and CDSS as additional insureds on all such insurance during the course of construction.
- 11.4 Certificates of Insurance. Upon Horne's request, Sponsor shall immediately deposit with Horne and CDSS a certificate of insurance evidencing the above insurance coverage and naming Horne 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 Horne 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 Horne 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 Horne 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, Horne 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 Horne, 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 Horne 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 Horne 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 Horne 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. Horne 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 Horne and CDSS with counsel reasonably acceptable to Horne and CDSS. Horne 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 Horne and CDSS, as applicable.
- 14.3 Sponsor agrees to indemnify, defend and save harmless Horne, 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 Horne with a Phase II report and any additional reports as required by Horne and in a form acceptable to Horne. Sponsor shall also provide an asbestos assessment and a lead-based paint report for Horne's approval if the Project involves rehabilitation or demolition of existing improvements. Prior to disbursement of Program Funds for real property acquisition, Horne shall require Sponsor to provide evidence to Horne 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, Horne 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

Horne 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 Horne 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 Horne deems appropriate.
- 18.2 Horne 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 Horne 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 Horne, 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 Horne 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 Horne or CDSS by one of the following options:

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

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

Horne reserves the right to select which option described above shall be employed; and Horne 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. Horne'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. Horne 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 Horne 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 Horne or CDSS of the possibility of any such damages.

20.6 Relationship. Sponsor is an independent contractor with respect to Horne. 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 Horne, Geoffrey Ross, [Geoffrey.Ross@horne.com](mailto:Geoffrey.Ross@horne.com), and Dania Khan, [Dania.Khan@horne.com](mailto:Dania.Khan@horne.com); and (ii) for Sponsor, Georgina Yoshioka, [georgina.yoshioka@dbh.sbcounty.gov](mailto:georgina.yoshioka@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 Horne and CDSS. Horne'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 Horne assigns its obligations under this Agreement to CDSS, Horne 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 Horne 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. Horne 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 Horne 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.

**HORNE LLP**

**SPONSOR:**

San Bernardino County, a California  
County

**By:** \_\_\_\_\_  
**Alethia Thomas, HORNE Engagement  
Partner**

**By:** \_\_\_\_\_  
*Dawn Rowe, Chair, Board of  
Supervisors*

**EXHIBIT A****HORNE Summary  
Sheet CCE Review**

<b>Geographic Region</b>	Southern California
<b>Amount Requested</b>	\$10,515,038
<b>Facility Type and Bed/Unit Count</b>	RRS - 52 beds/36 units
<b>HORNE Recommendation</b>	Recommended for award
<b>Date Submitted</b>	June 15, 2022
<b>PROJECT ABSTRACT SUMMARY</b>	
<p>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.</p>	
<b>Application Overview</b>	
<b>Application ID</b>	CCE-7120640339
<b>Project Title</b>	Substance Use Disorder Comprehensive Treatment Campus
<b>Type of Entity</b>	County
<b>Target population</b>	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.
<b>Address of Proposed Project</b>	13333 Palmdale Rd. Victorville, CA 92392
<b>County</b>	San Bernardino County
<b>Organization Information: Name of Entity</b>	San Bernardino County
<b>Co-Applicant? Y/N</b>	N
<b>Estimated date of completion (from Milestone Template)</b>	December 2027
<b><i>Reviewer notes regarding project completion, if noted</i></b>	

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.
<b>Analysis of Sustainability</b>  (Alternate Funding Streams, ALW, Subsidies, Vouchers, Medi-Cal, partnerships with social service / behavioral health agencies to provide service funding)  <i>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</i>	<p>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.</p> <p>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.</p> <p>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.</p>
<b>Risks and mitigating factors and/or plan for addressing risks</b>	<p>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.</p> <p>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.</p>

	<p>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.</p>
<p><b>Does this fulfill the unmet need(s) of region?</b></p> <p><i>(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.)</i></p>	<p>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.</p>
<p><b>Project feasibility notes or additional considerations:</b></p>	
<p>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.</p>	

Key Project Updates		
HORNE Requested:	Applicant Provided:	Result:
HORNE 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. HORNE reviewed and verified.
HORNE 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.

HORNE 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
HORNE requested Construction Plans	Applicant provided Construction Plans	HORNE verified the scope of the project and validated estimated construction costs
HORNE requested updated Budget	Applicant provided updated Budget	HORNE verified the estimated costs associated with the proposed project
HORNE requested Articles of Incorporation	Applicant provided Articles of Incorporation	HORNE 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		

**EXHIBIT B**

**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

Potential Gross Income	Inflation % Standards	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
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:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest for Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net Case after Deferred Developer Fee		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Type Of Loan:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest for Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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

<b>Title</b>	<b>No. of Pages</b>
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<b>Attachment B – Certification Regarding Lobbying and Conflicts of Interest</b>	2
<b>Attachment C – CDSS Confidentiality and Information Security Requirements</b>	16
<b>Attachment D – Sponsor/CDSS Certification</b>	6
<b>Attachment E – Statement of Work</b>	11
<b>Attachment F – Payment Schedule</b>	1
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## **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, Horne 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 Horne 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 Horne. Horne 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 Horne 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 Horne, make copies available for approval, inspection, or audit.
- c. Horne 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 Horne, to permit Horne 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 Horne, Horne 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 Horne so that Horne can pay CDSS, to the extent that they are properly allocable to costs for which Sponsor has been reimbursed by Horne 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 Horne 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 Horne 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 Horne 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 Horne 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 Horne 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 Horne 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. Horne 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 Horne'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 Horne. The resumption of work (in whole or part) will be at Horne'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, Horne 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 Horne.
- 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, Horne 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, Horne 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, Horne 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)).

Attachment B - Certification Regarding Lobbying

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ATTACHMENT B

CERTIFICATION REGARDING LOBBYING  
AND CONFLICTS OF INTEREST

B-1

**San Bernardino County, a California  
County**

CCE-7120640339

---

**Contract Number**

---

**Date**

**Printed Name of Person Signing for Sponsor**

Dawn Rowe

---

**Signature of Person Signing for Sponsor**

---

Chair, Board of Supervisors

**Title**

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

Attachment B - Certification Regarding Lobbying

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ATTACHMENT B

CERTIFICATION REGARDING LOBBYING  
AND CONFLICTS OF INTEREST

B-2

## 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, Horne 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 Horne.
- 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

Attachment C - CDSS Confidentiality and Information Security

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/mailling 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.

#### Attachment C - CDSS Confidentiality and Information Security

- 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

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- 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 Horne 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.

Attachment C - CDSS Confidentiality and Information Security

- 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 Horne 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 Horne, 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 Horne 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

Attachment C - CDSS Confidentiality and Information Security

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 Horne, 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 Horne 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

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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.

Attachment C - CDSS Confidentiality and Information Security

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.

Attachment C - CDSS Confidentiality and Information Security

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

## Attachment C - CDSS Confidentiality and Information Security

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

Attachment C - CDSS Confidentiality and Information Security

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)

Attachment C - CDSS Confidentiality and Information Security

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 Horne 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 Horne within two (2) business days of a confirmed exploitation of a technical vulnerability and keep CDSS and Horne 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.

Attachment C - CDSS Confidentiality and Information Security

- 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 Horne Project Director and CDSS Information Security and Privacy Officer until the updates are no longer needed, as mutually agreed upon between Sponsor and the Horne 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 Horne 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

Attachment C - CDSS Confidentiality and Information Security

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 Horne 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, Horne 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 Horne and CDSS staff, Sponsor shall initiate contact as indicated herein. Horne 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.

<b>Horne Project Director</b>	<b>CDSS Information Security &amp; Privacy Officer</b>
See Summary Cover Sheet of the Program Funding Agreement for Horne 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

Attachment C - CDSS Confidentiality and Information Security



**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 Horne Project Director and CDSS Information Security and Privacy Officer in writing. The fact that CDSS or Horne 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 Horne 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

Attachment C - CDSS Confidentiality and Information Security

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): Dawn Rowe  
Title: Chair, Board of Supervisors  
Business Name: San Bernardino County  
Email Address: Georgina.yoshioka@dbh.sbcounty.gov  
Phone: 909-252-5142  
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, Department of Behavioral Health  
Email Address: rshackelford@dbh.sbcounty.gov  
Phone: (909) 388-0910  
Signature: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

Attachment C - CDSS Confidentiality and Information Security

ATTACHMENT C

CDSS CONFIDENTIALLY AND  
INFORMATION SECURITY REQUIREMENTS

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**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
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**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:

Attachment D – Sponsor/CDSS Certification

ATTACHMENT D

SPONSOR/CDSS CERTIFICATION

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- 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.

Attachment D – Sponsor/CDSS Certification

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 lesser 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](http://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)

Attachment D – Sponsor/CDSS Certification

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

Attachment D – Sponsor/CDSS Certification

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).

Attachment D – Sponsor/CDSS Certification

**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 D – Sponsor/CDSS Certification

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ATTACHMENT D

SPONSOR/CDSS CERTIFICATION

D-6



# ATTACHMENT E

## STATEMENT OF WORK (“SOW”)

A: PROJECT AND SPONSOR INFORMATION	
<b>Application ID:</b> CCE-7120640339  <b>Project Title:</b> Substance Use Disorder Comprehensive Treatment Campus  <b>Grant Project Address:</b> 13333 Palmdale Rd Victorville, CA 92392  <b>APN(s) #:</b> 3105-191-11-0000	<b>Sponsor Name:</b> San Bernardino County <b>Legal Name:</b> San Bernardino County <b>Entity Type:</b> County <b>EIN:</b> 956002748 <b>Co-Applicant Name (if applicable):</b> N  <b>Acquisition with Grant Funds (Y/N):</b> Y
B: LEAD AUTHORIZED REPRESENTATIVE	C: PROGRAM FUNDS & MATCH AMOUNT
<b>First and Last Name:</b> Georgina Yoshioka  <b>Title/Role:</b> Interim Director  <b>Office Phone #:</b> (909) 252-5142  <b>Mobile Phone #:</b> (909) 252-5142  <b>Email:</b> georgina.yoshioka@dbh.sbcounty.gov	<b>Program Funds:</b> \$10,515,038  <b>COSR Funds:</b> \$0.00  <b>Match:</b> \$2,540,102  <b>Cash Value:</b> \$2,540,102  <b>Total Funds:</b> \$13,055,140
D: PROJECT CONSTRUCTION	
<b>Building/Facility Type:</b> <i>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:</i>  Recovery Residence/ Sober Living Homes (RRS)	
<b>Type of Project:</b> <i>e.g., predevelopment, new construction, acquisition, renovation to expand capacity, adaptive reuse:</i>  New Construction	
<b>Current License Status:</b> <i>e.g., in good standing, pending, N/A:</i>  In Good Standing	

**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).

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	
Description/Deliverables	\$ FUNDS ALLOCATED
<div>Deliverables – All Applicants:<ul style="list-style-type: none"><li>Completed application via CCE portal.</li><li>Government Tax ID (PFA4.1.3)</li><li>Articles of Incorporation</li></ul></div> <div>Deliverables – For-Profit Entities:<ul style="list-style-type: none"><li>Proof of Prior Experience; or</li><li>Memorandum of Understanding (MOU) or contract with collaborating entity (nonprofit organization, tribal entity, city, or county)</li></ul></div> <div>Deliverables – LLCs:<ul style="list-style-type: none"><li>Articles of Organization</li><li>Certificate of Good Standing</li></ul></div>	<div>CASH MATCH AMOUNT AS REQUIRED TO START PROJECT</div> <div>[CASH MATCH MUST BE EXPENDED PRIOR TO DISBURSEMENT OF PROGRAM FUNDS TO SPONSOR]</div>
TASK 2: BUDGET INFORMATION	
Description/Deliverables	
<div>Deliverables – All Applicants:<ul style="list-style-type: none"><li>Copy of finalized budget (Schedule 1 of SOW)</li></ul></div>	
TASK 3: MATCH VERIFICATION	
Description/Deliverables	
<div>Deliverables – All Applicants:<ul style="list-style-type: none"><li>Requirements of Cash Match</li><li>Requirements of Property Equity</li><li>Requirements of In-Kind Match</li></ul></div>	

## 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 Horne 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	
<b>Deliverables – All Applicants:</b> <ul style="list-style-type: none"> <li>An authorizing resolution or set of authorizing resolutions that, in Horne’s reasonable determination, materially comports with the Program Requirements. (PFA 4.1.4)</li> <li>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 Horne and CDSS, in their sole discretion. (PFA 4.1.9)</li> </ul>	
TASK 6: PFA ATTACHMENTS	
Description/Deliverables	
<b>Deliverables – All Applicants:</b> The certifications below will be provided by Administrator: <ul style="list-style-type: none"> <li>Attachment B - Signed Certification Regarding Lobbying and Conflicts of Interest</li> <li>Attachment C - Signed CDSS Confidentiality and Information Security</li> <li>Attachment D - Signed Sponsor CDSS Certification</li> <li>Attachment F - Payment Schedule</li> <li>Attachment G (Certification #1) - Related Party &amp; Related Party Transaction Disclosure</li> <li>Attachment G (Certification #2) - Legal Review of CA Welfare and Institutions Code §18999.97(l)</li> <li>Attachment I1 - Declaration of Restrictions ) <i>(Not required for Pre-Development Projects)</i></li> <li>Attachment I2 - Declaration of Restrictions for Projects with COSR ) <i>(Not required for Pre-Development Projects)</i></li> <li>Attachment J1 - Performance Deed of Trust, Security Agreement and Fixture Filing ) <i>(Not required for Pre-Development Projects)</i></li> <li>Attachment J2 - Performance Deed of Trust, Security Agreement and Fixture Filing for Projects with COSR ) <i>(Not required for Pre-Development Projects)</i></li> <li>Attachment K – Construction Contract Addendum, <i>if applicable</i></li> <li>Attachment L - California Department of Social Services Community Care Expansion Program COSR Agreement</li> <li>Recorded Dates in Attachment H – Performance Milestones <ul style="list-style-type: none"> <li>Match funds, property equity, or in-kind match <i>(See Task 3)</i></li> <li>Declaration of restrictions and performance deed of trust <i>(Attachment I)</i></li> <li>Certification of legal review of ca welfare and institutions code §18999.97(i) <i>(Attachment J)</i></li> <li>Evidence of planning agency review and approval <i>(Preconstruction Performance Milestone)</i></li> <li>Due diligence completed for acquisition. <i>(Preconstruction Performance Milestone)</i></li> <li>Acquisition - close of escrow/declaration of restrictions &amp; performance <i>(See Task 8)</i></li> <li>Delivery of design development drawings 100% complete <i>(See Task 4)</i></li> <li>Delivery of construction drawings for first submittal to building dept <i>(See Task 4)</i></li> <li>Construction contract with construction contract rider <i>(See Task 9)</i></li> <li>Evidence of prevailing wage compliance <i>(See Attachment G, Certification #2)</i></li> <li>Copy of building permit receipt and notice of exemption filed. <i>(See Task #4)</i></li> <li>Evidence of required insurance and notice to proceed. <i>(See Task #4)</i></li> <li>Certification of project construction is 50% complete. <i>(See Task #4)</i></li> <li>Receipt of certificate of occupancy <i>(See Task #4)</i></li> <li>Notice of completion and receipt of unconditional lien releases <i>(See Task #4)</i></li> <li>Receipt of business license and certificate of occupancy <i>(See Task #4)</i></li> <li>Anticipated expiration date of the agreement &amp; transfer to state oversight <i>(See Task #4) (Preconstruction Performance Milestone)</i></li> </ul> </li> </ul>	
<b>Post-Contracting</b> 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 Horne 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 Horne 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 Horne and only subject to such title exceptions as are approved by Horne, 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 Horne with a Phase II report and any additional reports as required by Horne and in a form acceptable to Horne. Sponsor shall also provide an asbestos assessment and a lead-based paint report for Horne’s approval if the Project involves rehabilitation or demolition of existing improvements. Prior to disbursement of Program Funds for real property acquisition, Horne shall require Sponsor to provide evidence to Horne 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, Horne 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		
<b>Deliverables – Construction</b> <ul style="list-style-type: none"> <li>Plans and specifications for the construction work</li> <li>Plans and specifications for the construction work approved by Horne (<i>PFA 4.4.1</i>)</li> <li>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 Horne, 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; (<i>PFA 4.4.2</i>)</li> <li>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 Horne and CDSS as co-obliges on the bonds; (<i>PFA 4.4.3</i>)</li> <li>A written request for Program Funds on a form approved by Horne providing sufficient detail and with sufficient supporting documentation to permit Horne 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 Horne 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 Horne evidencing the amounts being requested; and (c) lien releases and/or mechanics lien title insurance endorsements reasonably acceptable to Horne; and (<i>PFA 4.4.4</i>)</li> <li>Applicable documents and deliverables described in Attachment H required for the disbursements of Program Funds. (<i>PFA 4.4.5</i>)</li> </ul>		
TASK 10: REQUIREMENT FOR DISBURSEMENT OF PROGRAM FUNDS – PRE-DEVELOPMENT		
Description/Deliverables		
<b>Deliverables – Pre-Development</b> <ul style="list-style-type: none"> <li>Completed items applicable to Pre-Development outlined in Pre-Contracting Tasks 1-6</li> <li>Completed items outlined in Post-Contracting Task 7</li> </ul>		
<b>TOTAL: \$13,055,140</b>	<b>TOTAL FUNDING AMOUNT = PROGRAM FUNDS + CASH MATCH</b>	<b>\$13,055,140</b>

**SCHEDULE 1**  
[PROJECT BUDGET ATTACHED]

<b>Applicant Instructions:</b>			
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.			
<b>CCE APPLICANT INFORMATION</b>			
<b>Applicant Name and Contact Information</b>	<b>San Bernardino County, Lead Authorized Representative:</b>		
<b>County or Tribal Nation</b>	San Bernardino		
<b>Organization Name:</b>	San Bernardino County		
<b>Name of Proposed Project:</b>	Substance Use Disorder Comprehensive Treatment Campus		
<b>Projected Start Date:</b>	3/30/2022		
<b>Contact Name, Email &amp; Phone:</b>	Jennifer Alsina, jennifer.alsina@dbh.sbcounty.gov, 909-388-0805		
<b>Assessor Parcel Number (APN)</b>	3105-191-11-0000		
<b>Assessor Parcel Number (APN)</b>			
<b>CCE GRANT FULL BUDGET INFORMATION</b>			
<i>Project Development Costs by Phase</i>			
	<b>Funded by Grant</b>	<b>Funded by Match</b>	<b>Total Costs</b>
<b>FEASIBILITY/DUE DILIGENCE</b>			
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
<b>Total Feasibility Costs</b>	<b>\$100,752</b>	<b>\$9,525</b>	<b>\$110,277</b>
<b>PRE-DEVELOPMENT - (CCE ONLY)</b>			
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
<b>Total Pre-Development Costs</b>	<b>\$109,911</b>	<b>\$1,076,064</b>	<b>\$1,185,975</b>
<b>DEVELOPMENT PLANNING</b>			
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
<b>Total Development Planning Costs</b>	<b>\$771,837</b>	<b>\$182,419</b>	<b>\$954,256</b>
<b>LAND COSTS/ACQUISITION</b>			
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
<b>Total Land Costs</b>	\$0	\$0	\$0
Existing Improvements Value (for Match)			\$0
Off-Site Improvements			\$0
<b>Total Acquisition Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>REHABILITATION</b>			
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
<b>Total Rehabilitation Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NEW CONSTRUCTION</b>			
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
<b>Total New Construction Costs</b>	<b>\$8,863,093</b>	<b>\$1,272,094</b>	<b>\$10,135,187</b>
<b>CONSTRUCTION PERMITS &amp; FEES</b>			
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
<b>Total Construction Permits &amp; Fees</b>	<b>\$247,577</b>	<b>\$0</b>	<b>\$247,577</b>
<b>RESERVES</b>			
Operating Reserves (Rehabilitation)			\$0

Transition Reserves (Move-in)			\$0
COSR Funds			\$0
<b>Total Reserves Amount</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>OTHER PROJECT COSTS</b>			
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
<b>Total Other Project Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>DEVELOPER COSTS</b>			
Developer Overhead			\$0
Consultants/Processing Agents			\$0
Project Administration			\$0
Other Developer Costs: (Specify)			\$0
<b>Total Developer Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Developer Fee (5% autofill)	\$421,868		\$421,868
<b>TOTAL PROJECT COSTS</b>	<b>\$10,515,038</b>	<b>\$2,540,102</b>	<b>\$13,055,140</b>

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

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## Attachment F: Payment Schedule

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

**ATTACHMENT G**

**SPONSOR COMPLIANCE DELIVERY OBLIGATIONS**

<b>CERTIFICATION:</b>	<b>RELATED PARTY &amp; RELATED PARTY TRANSACTION DISCLOSURE</b>
<b>CERTIFICATION:</b>	<b>LEGAL REVIEW OF CA WELFARE AND INSTITUTIONS CODE §18999.97(l)</b>

SPONSOR'S CERTIFICATION:

RELATED PARTY & RELATED PARTY TRANSACTION DISCLOSURE

I, Georgina Yoshioka, 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, Horne LLP ("Horne") are relying on this information in awarding and disbursing Program Funds.
3. Sponsor certifies that it has disclosed to Horne 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 Horne 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 Horne 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 Horne 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 Horne 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, Georgina Yoshioka, 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, Horne LLP ("Horne") 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

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Authorized Signature

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Dawn Rowe

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Typed Name of Signatory

---

Chair, Board of Supervisors

---

Title of Signatory

---

Date



## ATTACHMENT H - PERFORMANCE MILESTONES

**Name of Organization:**

San Bernardino County

**Person completing form:**

Georgina Yoshioka

*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	