

PROGRAM FUNDING AGREEMENT

SUMMARY COVER SHEET

Program Funding
Agreement ID

7469-CA BHCIP-XXX-01

Program Agreement
Effective Date:

Program Funding
Agreement Manager:

ADVOCATES FOR HUMAN POTENTIAL, INC. (AHP)

490-B Boston Post Road, Sudbury, MA 01776-3365

Tel: (978) 443-0055 ♦ Fax: (978) 261-1467

AHP Contracting Officer: Charles Galland, COO

Tel: (978) 261-1425 (o) | cgalland@ahpnet.com

AHP Project Director: Mark Faucette

Tel: (323) 545-6191 (o) | mfaucette@ahpnet.com

AHP Direct Staff Contact: Mark Faucette

Tel: (323) 545-6191 (o) | mfaucette@ahpnet.com

Sponsor:

xxx ("XXX")

ATTN:

Address:

Phone:

Email address:

Type (County, Tribe, Non-Profit, Private Entity)

Prime Contract
Identification:

California Department of Health Care Services

Agreement No.: 21-10349

Contract Title: *California Behavioral Health Continuum Infrastructure Program (BHCIP)*

Contract Type:

Deliverable Base Program Funding Agreement

Period of Performance:

Consideration/Budget:

BHCIP Launch Ready (Round 3) Infrastructure Program Funding

Not to Exceed \$XXXX

Billing Terms:

See Attachment E-Payment Schedule

This Program Funding Agreement (the "**Agreement**") is entered into as of _____, 2022 (the "**Effective Date**") by and between **ADVOCATES FOR HUMAN POTENTIAL, INC.**, a Massachusetts corporation, with offices located at **490-B Boston Post Road, Sudbury, MA 01776** ("**AHP**"), and **XXX**, a _____ (state of formation) _____ (entity type), with offices at **ADDRESS** ("**XXX**" or the "**Sponsor**"). AHP and the Sponsor may be referred to separately as a "**Party**" or collectively as "**Parties**."

RECITALS

A. The State of California (the "**State**"), through the Department of Health Care Services ("**DHCS**"), has entered into an agreement with AHP, a private consulting and research firm focused on improving health and human services systems, and DHCS has identified AHP as a contractor for purposes of 2 C.F.R. Part 200, to manage the BHCIP funds and administer the State of California Behavioral Health Continuum Infrastructure Program ("**Program**"). The agreement between DHCS and AHP shall hereinafter be referred to as the "**Prime Contract**";

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

C. In response to that certain Request for Applications for Round 3 of the Launch Ready Grant for the Program issued by AHP on behalf of DHCS on or about January 31, 2022 (the "**RFA**") for the Program, Sponsor submitted an application ("**Application**") to construct the project described in the Statement of Work, Attachment D ("**SOW**"), located at _____ (the "**Project**"); and Sponsor has been awarded program funds for the Project in an amount not to exceed _____ ("**Program Funds**");

D. The Program Funds are primarily derived from federal Coronavirus State and Local Fiscal Recovery Funds ("**SLFRF**"). The U.S. Government and the State, which is a third party beneficiary to this Agreement, are responsible for monitoring, managing, and enforcing the Sponsor's compliance with the requirements applicable to the SLFRF federal award; and

E. This Agreement sets forth the terms and conditions of AHP's administration and management of the Program Funds and the Sponsor's duties and obligations related to its receipt of Program Funds. Capitalized terms not defined herein shall have the meanings ascribed thereto in the California Welfare and Institutions Code sections 5960–5960.45.

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

ARTICLE 1. **AUTHORITY**

California Assembly Bill 133 (Chapter 142, Statutes of 2021) ("**AB 133**") added sections 5960–5960.45 to the Welfare and Institutions Code providing the statutory basis for the Program. DHCS, as part of the California Health and Human Services Agency, issued the RFA for the Program Funds, and AHP provides pre-application consultation, individual agency/county technical assistance, general training and support on individual BHCIP projects, as well as

administration and fund management. Program Funds are derived primarily from SLFRF which was established by the American Rescue Plan Act of 2021 ("ARPA") and in part 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 the Sponsor for funding under the Program.

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

- 1.1 AB 133, including any subsequent amendments to the statutes contained therein;
- 1.2 The RFA, in the form attached to this Agreement as Attachment J;
- 1.3 ARPA and related federal guidance including the U.S. Department of Treasury regulations and guidance regarding SLFRF and California Department of Finance requirements and resources applicable to SLFRF;
- 1.4 California Welfare and Institutions Code sections 5960–5960.45;
- 1.5 Guidance issued by DHCS regarding the Program;
- 1.6 Program Guidelines, or Program Manuals, as adopted by DHCS, and as may be amended from time to time;
- 1.7 The award letter issued by DHCS to the Sponsor ("Award Letter") attached to this Agreement as Attachment K; and
- 1.8 All other applicable law, including, but not limited to, California Labor Code statutes applicable to public works projects.

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

ARTICLE 2. **TERM**

- 2.1 This Agreement shall commence on the Effective Date and shall automatically expire concurrently with the expiration of the Prime Contract, on June 30, 2027 (the "Expiration Date"); unless, prior to the date of expiration of the Prime Contract, AHP shall assign, and DHCS shall accept, an assignment of AHP's duties and obligations pursuant to this Agreement (the period from the Effective Date through the Expiration Date shall be referred to herein as the "Term"), unless earlier terminated by AHP or DHCS.
- 2.2 Upon the expiration of the Term, there shall be no extension or renewal of the Term of this Agreement, unless the Parties and DHCS otherwise agree in writing.

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

ARTICLE 3.

PROGRAM FUNDS

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

ARTICLE 4.

CONDITIONS OF DISBURSEMENT

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

- 4.1 Requirements for Disbursement of Program Funds. No Program Funds shall be released to the Sponsor for any Project costs until the Sponsor submits, and AHP approves, the documents described below, and any additional supporting information, as may be required:
- 4.1.1 a fully executed copy of this Agreement, including all Attachments;
 - 4.1.2 the Sponsor's request for funds, with all required supporting documents appended thereto;
 - 4.1.3 an executed copy of Certification No. 2 "Related Party & Related Party Transaction Disclosure";
 - 4.1.4 a completed Government Agency Taxpayer ID Form;
 - 4.1.5 an authorizing resolution or set of authorizing resolutions that, in AHP's reasonable determination, materially comports with the Program Requirements (if the Sponsor has not already submitted the same);
 - 4.1.6 evidence in the form of account statements that the Sponsor has established a single-purpose individual development bank account ("IDBA") for the purposes of receiving Program Funds and paying expenses directly related to the Project, as detailed in the Project budget attached as Schedule 1 to the SOW. The IDBA shall be a joint bank account between the Sponsor and AHP, allowing AHP the ability to deposit funds and monitor fund disbursement. The joint account shall

only allow withdrawals by the authorized Sponsor agent. Withdrawals shall not be authorized by AHP or its designee;

- 4.1.7 evidence in the form of account statements that any funds required to match the Program Funds pursuant to the RFA ("Match Funds") comply with 2 C.F.R. Part 200.306(b) and have been deposited into the IDBA; or, in the event the Match Funds are an in-kind contribution, in lieu of cash, including real property upon which the Project is to be constructed or operated and/or Project expenses incurred prior to the Effective Date ("Sunk Costs"), the value of such in-kind contribution has been approved by AHP or DHCS, as may be required and that all Match Funds have been expended for eligible Project costs prior to requesting or expending Program Funds;
- 4.1.8 unless the Sponsor is acquiring real property for the construction or operation of the Project, in which event the Sponsor shall be subject to the requirements as described in Section 4.2.5.1, a copy of a recorded Regulatory Agreement and Declaration of Restrictions ("Declaration of Restrictions") in the form attached to this Agreement as Attachment H that demonstrates that the Sponsor has recorded the Declaration of Restrictions against the real property upon which the Project is to be constructed or operated; provided that, in the event that the Project is being constructed or operated on a leasehold interest, which lease must be for a term of not less than thirty (30) years, the Sponsor shall record the Declaration of Restrictions against the leasehold and the fee interest to the real property upon which the Project is to be constructed or operated;
- 4.1.9 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 4.2.3, an ALTA Lender's Policy of Title Insurance showing the Declaration of Restrictions in the lien priority approved by AHP and only subject to such title exceptions as are approved by AHP, its designee, or DHCS;
- 4.1.10 certificates of insurance evidencing coverages required by this Agreement and naming AHP and DHCS as additional insureds;
- 4.1.11 certifications in the form attached as Attachment F required for the disbursements of Program Funds;
- 4.1.12 a current title report reflecting all exiting liens, encumbrances, taxes owed, easements, covenants or any other restrictions for the real property upon which the Project is to be constructed or operated. If the Sponsor's interest in the real property upon which the Project is to be constructed or operated is a leasehold, then the Sponsor shall provide a current title report for the leasehold interest and the fee interest. For tribal trust land, the 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; and

- 4.1.13 a signed opinion letter from Sponsor's legal counsel certifying that this Agreement, the Declaration of Restrictions, and the Program Requirements do not conflict with any existing contract, agreement, or other requirement applicable to 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 AHP and DHCS, in their sole discretion.
- 4.1.14 Sponsor and DHCS have executed a Facility Access Agreement substantially in the form attached as Attachment L and the Facility Access Certification.

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

- 4.2.1 a fully executed purchase and sale agreement or other agreement evidencing the Sponsor's right to acquire the property upon which the Project is to be constructed or operated;
- 4.2.2 a written appraisal report setting forth an opinion of fair market value of the real property upon which the Project is to be constructed or operated prepared by a certified general appraiser licensed in the State of California ("Certified Appraisal Report"), which shall be in the form and substance acceptable to AHP;
- 4.2.3 a commitment from a title insurance company for an ALTA Lenders Title Insurance policy in a form acceptable to AHP 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 AHP approval. The policy shall insure that the Sponsor holds good and marketable title (fee simple or leasehold) and shall show the Declaration of Restrictions in the lien priority approved by AHP and only subject to such title exceptions as are approved by AHP, its designee, or DHCS;
- 4.2.4 evidence of any additional funds necessary for the Sponsor to acquire the property upon which the Project is to be constructed if the Program Funds are not providing the full amount of the acquisition costs;
- 4.2.5 signed escrow instructions, approved by AHP, providing for the following:
- 4.2.5.1 a Declaration of Restrictions in the form attached to this Agreement as Attachment H shall be recorded at the close of

escrow against the real property upon which the Project is to be constructed or operated.

- 4.2.6 completion of Certification No. 8 included as part of Attachment F shall be submitted to evidence Sponsor's performance of required due diligence; and
- 4.2.7 certifications in the form of Attachment F, required for the disbursements of Program Funds.

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

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

mechanics lien title insurance endorsements reasonably acceptable to AHP; and

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

4.4 Federal Requirements. Prior to disbursement of any Program Funds, DHCS shall provide to Sponsor written notice of DHCS's determination whether Sponsor shall be deemed a subrecipient or beneficiary of the SLFRF federal award pursuant to 42 U.S.C. sections 802 and 803. A Sponsor that is identified as a subrecipient is solely responsible for compliance with requirements applicable to subrecipients of SLFRF funds, including SLFRF statutes at 42 U.S.C. sections 802 and 803, regulations, which include 31 C.F.R. Part 35 and 2 C.F.R. Part 200, and U.S. Department of the Treasury guidance for SLFRF. A subrecipient Sponsor is responsible for completion of U.S. Treasury and State of California SLFRF documentation, reporting and compliance requirements. The State, as the pass-through entity, is responsible for performing pass-through entity responsibilities for managing and monitoring of Sponsors as subrecipients of federal awards. The Sponsor acknowledges that any real or personal property acquired with SLFRF funds is held by the Sponsor in trust of the beneficiaries of the Project.

ARTICLE 5.

CONSTRUCTION PROJECTS/NOTICE TO PROCEED

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

ARTICLE 6.

PERFORMANCE

The Sponsor shall comply with the schedule set forth in the Performance Milestones in Attachment G and shall provide each Certification contained in Attachment F when requested. The Sponsor shall provide regular progress reports to AHP but in all events at least once every thirty (30) days, including its progress toward meeting the Performance Milestones. The Project shall not be considered complete until the submission of either Certification No. 16 or Certification No. 17, as applicable, and Certification No. 18. The Sponsor may apply to AHP for an extension of any Performance Milestones or an extension to submit any required Certification, which AHP may approve based on a showing of good cause and acceptable assurances from the Sponsor for timely completion of the remaining Performance Milestones as determined by AHP. Any extension granted by AHP shall not be effective unless granted in writing, and such writing shall be considered an amendment to this Agreement and incorporated herein. In all events all Program Funds must be obligated by June 30, 2024, and expended by December 31, 2026.

FAILURE TO SATISFY ANY ONE OF THE CERTIFICATIONS AND/OR PERFORMANCE MILESTONES (UNLESS SUCH PERFORMANCE MILESTONE IS EXTENDED) SHALL CONSTITUTE A BREACH OF THIS AGREEMENT AND ENTITLE AHP TO MANDATE THE SPONSOR TO RETURN TO THE STATE OF CALIFORNIA ANY PROGRAM FUNDS

DISBURSED; IN ANY SUCH INSTANCE, AHP MAY, WITH DHCS APPROVAL, ALSO CANCEL THIS AGREEMENT WITHOUT OWING ANY DAMAGES OR OTHER PAYMENT TO THE SPONSOR.

ARTICLE 7.
FISCAL ADMINISTRATION

- 7.1 Disbursements of Program Funds to the Sponsor by AHP shall be deposited in the Sponsor's IDBA account unless such funds are to be used for acquisition of the property upon which the Project is to be constructed or operated, in which event the Program Funds shall be deposited directly into an escrow account established with a title company for the purposes of acquisition of the property upon which the Project is to be constructed or operated. All interest earned from the deposit of Program Funds shall be used by the Sponsor for eligible Program administrative activities; however, any such use shall not exceed Five Hundred Dollars (\$500.00) per year. Program Funds shall be segregated from the Sponsor's other funds and shall only be disbursed from the IDBA account for eligible Program Funds costs.
- 7.2 AHP has approved the Sponsor's budget for the Project incorporated in the SOW at Attachment D, as such budget may be updated prior to issuance of a notice to proceed to the general contractor in accordance with Article 5. Sponsor may adjust line items in the budget, including drawing upon any contingency amounts listed in the budget, without the prior approval of AHP, provided that such adjustments do not increase the overall budget amount and provided further that Sponsor provides notice to AHP of the budget changes. 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 AHP and DHCS.
- 7.3 Sponsor shall notify AHP in a timely manner of any changes in the work required to be performed under this Agreement, including any additions, changes, or deletions to the plans and specifications approved by AHP. The Sponsor shall provide prior notice to AHP of any written change order before any of the following changes, additions, or deletions in work for the Project may be performed: (1) any change in the work the cost of which exceeds Twenty-Five Thousand Dollars (\$25,000); or (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 AHP; or (4) any changes in the schedule that will extend the completion date. Notice of any additions, changes, or deletions to the work shall not relieve or release the Sponsor from any other obligations under this Agreement or relieve or release the Sponsor or its surety from any surety bond.

- 7.4 The Sponsor shall provide AHP with an updated budget and schedule for the Project when 50% completion of construction work is achieved that shows all changes in costs and schedule from the budget and schedule provided to AHP prior to issuance of the Notice 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 DHCS with any accrued interest in excess of Five Hundred Dollars (\$500.00) per year, which may be used pursuant to Section 7.1 for administrative activities. Returned Program Funds shall be paid as directed by AHP or DHCS, no later than thirty (30) calendar days after the expiration of the applicable Base Performance Period.

ARTICLE 8.

CHANGES TO STATEMENT OF WORK

- 8.1 The Sponsor shall not change the behavioral health purpose of the Sponsor's Project described in the Sponsor's Application and reflected in the SOW without the prior approval of DHCS, which may include consultation with AHP. DHCS's decision to disapprove a request to change the Sponsor's SOW is fact-specific, and the decision shall be final and not subject to further review. The Sponsor shall submit to DHCS, and provide a copy to AHP, a written request to change the behavioral health purpose of the Project described in the Application and the SOW, which shall include a detailed description of the following criteria:
- 8.1.1 the changes to the services or the Project that the Sponsor is requesting to make;
 - 8.1.2 a detailed explanation of why the change is necessary and justification for how the change in the Sponsor's Project meets the changing behavioral health needs of the county or geographic area that the Project serves.
 - 8.1.3 the behavioral health population, services, and needs that the Sponsor's change will meet;
 - 8.1.4 an attestation that the Sponsor will serve the same percentage (or more) of Medi-Cal beneficiaries as originally stated in Sponsor's Application;
 - 8.1.5 anticipated additional costs of changes to the Project, including a financial plan for meeting additional costs; and
 - 8.1.6 any other information requested by AHP or DHCS to evaluate the Sponsor's request.

Any changes to the SOW approved by DHCS shall be provided to AHP and considered an amendment to this Agreement and incorporated herein.

- 8.2 The Sponsor is solely liable and responsible for any increases in costs that exceed the Program Fund award. In no event shall AHP or DHCS be responsible for any costs that exceed the Program Funds amount awarded for the Sponsor's Project. In the event that Project costs exceed the funds that Sponsor has available to pay

such costs, the Sponsor shall within thirty (30) days of such occurrence provide for AHP's approval a financial plan for meeting such additional costs which additionally may be approved or disapproved by DHCS, in its sole discretion. A financial plan for meeting additional costs may include the Sponsor providing additional funds for the Project or the Sponsor incurring additional debt. The Sponsor shall not incur any additional debt without the prior written approval of AHP and DHCS.

ARTICLE 9.

DEFAULT AND REMEDIES

- 9.1 Event of Default. Any of the following shall, after notice by AHP or DHCS and expiration of any applicable cure period, constitute an "Event of Default" under this Agreement:
- 9.1.1 The Sponsor's failure to satisfy the conditions precedent to disbursement of Program Funds as set forth in Article 4 above, or to expend Program Funds pursuant to the terms of this Agreement.
 - 9.1.2 The Sponsor's failure to timely satisfy each or any of the conditions set forth in this Agreement, or the Award Letter.
 - 9.1.3 The Sponsor's violation of any of the Program Requirements.
 - 9.1.4 AHP's or DHCS's determination of the following:
 - 9.1.4.1 the Sponsor has concealed any material fact from AHP or DHCS related to the Sponsor, the Application, the property upon which the Project is to be constructed or operated or the Project; or
 - 9.1.4.2 any material fact or representation, made or furnished to AHP or DHCS by the Sponsor in connection with the Application, the Award Letter, or this Agreement which shall have been untrue or misleading at the time that such fact or representation was made known to AHP, or subsequently becomes untrue or misleading; or
 - 9.1.4.3 any Certification provided by the 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 AHP's and DHCS's satisfaction, as determined by AHP and DHCS, 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 AHP, with DHCS approval, may declare an Event of Default under this Agreement.

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

9.3 AHP/State/DHCS Remedies. Upon the occurrence of an Event of Default, AHP and/or DHCS may take any and all actions or remedies that are available under this Agreement, 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 noncompliance, breach, violation, or default;

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

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

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

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

9.3.6 any and all remedies under the Declaration of Restrictions;

9.3.7 specific performance;

9.3.8 injunctive relief;

9.3.9 recovery and completion of the Project pursuant to the payment and performance bonds; and

9.3.10 any and all remedies allowed by law or equity.

ARTICLE 10. **TERMINATION**

10.1 AHP and/or DHCS, shall have the right, each in its sole discretion and without prejudice to any other rights and remedies it may have under applicable law, to terminate this Agreement immediately upon notice of such termination to the Sponsor, if (i) an Event of Default occurs; (ii) three (3) breaches, violations or defaults by the Sponsor of the terms and conditions of this Agreement (whether the same or different) occur within any twelve-month period, regardless of

whether any or all such breaches, violations or defaults are timely corrected; (iii) the Sponsor files a petition in bankruptcy or is adjudicated by a court of competent jurisdiction to be bankrupt or insolvent, or makes an assignment for the benefit of creditors or an arrangement pursuant to any bankruptcy law, or if the Sponsor discontinues or dissolves its business or if a receiver is appointed for the Sponsor or the Sponsor's business; (iv) any lender to the Sponsor declares a default under its loan agreement, or funds available to the Sponsor from any lender become unavailable such that the Sponsor is unable to timely satisfy obligations under this Agreement; or (v) the Sponsor's failure to provide AHP or DHCS with adequate assurances within a reasonable time that Sponsor is financially solvent, or AHP or DHCS determines, that the Sponsor is financially insecure.

- 10.2 Notwithstanding the foregoing, or anything to the contrary stated herein, AHP may terminate this Agreement upon thirty (30) days' notice if the Prime Contract is terminated by DHCS, or if AHP is directed by DHCS to terminate this Agreement.
- 10.3 Upon termination of this Agreement for any reason, neither AHP nor DHCS shall be liable for any work that is not performed in accordance with the Agreement. Upon any termination, neither AHP nor DHCS shall be responsible for any additional disbursements of Program Funds after the termination date or for any damages to the Sponsor as a result of such termination.

ARTICLE 11. **INSURANCE**

- 11.1 Insurance Requirements. The Sponsor shall continuously maintain for the duration of this Agreement, and so long as the Declaration of Restrictions is in place, the following insurance 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.
- 11.1.5 Commercial general liability insurance of not less than \$1,000,000 per occurrence with an annual aggregate limit of \$5,000,000 for bodily injury and property damage liability combined. 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 the Sponsor's limit of liability.
- 11.2 Policy Requirements. All policies, except Workers' Compensation, shall be endorsed to name AHP and endorsed to name the "State Department of Health Care Services on behalf of the State (Agreement No.: 21-10349)" as an Additional Insured with respect to the work to be performed by the Sponsor. The endorsements and policies will provide that the insurer waives its rights of subrogation, and the insurer will provide notice to AHP in writing at least thirty (30) days prior to any cancellation, material change in coverage, or intent not to renew such insurance coverage. All such insurance must be primary and non-contributory and required to respond and pay prior to any other insurance or self-insurance available. AHP, in its sole discretion, may accept evidence of self-insurance if AHP determines that such self-insurance provides adequate coverage.
- 11.3 Contractor Insurance Requirements. The Sponsor shall require its general contractor and its subcontractors to provide insurance in the amounts and form set forth above during the course of construction (except the general contractor shall not be required to maintain Builder's Risk insurance or property insurance) and to name AHP and endorsed to name the "State Department of Health Care Services on behalf of the State (Agreement No.: 21-10349)" as additional insureds on all such insurance during the course of construction.
- 11.4 Certificates of Insurance. Upon AHP's request, the Sponsor shall immediately deposit with AHP a certificate of insurance evidencing the above insurance coverage and naming AHP and the "State Department of Health Care Services on behalf of the State (Agreement No.: 21-10349)" as additional insured parties under such policies. The 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, the Sponsor shall provide to AHP, 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 DHCS a new certificate of insurance evidencing insurance coverage as provided herein for a period not less than thirty (30) years from the date of either

of the following: (i) the date of issuance of a Certificate of Occupancy, or (ii) the date of recordation of a Notice of Completion, in the official records of the county where the Project is located.

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

ARTICLE 12. **OPERATIONS**

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 H. The Declaration of Restrictions shall by its terms restrict the development, use, and occupancy of the Project for the term of thirty (30) years, from either the date of the issuance of a Certificate of Occupancy, or the recordation of a Notice of Completion, in the official records of the county in which the Project is located. In addition to any requirements in the Declaration of Restrictions, 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. The facility or facilities financed pursuant to this Agreement shall accept and provide services to Medi-Cal beneficiaries as patients. If the Sponsor transfers title to the Project, the Sponsor shall ensure and guarantees that the requirements of this provision transfer and bind the Sponsor's successor in title and Sponsor shall comply with U.S. Department of the Treasury disposition requirements for SLFRF-funded property, including the applicable provisions in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. (See 2 C.F.R. §§ 200.311, 200.313, 200.314, 200.315.). These rights and obligations shall survive the expiration or early termination of this Agreement and are covenants running with the Project pursuant to the Declaration of Restrictions in the form of Attachment H to be recorded against the Project. During the Term of this Agreement and the term of the Declaration of Restrictions, the Sponsor shall execute such other documents as required by DHCS to comply with the Program Requirements, including deed restrictions, covenants and conditions recorded against the Project.

ARTICLE 13.
POLICIES AND LEGAL AUTHORITIES

- 13.1 The Sponsor shall comply with all California and federal law, regulations, and published guidelines, to the extent that these authorities contain requirements applicable to the Sponsor's performance under this Agreement, including any licensing and health and safety requirements.
- 13.2 The Sponsor shall comply with California Welfare and Institutions Code sections 5960–5960.45 *et seq.*, including any related DHCS guidance, regulations, and/or subsequent additions or amendments thereto.
- 13.3 The Sponsor shall comply with applicable requirements for SLFRF funds, including SLFRF statutes at 42 U.S.C. sections 802 and 803, regulations, which include 31 C.F.R. Part 35 and 2 C.F.R. Part 200, Compliance and Reporting guidance for Coronavirus State and Local Fiscal Recovery Funds, and any other U.S. Department of the Treasury guidance for SLFRF. These federal statutes, regulations, and guidance preempt and supersede any terms in this Agreement that do not comply or meet the federal requirements and standards for SLFRF funds.
- 13.4 In the event the Sponsor does not comply with the terms of this Article 13, AHP shall give notice in accordance with Section 20.7 and shall have all rights set forth in Article 9 and Article 10.

ARTICLE 14.
INDEMNIFICATION

- 14.1 The Sponsor shall indemnify, defend, and hold harmless AHP, its officers, employees, and agents, and DHCS, its officers, employees, and agents, against liabilities to third persons and other losses (not compensated by insurance or otherwise), and for any costs and expenses incurred by AHP and DHCS, including reasonable attorneys' fees, judgments, settlements or penalties, against all liabilities, claims, suits, demands or liens for damages to persons or property ("Claims") (unless such Claims arise from the gross negligence or willful misconduct of AHP or DHCS) arising out of, resulting from, or relating to, the Sponsor's performance under this Agreement, and including, but not limited to, the following:
- 14.1.1 any act, omission, or statement of the Sponsor, or any person employed by or engaged under contract with the Sponsor, that results in injury (including death), loss, or damage to any person or property;
- 14.1.2 any failure on the part of the Sponsor to comply with applicable Program Requirements and requirements of law;
- 14.1.3 any failure to maintain the insurance policies required by this Agreement or the work performed, inclusive of intellectual property infringement, if applicable, under this Agreement. Insurance coverage that may be required shall in no way lessen or limit the liability of the Sponsor under the terms of this obligation;

- 14.1.4 any failure on the part of the Sponsor to satisfy all claims for labor, equipment, materials and other obligations relating to the performance of the work hereunder;
- 14.1.5 any injury to property or person occurring on or about the infrastructure or the property of the Sponsor; or
- 14.1.6 any claims related to the use, generation, storage, release, threatened release, discharge, disposal or presence of hazardous materials on, under or about the property upon which the Project is to be constructed.
- 14.2 The Sponsor shall indemnify AHP and DHCS under this clause for any of the above acts attributable to its employees, consultants, agents, and/or lower-tiered subcontractors engaged in performance of the work under this Agreement. AHP or DHCS shall provide timely notice of any Claim describing in reasonable detail such facts and circumstances with respect to such Claim. The Sponsor shall defend AHP and DHCS with counsel reasonably acceptable to AHP and DHCS. AHP and DHCS 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. The Sponsor shall not settle any Claim without the consent of AHP and DHCS, as applicable.
- 14.3 The Sponsor agrees to indemnify, defend and save harmless AHP and its officers, agents and employees, and DHCS and 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 the Sponsor in the performance of this Agreement.
- 14.4 This indemnification shall survive the expiration or termination of the Agreement.

ARTICLE 15. **PREVAILING WAGE**

Any construction work that is part of the Sponsor's Project is subject to state and federal prevailing wage law, including California Labor Code section 1720 *et seq.* The Sponsor is urged to seek professional legal advice about prevailing wage law requirements and the Sponsor's obligations thereunder. Prior to disbursing the Program Funds, Sponsor must sign Certification No. 1 and the Sponsor's general contractor must sign Certification No. 12 certifying compliance with California's prevailing wage law, and all applicable wage and hours laws. 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, the Sponsor shall provide a Phase I Environmental Site Assessment ("ESA") for the Project, in conformance with ASTM Standard Practice E 1527, evaluating whether the Project is affected by any recognized environmental conditions. If the Phase I ESA discloses evidence of recognized environmental conditions and the Sponsor desires to proceed with the Project, the Sponsor shall provide AHP with a Phase II report and any additional reports as required by the AHP and in a form acceptable to AHP. The Sponsor shall also provide an asbestos assessment and a lead-based paint report for AHP's approval if the Project involves rehabilitation or demolition of existing improvements. Prior to disbursement of Program Funds for real property acquisition, AHP shall require the Sponsor to sign Certification No. 8 certifying that all recommendations of the Phase I or Phase II ESA have been complied with or shall be complied with prior to commencement of construction. Prior to disbursement of Program Funds for any rehabilitation work, AHP shall require the Sponsor to sign Certification No.8 certifying that all asbestos and/or lead-based paint has been abated.

ARTICLE 17.
RELOCATION

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

ARTICLE 18.
INSPECTIONS, AUDITS, AND RECORD RETENTION

- 18.1 AHP or any of their authorized representatives shall have the right to access any documents, papers, or other records of the 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 the Sponsor's, books and records, in addition to site inspections, as AHP deems appropriate.
- 18.2 AHP may perform compliance reviews, review procedures and documents pertaining to the SOW and other elements of this Agreement, perform onsite visits, and desk reviews in order to ensure the Sponsor's compliance with this Agreement, as well as protect against fraud, waste and abuse.
- 18.3 The right to access records also includes timely and reasonable access to the Sponsor's personnel for the purpose of interview and discussion related to the requested documents and/or information.

- 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 the Sponsor.
- 18.5 The Sponsor shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Project and the Program Funds in accordance with 2 CFR section 200.334.
- 18.6 The Sponsor recognizes and acknowledges that DHCS is a public entity subject to the Public Records Act and information submitted by the Sponsor to AHP or directly to DHCS may be subject to public disclosure and the Sponsor has no right to assume that such information shall be kept confidential.
- 18.7 Any review or inspection undertaken by AHP or its designee with reference to the Project is solely for the purpose of determining whether the Sponsor is properly discharging its obligations to DHCS and should not be relied upon by the Sponsor or by any third parties as a warranty or representation by AHP or DHCS as to the quality of the design or construction of the Project.
- 18.8 The Sponsor agrees that claims based upon an audit finding, and/or an audit finding that is appealed and upheld, shall be recovered by AHP by one of the following options:
- 18.8.1 the Sponsor's remittance to AHP of the full amount of the audit exception within thirty (30) days following AHP's request for payment; or
- 18.8.2 a repayment schedule which is agreeable to both AHP and the Sponsor.

AHP reserves the right to select which option described above shall be employed, and AHP shall notify the Sponsor in writing of the claim procedure to be utilized. Interest on the unpaid balance of the audit finding or debt shall accrue at a rate equal to maximum allowed by applicable law.

- 18.9 Sponsor shall provide to AHP an executed Facility Access Certification "Execution of Facility Access Agreement with State of California, Department of Health Care Services" in connection with DHCS's right to inspect, audit and review Sponsor's compliance with this Agreement and the Program Requirements within thirty (30) days of Sponsor's receipt of the Contract with the State of California Department of Health Care Services.

ARTICLE 19.

THIRD-PARTY BENEFICIARIES

The State, represented by DHCS in this Agreement, is a third-party beneficiary of this Agreement. The Agreement shall not be construed so as to give any other person or entity, other than the Parties and DHCS, any legal or equitable claim or right. DHCS or another authorized department or agency representing the State may enforce any provision of this Agreement to the full extent permitted in law or equity as a third-party beneficiary of this Agreement. The State may take any and all remedies available in law 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 the 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 Dispute Resolution provisions do not apply to 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 Attorney's Fees provisions do not apply to the State.

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

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

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

- 20.6 Relationship. The Sponsor is an independent contractor with respect to AHP. This Agreement is not intended to create a partnership, joint venture, employment, or fiduciary relationship between the Parties or between any Party hereto and DHCS.
- 20.7 Notices. Notices under this Agreement must be (i) in writing, (ii) addressed to the receiving Party at the address described in 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 AHP, Mark Faucette at mfaucette@ahpnet.com and Euna Ra-Smith at era-smith@ahpnet.com, (ii) for the Sponsor, _____ and _____. A Party may change a Designated Representative only upon notice to the other Party pursuant to the requirements of Section 20.7(iii) (A), (B) or (C).
- 20.7.1.2 If the sender receives a bounce back, out-of-office or other automated response indicating non-receipt, the sender shall (i) re-attempt delivery until the other Party confirms receipt, or (ii) deliver the item in accordance with Section 20.7(iii) (A), (B) or (C).
- 20.8 Governing Law. The place of performance of this Agreement is California and the laws of the State of California shall govern the validity, performance, enforcement, and interpretation of this Agreement. Any litigation or enforcement of an award must be brought in the appropriate federal or state court in the State of California, County of Sacramento. Each Party consents to personal and subject matter jurisdiction and venue in such courts and waives the right to change venue with respect to any such proceeding. The Parties acknowledge that all directions issued by the forum court, including injunctions and other decrees, shall be binding and enforceable in all jurisdictions and countries.
- 20.9 Assignment. The Sponsor shall not assign, delegate, or otherwise transfer this Agreement, or its duties or obligations in connection therewith, in whole or in part without the prior approval of AHP and DHCS. AHP's obligations under this

Agreement shall be assignable to DHCS or DHCS's designee upon DHCS's request without the Sponsor's consent. In the event that AHP assigns its obligations under this Agreement to DHCS, AHP shall make commercially reasonable efforts to transition any reasonably necessary documentation related to this Agreement to DHCS or its designee; provided, however, that AHP shall have no obligation to incur any liability, 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. AHP and the Sponsor, each, have reviewed and negotiated this Agreement using such independent legal and tax counsel as each has deemed appropriate. The Sponsor further acknowledges that it has been afforded the opportunity to obtain legal and tax advice concerning its legal and financial duties and obligations, including its state and federal tax liabilities related to its receipt of Program Funds, and hereby confirms by the execution and delivery of this Agreement that it has either done so or waived its right to do so in connection with the entering into this Agreement. For the avoidance of doubt, the Sponsor shall be solely responsible for its tax liabilities related to its receipt of Program Funds.
- 20.12 Exhibits. The Attachments, Schedules, and Addenda attached to this Agreement are a part of this Agreement and incorporated into this Agreement by reference.
- 20.13 Partial Invalidity. If any part of this Agreement is unenforceable, the remainder of this Agreement and, if applicable, the application of the affected provision to any other circumstance, shall be fully enforceable.
- 20.14 Captions. The headings contained herein are for convenience only and are not intended to define, limit, or describe the scope or intent of any provision of this Agreement.
- 20.15 Force Majeure. Neither Party shall be liable to the other for loss or damages due to failure or delay in rendering performance caused by circumstances beyond its reasonable control, if such failure could not have been overcome by the exercise of due diligence, due care, or foresight. 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 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 the Sponsor obtains knowledge thereof, the Sponsor shall provide written notice to AHP of (i) any litigation or governmental proceeding pending against the Sponsor which could materially adversely affect the business, operations, property, assets, condition (financial or otherwise) or prospects of the Sponsor, and (ii) any other event which is likely to materially adversely affect the business, operations, property, assets, condition (financial or otherwise) or prospects of the Sponsor.
- 20.18 Survival. Except as otherwise stated, sections that by their terms impose continuing obligations or establish continuing rights shall be deemed to survive the expiration or termination of this Agreement.
- 20.19 Successors. This Agreement shall be binding upon the Parties, their successors, and assigns.
- 20.20 Approvals. Whenever this Agreement calls for 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 Timeliness. Time is of the essence in this Agreement.
- 20.22 Counterparts; Electronic Signatures. The Parties may sign this Agreement in several counterparts, each of which constitutes an original, but all of which together constitute one instrument. Electronic signatures are valid and shall bind the Party delivering such signature.

SIGNATURES ON THE FOLLOWING PAGE

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

**ADVOCATES FOR HUMAN
POTENTIAL, INC.**

xxx

Print or Type Name of the Sponsor

By: _____

**CHARLES GALLAND, CHIEF
OPERATING OFFICER**

Signature of Sponsor Representative

Date: _____

Print or Type Name of Person Signing

Representative Title

Date: _____

LIST OF ATTACHMENTS

Title	No. of Pages
Attachment A – State Requirements	14
Attachment B – Certification Regarding Lobbying	4
Attachment C – The Sponsor Public Works Certification	5
Attachment D – Statement of Work	7
Attachment E – Payment Schedule	1
Attachment F – The Sponsor Compliance Certifications	36
Attachment G – Performance Milestones	1
Attachment H – Regulatory Agreement and Declaration of Restrictions	12
Attachment I – Construction Contract Addendum	7
Attachment J – RFA	21
Attachment K – Award Letter	2
Attachment L – Facility Access Agreement	9

STATE REQUIREMENTS

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

1. Federal Equal Opportunity Requirements.

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

Employment Opportunity,' and as supplemented by regulation at 41 CFR part 60, "Office of the Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," and of the rules, regulations, and relevant orders of the Secretary of Labor.

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

2. Travel and Per Diem Reimbursement.

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

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

3. Procurement Rules.

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

a. Equipment/Property Definitions.

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

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

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

- b.** Government and public entities (including state colleges/universities and auxiliary organizations), whether acting as a contractor and/or subcontractor, may secure all commodities, supplies, equipment and services related to such purchases that are required in performance of this Agreement. Said procurements are subject to Paragraphs d through h of Provision 3. Paragraph c of Provision 3 shall also apply, if equipment/property purchases are delegated to subcontractors that are nonprofit organizations or commercial businesses.
- c.** Intentionally Omitted.
- d.** Intentionally Omitted.
- e.** In special circumstances, determined by AHP (e.g., when AHP has a need to monitor certain purchases, etc.), AHP may require prior written authorization

and/or the submission of paid vendor receipts for any purchase, regardless of dollar amount. AHP reserves the right to either deny claims for reimbursement or to request repayment for any Sponsor purchase that AHP determines to be unnecessary in carrying out performance under this Agreement.

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

4. Equipment/Property Ownership/Inventory/Disposition.

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

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

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

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

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

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

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

5. Subcontract Requirements.

- a. Intentionally Omitted.

- b. AHP reserves the right to approve or disapprove the selection of subcontractors and with advance written notice, require the substitution of subcontractors and require the Sponsor to terminate subcontracts entered into in support of this Agreement.
 - (1) Upon receipt of a written notice from AHP requiring the substitution and/or termination of a subcontract, the Sponsor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within thirty (30) calendar days, unless a longer period is agreed to by DHCS.
- c. Actual subcontracts (i.e., written agreement between the Sponsor and a subcontractor) of \$5,000 or more are subject to the prior review and written approval of DHCS. DHCS may, at its discretion elect to waive this right. All such waivers shall be confirmed in writing by DHCS.
- d. The Sponsor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by AHP, make copies available for approval, inspection, or audit.
- e. AHP assumes no responsibility for the payment of subcontractors used in the performance of this Agreement. The Sponsor accepts sole responsibility for the payment of subcontractors used in the performance of this Agreement.
- f. The Sponsor is responsible for all performance requirements under this Agreement even though performance may be carried out through a subcontract.
- g. The Sponsor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement.
- h. The Contractor agrees to include the following clause, relevant to record retention, in all subcontracts for services:
 - i. The Sponsor agrees to maintain and preserve, until three years after termination of this Agreement and final payment from AHP, to permit AHP or DHCS or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records.
 - j. Unless otherwise stipulated in writing by AHP, the Sponsor shall be the Sponsor's sole point of contact for all matters related to performance and payment under this Agreement.
- k. Sponsor shall, as applicable, advise all subcontractors of their obligations to comply with this Attachment.

6. Income Restrictions.

Unless otherwise stipulated in this Agreement, the Sponsor agrees that any refunds income, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Sponsor under this Agreement are subject to the provisions of 2 C.F.R. section 200.307 and U.S. Department of the Treasury guidance. Income shall be paid by the Sponsor to AHP so that AHP can pay DHCS, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by AHP under this Agreement.

7. Audit and Record Retention.

- a. The Sponsor shall maintain books, records, documents, and other evidence, accounting procedures and practices, sufficient to properly reflect all direct and indirect costs of whatever nature claimed to have been incurred in the performance of this Agreement, including any matching costs and expenses. The foregoing constitutes "records" for the purpose of this provision.
- b. The Sponsor's facility or office or such part thereof as may be engaged in the performance of this Agreement and his/her records shall be subject at all reasonable times to inspection, audit, and reproduction.
- c. Sponsor agrees that AHP, DHCS, the Department of General Services, the Bureau of State Audits, or their designated representatives including the Comptroller General of the United States shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Sponsor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Sponsor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (GC 8546.7, CCR Title 2, section 1896.77)
- d. The Sponsor shall preserve and make available his/her records (1) for a period of three years from the date of final payment under this Agreement, and (2) for such longer period, if any, as is required by applicable statute, by any other provision of this Agreement, or by subparagraphs (1) or (2) below.
 - (1) If this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.
 - (2) If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three-year period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later.
- e. The Sponsor may, at its discretion, following receipt of final payment under this Agreement, reduce its accounts, books and records related to this Agreement to microfilm, computer disk, CD ROM, DVD, or other data storage medium. Upon

request by an authorized representative to inspect, audit or obtain copies of said records, the Sponsor must supply or make available applicable devices, hardware, and/or software necessary to view, copy and/or print said records. Applicable devices may include, but are not limited to, microfilm readers and microfilm printers, etc.

- f. The Sponsor shall, if applicable, comply with the Single Audit Act and the audit requirements set forth in 2 C.F.R. § 200.501 (2014).

8. Site Inspection.

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

9. Intentionally Omitted.

10. Intentionally Omitted.

11. Warranties.

The Sponsor represents and warrants that:

- a. It is free to enter into and fully perform this Agreement.
- b. It has secured and will secure all rights and licenses necessary for its performance of this Agreement.
- c. It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to AHP or 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 the Sponsor's performance of this Agreement.
- f. All materials and equipment furnished with respect to the Project and all work performed by the Sponsor will be of good and workmanlike quality, free from faults and defects, and in conformance with the Agreement.
- g. It shall comply with all applicable laws in connection with its performance of its obligations under this Agreement.

- h. It has disclosed to AHP and/or DHCS, the composition of the Sponsor, including any entity, member, manager, partner, or person that directly or indirectly owns or controls, is owned or controlled by, or is under common ownership or common control with the Sponsor ("Related Party" or "Related Parties") and shall promptly disclose to AHP and/or DHCS, during the Term of this Agreement, any change in ownership or control of the Sponsor or any merger or acquisition that changes the control of the Sponsor. For purposes of this Agreement, "control" shall mean any entity that has an ownership interest of greater than twenty percent (20%) in the Sponsor, or, has the authority to direct or cause the direction of the affairs or management of the Sponsor.
- i. It shall disclose to AHP and/or DHCS, during the Term of this Agreement, promptly upon the existence or discovery of the existence of an actual or potential transaction, agreement, or settlement with a Related Party in connection with the Project ("Related Party Transaction").
- j. It shall disclose to AHP and/or DHCS, during the Term of this Agreement, promptly upon the existence or discovery of the existence of a Related Party or a Related Party Transaction: (1) the nature of the relationship, (2) the nature of the potential or actual transaction, agreement, or settlement, (3) the dollar amounts of any such transaction, agreement, or settlement, (4) the dollar amounts due to or from a Related Party, and (5) documents and any additional information, as may be required by AHP and/or DHCS in their sole discretion.
- k. The provisions set forth herein shall survive any termination or expiration of this Agreement or any Project schedule.

12. Air or Water Pollution Requirements.

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

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

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

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

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

14. Confidentiality of Information.

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

15. Intentionally Omitted.

16. Intentionally Omitted.

17. Intentionally Omitted.

18. Intentionally Omitted.

19. Novation.

If the Contractor proposes any novation agreement, DHCS shall act upon the proposal within 60 days after receipt of the written proposal. DHCS may review and consider the proposal, consult and negotiate with the Contractor, and accept or reject all or part of the proposal. Acceptance or rejection of the proposal may be made orally within the 60-day period and confirmed in writing within five days of said decision. Upon written acceptance of the proposal, DHCS will initiate an amendment to this Agreement to formally implement the approved proposal.

20. Debarment and Suspension Certification.

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

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

- d. The terms and definitions herein have the meanings set out in 2 CFR Part 180 as supplemented by 2 CFR Part 376.
- e. If the Sponsor knowingly violates this certification, in addition to other remedies available to the Federal Government, DHCS may terminate this Agreement for cause or default.

21. Intentionally Omitted.

22. Intentionally Omitted.

23. Intentionally Omitted.

24. Intentionally Omitted.

25. Officials Not to Benefit.

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

26. Intentionally Omitted.

27. Intentionally Omitted.

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

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

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

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

5. Use the services and assistance, as appropriate, of such organizations as the Federal Small Business Administration and the U.S. Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms, and women's business enterprises.

29. Intentionally Omitted.

30. Intentionally Omitted.

31. Intentionally Omitted.

32. Suspension or Stop Work Notification.

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

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

33. Intentionally Omitted.

34. Compliance with Statutes and Regulations.

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

35. Intentionally Omitted.

Attachment B

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

CERTIFICATION REGARDING LOBBYING

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

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

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

Name of the Sponsor

Printed Name of Person Signing for Sponsor

Contract Number

Signature of Person Signing for Sponsor

Date

Title

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

CERTIFICATION REGARDING LOBBYING

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

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

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

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

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

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.

2. Identify the status of the covered Federal action.

3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the

change occurred. Enter the date and of the last previously submitted report by this reporting entity for this covered Federal action.

4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the first tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.

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

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

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

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

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

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

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

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

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

THE SPONSOR PUBLIC WORKS CERTIFICATION

The Sponsor Certification Clause

CCC 04/2017

CERTIFICATION

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

Sponsor/Bidder Firm Name (Printed)	Federal ID Number

By (Authorized Signature)

Printed Name and Title of Person Signing

Date Executed	Executed in the County of

The SPONSOR CERTIFICATION CLAUSES

ARTICLE 1. STATEMENT OF COMPLIANCE:

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

ARTICLE 2. DRUG-FREE WORKPLACE REQUIREMENTS:

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

- a) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- b) Establish a Drug-Free Awareness Program to inform employees about:
 1. the dangers of drug abuse in the workplace;

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

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and the Sponsor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: (1) the Sponsor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (GC8350 *et seq.*)

ARTICLE 3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION:

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

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

The Sponsor hereby certifies that the Sponsor will comply with the requirements of section 6072 of the Business and Professions Code, effective January 1, 2003.

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

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

ARTICLE 5. SWEATFREE CODE OF CONDUCT

- a) All Sponsors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment,

materials, or supplies, other than procurement related to a public works Agreement, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the Agreement have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The Sponsor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov and Public Contract Code section 6108.

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

ARTICLE 6. DOING BUSINESS WITH THE STATE OF CALIFORNIA

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

6.1 LABOR CODE/WORKERS COMPENSATION:

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

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

It is further agreed that the maximum hours a worker is to be employed is limited to eight hours a day and 40 hours a week and the contractor 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 1810-1815, inclusive.

Properly registered apprentices may be employed in the prosecution of the work. Every such apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade at which he or she is employed, and shall be employed only at the work of the craft or

trade to which he or she is registered. The contractor and each subcontractor must comply with the requirements of Labor Code section 1777.5 and any related regulations regarding the employment of registered apprentices.

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

6.2 AMERICAN WITH DISABILITIES ACT:

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

6.3 THE SPONSORS NAME CHANGE:

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

6.4 CORPORATE QUALIFICATION TO DO BUSINESS IN CALIFORNIA:

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

6.5 RESOLUTION:

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

6.6 AIR OR WATER POLLUTION VIOLATION:

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

prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

6.7 PAYEE DATA RECORD FORM STD. 204:

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

6.8 CALIFORNIA CIVIL RIGHTS LAWS:

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

6.9 EMPLOYER DISCRIMINATION POLICIES:

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

6.10 ANTITRUST CLAIMS:

The Sponsor offers and agrees and will require all of its contractors and subcontractors and suppliers to agree to assign to the awarding body all rights, title, and interest in and to all causes of action they may have under section 4 of the Clayton Act (Title 15, U.S.C. 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 the contractor and all additional assignments made by the subcontractors and suppliers shall be deemed to have been made and will become effective at the time the awarding body tenders final payment to the contractor without further acknowledgment or the necessity of tendering to the awarding body any written assignments.

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

Attachment D

STATEMENT OF WORK

ATTACHMENT D

STATEMENT OF WORK ("SOW")

A: PROJECT AND SPONSOR INFORMATION	
Project UUID:	Sponsor Name:
Project Title:	Legal Name:
Grant Project Address:	Entity Type:
APN(s) #:	Co-Applicant:
	Facility Category Type(s) (Residential and/or Outpatient):
	Acquisition with Grant Funds (Y/N):
B: LEAD AUTHORIZED REPRESENTATIVE	C: PROGRAM FUNDS & CASH MATCH AMOUNT
First and Last Name:	Program Funds:
Title/Role:	Cash Match:
Office Phone #:	Total Funds:
Mobile Phone #:	
Email:	
D: PROJECT NARRATIVE	
E: PROJECT EXPANSION SCOPE REQUIREMENTS	

Facility Type 1:	# New Beds:	# New Slots:
Facility Type 2:	# New Beds:	# New Slots:
Facility Type 3:	# New Beds:	# New Slots:
Facility Type 4:	# New Beds:	# New Slots:
Facility Type 5:	# New Beds:	# New Slots:
Total New Square Footage Funded by Expansion:	Total # New Beds:	Total # New Slots:

F: TASKS		
TASK 1: MATCH /EQUITY CASH DEPOSIT		
Project Billing Task # 1	Description/Deliverables	\$ FUNDS ALLOTED
7469.00- XXX	<p>Sponsor shall either:</p> <ul style="list-style-type: none"> • Deposit any Match Funds in the form of cash into the Individual Development Bank Account within Ninety (90) days of execution of this document or; • Provide Documentation to AHP that shall satisfy that Sponsor has an In-Kind Match for either: <ul style="list-style-type: none"> ○ Property Value Documentation (Tax Assessor's Value or Certified Appraisal) ○ Sunk Costs Value Documentation (paid receipts, invoices, payment validation) <p>Sponsor shall submit to AHP the following <u>prior</u> to the disbursement of any Program Funds:</p> <ul style="list-style-type: none"> • Deliverables: <ul style="list-style-type: none"> ○ Executed Program Funding Agreement ○ Completed Government Agency Taxpayer ID Form ○ Authorizing Resolution(s) ○ Evidence of Establishment of IDBA Account ○ Evidence of Deposit of Cash Match Funds into IDBA ○ Recorded Declaration of Restrictions ○ Current Title Report ○ ALTA Lender's Policy of Title Insurance, showing the Declaration of Restrictions ○ Opinion Letter by Legal Counsel ○ Certificates of Insurance if no acquisition ○ Complete Draw Request for Expenditure of Cash Match Funds ○ Executed Facility Access Agreement with State of California, Dept. of Health Care Services 	<p>CASH MATCH AMOUNT AS REQUIRED TO START PROJECT</p> <p>[CASH MATCH MUST BE EXPENDED PRIOR TO DISBURSEMENT OF PROGRAM FUNDS TO SPONSOR]</p>

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	<ul style="list-style-type: none">• Certifications as provided by AHP:<ul style="list-style-type: none">○ Facility Access Certification – Execution of Contract with State of California, Dept. of Health Care Services○ Certification # 2 - Related Party and Related Party Transaction Disclosure○ Certification # 3 - Execution of Program Funding Agreement○ Certification # 4 - Match Funds, Property Equity, or In-Kind Match○ Certification # 5 - Declaration of Restrictions, in the event of no acquisition by Sponsor○ Certification # 6 – Legal Review of CA Welfare and Institution Code §5960.3(a) <p>Future Project Funding is dependent on successful completion of deliverables and Certifications of this Task 1.</p>	
TASK 2: DUE DILIGENCE / FEASIBILITY / DEVELOPMENT PLANNING		
Project Billing Task # 2	Description/Deliverables	
7469.00-XXX	<p>Sponsor shall submit to AHP the following:</p> <ul style="list-style-type: none">• <u>Deliverables:</u><ul style="list-style-type: none">○ Phase 1 Environmental Report, if necessary○ Phase 2 Environmental Report, if necessary○ Asbestos Assessment and Lead Based Paint Report, if necessary○ Evidence of Remediation or Abatement, if necessary○ Planning Agency Review Narrative, if necessary○ Complete Set of Approved/Stamped Construction Drawings (digital format), if necessary○ Building Permits, if necessary○ Executed Construction Contract with Construction Contract Rider Attached, if necessary○ Complete Draw Request for Program Funds, submitted every 30 days as needed• <u>Certifications as provided by AHP:</u><ul style="list-style-type: none">○ Certification # 7 - Planning Agency Review○ Certification # 8 - Due Diligence Completed for Acquisition - Pre-Closing Requirement for Construction Projects, if necessary○ Certification # 9 - Design Development Drawings (DDs) 100% Complete, if necessary○ Certification # 10 - Construction Drawings (CDs) for First Submittal to Building Department, if necessary○ Certification # 11 - Construction Contract with Construction Contract Rider attached, if necessary○ Certification # 12 - Prevailing Wage Compliance (GC - Pre-Construction), if necessary○ Certification # 13 - Building Permit Receipt and Notice of Exemption Filed (CEQA), if necessary <p>Future Project funding is dependent on successful completion of deliverables and Certifications of this Task 2</p>	
TASK 3: ACQUISITION		
Project Billing Task # 3	Description/Deliverables	
7469.00-XXX	<p>Sponsor shall submit to AHP the following:</p> <ul style="list-style-type: none">• <u>Deliverables:</u><ul style="list-style-type: none">○ Certificates of Insurance○ Phase 1 Environmental Report○ Phase 2 Environmental Report, if necessary○ Asbestos Assessment and Lead Based Paint Report, if necessary○ Purchase and Sale Agreement (mutually executed by buyer and seller)○ Planning Agency Review○ Certified Appraisal Report of Target Acquisition Property○ Signed Escrow Instructions	

	<ul style="list-style-type: none"> ○ Estimate of Escrow Closing Costs ○ Evidence of Any Additional Funds Necessary to Acquire Real Property, if necessary ○ Recorded Declaration of Restrictions (upon close of escrow) ○ ALTA Lender's Policy of Title Insurance ○ Complete Draw Request for Program Funds <ul style="list-style-type: none"> • Certifications as provided by AHP: <ul style="list-style-type: none"> ○ Certification # 5 - Declaration of Restrictions ○ Certification # 7 - Planning Agency Review ○ Certification # 8 - Due Diligence Completed for Acquisition (Pre-Closing Requirement for construction projects) <p>Future Project funding is dependent on successful completion of deliverables and Certifications of this Task 3.</p>
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TASK 4: CONSTRUCTION PERMITS AND FEES

Project Billing Task # 4	Description/Deliverables
7469.00-XXX	<p>Sponsor shall submit to AHP the following:</p> <ul style="list-style-type: none"> • Deliverables: <ul style="list-style-type: none"> ○ Planning Department Approval(s), if necessary ○ Phase 2 Environmental Report, if necessary ○ Estimated Total Plan Check Fees from Building Dept. ○ Approvals and Written Utility Service Commitments (will serve letters) from all Local Agencies, as required ○ Complete Draw Request for Program Funds, submitted every 30 days as needed • Certifications as provided by AHP: <ul style="list-style-type: none"> ○ Certification # 7 - Planning Agency Review ○ Certification # 8 - Due Diligence Completed for Acquisition (Pre-Closing Requirement for Construction Projects) ○ Certification # 9 - Design Development Drawings (DDs) 100% Complete ○ Certification # 10 - Construction Drawings (CDs) for First Submittal to Building Dept. <p>Future Project funding is dependent on successful completion of deliverables and Certifications of this Task 4</p>

TASK 5: REHABILITATION

Project Billing Task # 5	Description/Deliverables
7469.00-XXX	<p>Sponsor shall submit to AHP the following:</p> <ul style="list-style-type: none"> • Deliverables: <ul style="list-style-type: none"> ○ Payment and/or Performance Bond by Contractor ○ Certificates of Insurance ○ Site Inspections Reports, as necessary ○ Building Permits, as necessary ○ Updated Construction Contract Budget & Schedule prior to Issuance of Notice to Proceed ○ Updated Construction Contract Budget & Schedule at Expenditure of 50% of the Costs of Construction ○ Notice to Proceed ○ Complete Set of Approved/Stamped Construction Drawings (digital format) ○ Executed Construction Contract with Construction Contract Rider Attached ○ Temporary Certificate of Occupancy, if necessary ○ Certificate of Occupancy, if necessary ○ Notice of Completion ○ Unconditional Final Releases of all Liens ○ Complete Facility, Ready for Licensing and Operations ○ Building Permit signed off by Local Building Department or Equivalent ○ Complete Draw Request for Program Funds, submitted every 30 days as necessary

	<ul style="list-style-type: none"> • Certifications as provided by AHP: <ul style="list-style-type: none"> ○ Certification # 9 - Design Development Drawings (DDs) 100% Complete ○ Certification # 10 - Construction Drawings (CDs) for First Submittal to Building Department ○ Certification # 11 - Construction Contract with Construction Contract Rider Attached ○ Certification # 12 - Prevailing Wage Compliance (GC) ○ Certification # 13 - Building Permit Receipt and Notice of Exemption Filed (CEQA) ○ Certification # 14 - Required Insurance & Notice to Proceed ○ Certification # 15 - Project Construction is 50% Complete ○ Certification # 16 - Receipt of Certificate of Occupancy ("CoO") ○ Certification # 17 - Notice of Completion and Receipt of Unconditional Final Releases of Liens ○ Certification # 18 - Receipt of Business License and Operational <p>Future Project funding is dependent on successful completion of deliverables and Certifications of this Task 5</p>
TASK 6: NEW CONSTRUCTION	
Project Billing Task # 6	Description/Deliverables
7469.00-XXX	<p>Sponsor shall submit to AHP the following:</p> <ul style="list-style-type: none"> • Deliverables: <ul style="list-style-type: none"> ○ Payment and/or Performance Bond by Contractor ○ Certificates of Insurance ○ Site Inspections Reports, as necessary ○ Building Permits ○ Approvals and "will serve letters" from all local agencies, as required ○ Recorded CEQA Notice of Exemption ○ Updated Construction Contract Budget & Schedule prior to Issuance of Notice to Proceed ○ Updated Construction Contract Budget & Schedule at Expenditure of 50% of the Costs of Construction ○ Notice to Proceed ○ Complete Set of Approved/Stamped Construction Drawings (digital format) ○ Executed Construction Contract with Construction Contract Rider Attached ○ Temporary Certificate of Occupancy, if necessary ○ Certificate of Occupancy, if necessary ○ Notice of Completion ○ Unconditional Final Releases of all Liens ○ Complete Facility, Ready for Licensing and Operations ○ Building Permit signed off by Local Building Department or Equivalent ○ Complete Draw Request for Program Funds, submitted every 30 days as necessary • Certifications as provided by AHP: <ul style="list-style-type: none"> ○ Certification # 9 - Design Development Drawings (DDs) 100% Complete ○ Certification # 10 - Construction Drawings (CDs) for First Submittal to Building Department ○ Certification # 11 - Construction Contract with Construction Contract Rider Attached ○ Certification # 12 - Prevailing Wage Compliance (GC) ○ Certification # 13 - Building Permit Receipt and Notice of Exemption Filed (CEQA) ○ Certification # 14 - Required Insurance & Notice to Proceed ○ Certification # 15 - Project Construction is 50% Complete ○ Certification # 16 - Receipt of Certificate of Occupancy ("CoO") ○ Certification # 17 - Notice of Completion and Receipt of Unconditional Final Releases of Liens ○ Certification # 18 - Receipt of Business License and Operational <p>Future Project funding is dependent on successful completion of deliverables and Certifications of this Task 6</p>

TASK 7: OTHER PROJECT COSTS		
Project Billing Task # 7	Description/Deliverables	
7469.00-XXX	<p>Sponsor shall submit to AHP the following:</p> <ul style="list-style-type: none"> • Deliverables: <ul style="list-style-type: none"> ○ Complete Draw Request for Program Funds ○ Detailed Description of "Other Project Costs" needs/uses 	
TASK 8: RESERVES		
Project Billing Task # 8	Description/Deliverables	
7469.00-XXX	<p>To be used as needed for administrative costs, operating costs during rehabilitation, and/or move-in costs after construction is completed.</p> <p>Sponsor shall submit to AHP the following:</p> <ul style="list-style-type: none"> • Deliverables: <ul style="list-style-type: none"> ○ Complete Draw Request for Program Funds ○ Detailed Description of "Reserves" needs/uses 	
TASK 9: DEVELOPER COSTS		
Project Billing Task # 9	Description/Deliverables	
7469.00-XXX	<p>Sponsor shall submit to AHP the following:</p> <ul style="list-style-type: none"> • Deliverables: <ul style="list-style-type: none"> ○ Complete Draw Request for Program Funds, submitted every 30 days as needed ○ Detailed Description of "Developer Costs" needs/uses • Certifications as provided by AHP: <ul style="list-style-type: none"> ○ Certification # 17 - Notice of Completion and Receipt of Unconditional Final Releases of Liens ○ Certification # 18 - Receipt of Business License & Operational <p>Future Project funding is dependent on successful completion of deliverables and Certifications of this Task 9</p>	
Task 10: ROLLOVER ACCOUNT		
Project Billing Task # 10	Description/Deliverables	
7469.00-XXX	<p>In order to access funds from "Rollover Account" Sponsor shall submit to AHP the following:</p> <ul style="list-style-type: none"> • Deliverables: <ul style="list-style-type: none"> ○ Complete Draw Request for Program Funds, submitted every 30 days as needed ○ Detailed Description of "Contingency Costs" needs/uses 	Amount of unused contingency from each phase = Roll Over Account
TOTAL:	TOTAL FUNDING AMOUNT = PROGRAM FUNDS + CASH MATCH	VALUE OF CELL C144 + CASH MATCH AMOUNT

SCHEDULE 1

[PROJECT BUDGET ATTACHED]

Applicant Instructions:				
Please review the Budget Narrative and Glossary of Terms for any clarifications.				
Please fill in yellow highlighted cells with as much accurate detail as possible. This budget is the basis of your funding.				
Please seek & include professional development team estimates & actual bids with as much accurate detail as possible.				
Please include Prevailing Wage labor costs for all relevant trades.				
BHCP APPLICANT INFORMATION				
Applicant Name and Contact Information				
County or Tribal Nation				
Organization Name:				
Name of Proposed Project:				
Projected Start Date:				
Contact Name, Email & Phone:				
Assessor Parcel Number (APN)				
Assessor Parcel Number (APN)				
BHCP GRANT BUDGET INFORMATION				
<i>Project Development Costs by Phase (No Pre-Development)</i>				
	Funded by Grant	Funded by Match	Total Costs	Notes
FEASIBILITY/DUE DILIGENCE				
Owner Administration (10% autofill)	\$0		\$0	
Legal			\$0	
Architect			\$0	
Consultants (Specify)			\$0	
Engineers			\$0	
Construction Manager/Owner's Rep			\$0	
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)	\$0		\$0	
Total Feasibility Costs	\$0	\$0	\$0	
DEVELOPMENT PLANNING				
Owner Administration (10% autofill)	\$0		\$0	
Legal			\$0	
Architect (DD and CD's)			\$0	
Construction Manager/Owner's Rep			\$0	
Civil Engineer			\$0	
MEP Engineer			\$0	
Structural Engineer			\$0	
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)	\$0		\$0	
Total Development Planning Costs	\$0	\$0	\$0	
DEVELOPER COSTS				
Developer Overhead			\$0	
Consultants/Processing Agents			\$0	
Project Administration			\$0	
Other Developer Costs: (Specify)			\$0	
Total Developer Costs	\$0	\$0	\$0	
Developer Fee (5%)			\$0	Excludes Contingency \$
TOTAL PROJECT COSTS	\$0	\$0	\$0	TOTAL includes Developer Fee and Match Amount
	\$	% of Total		
Match \$ Amount & % of Total Costs	\$0	#DIV/0!		Excludes Contingency & Developer Fee
Total Contingency	\$0	#DIV/0!		% of Total Project Cost, excludes Developer Fee
Total Reserves	\$0	#DIV/0!		% of Total Project Cost, excludes Developer Fee
Total Administration	\$0	#DIV/0!		% of Total Project Cost, excludes Developer Fee

Attachment E

PAYMENT SCHEDULE

Attachment E: Payment Schedule

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

Attachment F

THE SPONSOR COMPLIANCE CERTIFICATIONS

CERTIFICATION NO. 1	BUDGET PREVAILING WAGE COMPLIANCE
CERTIFICATION NO. 2	RELATED PARTY & RELATED PARTY TRANSACTION DISCLOSURE
CERTIFICATION NO. 3	EXECUTION OF PROGRAM FUNDING AGREEMENT
CERTIFICATION NO. 4	MATCH FUNDS, PROPERTY EQUITY, OR IN-KIND MATCH
CERTIFICATION NO. 5	DECLARATION OF RESTRICTIONS
CERTIFICATION NO. 6	LEGAL REVIEW OF CA WELFARE AND INSTITUTIONS CODE §5960.3(a)
CERTIFICATION NO. 7	PLANNING AGENCY REVIEW
CERTIFICATION NO. 8	DUE DILIGENCE COMPLETED FOR ACQUISITION
CERTIFICATION NO. 9	DESIGN DEVELOPMENT DRAWINGS 100% COMPLETE
CERTIFICATION NO. 10	CONSTRUCTION DRAWINGS FOR FIRST SUBMITTAL TO BUILDING DEPARTMENT
CERTIFICATION NO. 11	CONSTRUCTION CONTRACT WITH CONSTRUCTION CONTRACT RIDER
CERTIFICATION NO. 12	PREVAILING WAGE COMPLIANCE
CERTIFICATION NO. 13	BUILDING PERMIT RECEIPT AND NOTICE OF EXEMPTION FILED
CERTIFICATION NO. 14	REQUIRED INSURANCE AND NOTICE TO PROCEED
CERTIFICATION NO. 15	PROJECT CONSTRUCTION IS 50% COMPLETE
CERTIFICATION NO. 16	RECEIPT OF CERTIFICATE OF OCCUPANCY
CERTIFICATION NO. 17	NOTICE OF COMPLETION AND RECEIPT OF UNCONDITIONAL FINAL RELEASES OF LIENS
CERTIFICATION NO. 18	RECEIPT OF BUSINESS LICENSE AND OPERATIONAL
FACILITY ACCESS CERTIFICATION	EXECUTION OF A FACILITY ACCESS AGREEMENT WITH STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES

SPONSOR'S CERTIFICATION NO. 1

BUDGET PREVAILING WAGE COMPLIANCE

I, _____, as an authorized representative of [insert **Sponsor name**] ("Sponsor"), hereby certify that:

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

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

Authorized Signature

Typed Name of Signatory

Title of Signatory

Date

STATE PREVAILING WAGES STATUTES

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

(i) Section 1771:

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

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

(ii) Section 1775:

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

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

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

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

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

(ii) The penalty may not be less than eighty dollars (\$80) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, if the contractor or subcontractor has been assessed penalties within the previous three years for failing to meet its prevailing wage obligations on a separate contract, unless those penalties were subsequently withdrawn or overturned.

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

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

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

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

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

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

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

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

(4) Prior to making final payment to the subcontractor for work performed on the public works project, the contractor shall obtain an affidavit signed under penalty of perjury from the subcontractor that the subcontractor has paid the specified general prevailing

rate of per diem wages to his or her employees on the public works project and any amounts due pursuant to Section 1813.

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

(iii) Section 1776:

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

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

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

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

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

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

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

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

printouts contain the same information as the forms provided by the division and the printouts are verified in the manner specified in subdivision (a).

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

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

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

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

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

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

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

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

(iv) Section 1777.5:

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

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

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

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

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

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

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

(d) If the contractor to whom the contract is awarded by the state or any political subdivision, in performing any of the work under the contract, employs workers in any apprenticeable craft or trade, the contractor shall employ apprentices in at least the ratio

set forth in this section and may apply to any apprenticeship program in the craft or trade that can provide apprentices to the site of the public work for a certificate approving the contractor under the apprenticeship standards for the employment and training of apprentices in the area or industry affected. However, the decision of the apprenticeship program to approve or deny a certificate shall be subject to review by the Administrator of Apprenticeship. The apprenticeship program or programs, upon approving the contractor, shall arrange for the dispatch of apprentices to the contractor. A contractor covered by an apprenticeship program's standards shall not be required to submit any additional application in order to include additional public works contracts under that program. "Apprenticeable craft or trade," as used in this section, means a craft or trade determined as an apprenticeable occupation in accordance with rules and regulations prescribed by the California Apprenticeship Council. As used in this section, "contractor" includes any subcontractor under a contractor who performs any public works not excluded by subdivision (o).

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

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

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

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

ratio of not less than one apprentice for each five journeymen in a craft or trade classification.

(i) A contractor covered by this section who has agreed to be covered by an apprenticeship program's standards upon the issuance of the approval certificate, or who has been previously approved for an apprenticeship program in the craft or trade, shall employ the number of apprentices or the ratio of apprentices to journeymen stipulated in the applicable apprenticeship standards, but in no event less than the 1-to-5 ratio required by subdivision (g).

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

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

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

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

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

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

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

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

can supply apprentices to the site of the public works project. The contractor may add the amount of the contributions in computing his or her bid for the contract.

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

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

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

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

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

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

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

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

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

(p) An awarding body that implements an approved labor compliance program in accordance with subdivision (b) of Section 1771.5 may, with the approval of the director, assist in the enforcement of this section under the terms and conditions prescribed by the director."

(v) Section 1813:

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

(vi) Section 1815:

"Notwithstanding the provisions of Sections 1810 to 1814, inclusive, of this code, and notwithstanding any stipulation inserted in any contract pursuant to the requirements of said sections, work performed by employees of contractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than 1 1/2 times the basic rate of pay."

SPONSOR'S CERTIFICATION NO. 2

RELATED PARTY & RELATED PARTY TRANSACTION DISCLOSURE

I, _____, as an authorized representative of [insert Sponsor name] ("Sponsor"), hereby certify that:

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

2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the _____ ("Project") [insert name or description of project to be funded] and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP") are relying on this information in awarding and disbursing Program Funds.

3. Sponsor certifies that it has disclosed to AHP and/or the State 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 AHP and/or the State, 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 the Sponsor.

5. Sponsor certifies that it shall disclose to AHP and/or the State, promptly, upon the existence or discovery of an actual or potential transaction, agreement, or settlement with a Related Party in connection with the Project ("Related Party Transaction").

6. Sponsor certifies that it shall disclose to AHP and/or the State: (1) the nature of the relationship, (2) the nature of the potential or actual transaction, agreement, or settlement, (3) the dollar amounts of any such transaction, agreement, or settlement, (4) the dollar amounts due to or from any Related Party, and (5) documents and any additional information, as may be required by AHP and/or the State in their sole discretion.

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 No. 2, Related Party & Related Party Transaction Disclosure as a condition of receiving the Program Funds.

Authorized Signature

Typed Name of Signatory

Title of Signatory

Date

SPONSOR'S CERTIFICATION NO. 3

EXECUTION OF PROGRAM FUNDING AGREEMENT

I, _____, as an authorized representative of **[insert Sponsor name]** ("Sponsor"), hereby certify that:

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

2. I am providing this information in connection with an application for funding from the State of California (the "State") pursuant to the Behavioral Health Continuum Infrastructure Program for the _____ ("Project") **[insert name or description of project to be funded]** and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP") are relying on this information in awarding and disbursing Program Funds.

3. Sponsor certifies that it has executed a contract with AHP entitled "Program Funding Agreement", and, that it has provided a true and correct copy of such executed AHP-Sponsor Program Funding Agreement, including all attachments, to AHP.

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

Authorized Signature

Typed Name of Signatory

Title of Signatory

Date

SPONSOR'S CERTIFICATION NO. 4

MATCH FUNDS, PROPERTY EQUITY, OR IN-KIND MATCH

I, _____, as an authorized representative of [insert Sponsor name] ("Sponsor"), hereby certify that:

1. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the _____ ("Project") [insert name or description of project to be funded] and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP") are relying on this information in awarding and disbursing Program Funds.

2. Sponsor certifies that, if, and as required, by the terms of the Program, Sponsor is required to provide a match for the Program Funds, and Sponsor's match is in the form of cash, Sponsor has, as required by the terms of the Program Funding Agreement, deposited into Sponsor's IDBA the amount of \$ _____ ("Match Funds") as evidenced by a current bank statement provided to AHP.

3. Sponsor certifies that, if, and as required, by the terms of the Program, Sponsor is required to provide a match for the Program Funds, and Sponsor's match is in the form of equity in real property upon which the Project is to be constructed located at _____ (the "Project Property"), that the Project Property has a value of \$ _____ as evidenced by assessed value of the property on the property tax assessment rolls or a written appraisal report setting forth an opinion of fair market value prepared by a certified general appraiser licensed in the State of California, and that the total value of any debt secured by the Project Property is not more than \$ _____ as evidenced by loan statements from any holders of liens or deeds of trusts recorded against title to the Project Property.

4. Sponsor certifies that, if, and as required by the terms of the Program, Sponsor is required to provide an in-kind match for Program Funds, and Sponsor's match is in the form of expenditures incurred directly for the improvement of the real property upon which the Project is located prior to the Effective Date of the Program Funding Agreement, ("Sunk Costs"), such expenditures incurred were in the amount of not less than \$ _____, as evidenced by Project specific documents, including but not limited to, invoices with attached proof of payment for work completed, materials purchased, professional, design-build, or other services rendered and paid for by Sponsor in connection with the Project.

5. At AHP's request, Sponsor agrees to submit to AHP, promptly, documentation that verifies Sponsor's statements contained in Sections 2, 3, or 4, prior to disbursement of any Program Funds, including, but not limited to, bank account statements and title documents.

SIGNATURES ON THE FOLLOWING PAGE

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

Authorized Signature

Typed Name of Signatory

Title of Signatory

Date

SPONSOR'S CERTIFICATION NO. 5

DECLARATION OF RESTRICTIONS

I, _____, as an authorized representative of [insert
Sponsor name] ("Sponsor"), certify that:

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

2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the _____ ("Project") [insert name or description of project to be funded] and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP") are relying on this information in awarding and disbursing Program Funds.

3. Sponsor certifies that the Project is subject to a regulatory agreement and deed restriction, substantially in the form attached to the Program Funding Agreement as Attachment H (the "Declaration of Restrictions"), which has been recorded in the official records in the county in which the Project is located that, in addition to other matters, restricts the use of the Project. Sponsor further certifies that it shall provide to AHP concurrently with this Certification, a copy of such recorded Declaration of Restrictions, which shall evidence recordation in the official records in the county in which the Project is located.

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

Authorized Signature

Typed Name of Signatory

Title of Signatory

Date

SPONSOR'S CERTIFICATION NO. 6

LEGAL REVIEW OF CA WELFARE AND INSTITUTIONS CODE §5960.3(a)

I, _____, as an authorized representative of [insert
Sponsor name] (Sponsor), certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the _____ ("Project") [insert name or description of project to be funded] and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP") are relying on this information in awarding and disbursing Program Funds.
3. Sponsor certifies that it has had the opportunity to seek advice from legal counsel as to its rights and responsibilities regarding California Welfare and Institutions Code § 5960.3(a) set forth below:

Notwithstanding any other law, a facility project funded by a grant pursuant to this chapter shall be deemed consistent and in conformity with any applicable local plan, standard, or requirement, and allowed as a permitted use, within the zone in which the structure is located, and shall not be subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals.

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 No. 6 Legal Review of CA Welfare and Institutions Code §5960.3(a) as a condition of receiving the Program Funds.

Authorized Signature

Typed Name of Signatory

Title of Signatory

Date

SPONSOR'S CERTIFICATION NO. 7

PLANNING AGENCY REVIEW

I, _____, as an authorized representative of [insert
Sponsor name] (Sponsor), certify that:

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

2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the _____ ("Project") [insert name or description of project to be funded] and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP") are relying on this information in awarding and disbursing Program Funds.

3. Sponsor certifies that that if, constructing a new facility or expanding an existing facility, it shall provide to AHP contemporaneously with this Certification a one to two page narrative report summarizing the results of any preliminary planning meeting with the planning department, or equivalent, in the jurisdiction where the Project is located, including any written documentation and comments received.

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

Authorized Signature

Typed Name of Signatory

Title of Signatory

Date

SPONSOR'S CERTIFICATION NO. 8

DUE DILIGENCE COMPLETED FOR ACQUISITION

I, _____, as an authorized representative of **[insert Sponsor name]** ("Sponsor"), certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the _____ ("Project") **[insert name or description of project to be funded]** and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP") are relying on this information in awarding and disbursing Program Funds.
3. Sponsor certifies that it has obtained a Certified Appraisal Report, setting forth an opinion of fair market value of the real property upon which the Project is to be constructed or operated, prepared by a certified appraiser licensed in the State of California, in a form acceptable to AHP; and Sponsor has provided copies of the Certified Appraisal Report to AHP.
4. Sponsor certifies that it has obtained a Phase 1 environmental site assessment of the Project in conformance with ASTM Standard Practice E-1527, and if necessary, a Phase II environmental site assessment and that Sponsor has or shall comply with all recommendations in those assessments as part of the Project. Sponsor shall provide AHP with copies of all environmental reports and to the extent applicable, evidence of completion of any recommended environmental remediation.
5. In the event that the Project involves rehabilitation or renovation of an existing structure, Sponsor certifies that it has obtained an asbestos assessment and lead based paint report for the Project and has or shall comply with all abatement requirements identified therein. Sponsor certifies that Sponsor has provided AHP with copies of all asbestos and lead based paint reports. and to the extent applicable, evidence of completion of any recommended asbestos or lead based paint abatement.
6. Sponsor certifies that it has complied with all applicable federal, state, and local relocation requirements related to the Project including under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. Section 4601 *et seq.*), and the California Relocation Assistance Law (California Government Code Section 7260 *et seq.*). Sponsor further certifies that it has complied with all applicable state laws and corresponding regulations for the safe transfer and relocation of residents in residential care facilities licensed by the State and agrees to obtain a State-approved relocation plan for each resident in care.
7. Sponsor's above certifications are solely for the purpose of confirming that Sponsor has properly discharged their obligations under the Program Funding Agreement, and AHP's receipt of these certifications should not be relied upon by Sponsor or any third parties as a warranty or representation by AHP or DHCS as to the quality of the design or construction of the Project.

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

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

Authorized Signature

Typed Name of Signatory

Title of Signatory

Date

SPONSOR'S CERTIFICATION NO. 9

DESIGN DEVELOPMENT DRAWINGS 100% COMPLETE

(to be signed by Sponsor's Architect)

I, _____, am the architect for _____ [insert
Sponsor name] ("Sponsor"), and certify that:

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

I certify under penalty of perjury that the above information is true and correct.

Authorized Signature
(Licensed Architect on plan set)

Typed Name of Signatory

Title of Signatory (Licensed Architect on plan set)

Date

SPONSOR'S CERTIFICATION NO. 10

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

I, _____, as an authorized representative of [insert
Sponsor name] ("Sponsor"), certify that:

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

SIGNATURES ON THE FOLLOWING PAGE

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

Authorized Signature

Typed Name of Signatory

Title of Signatory

Date

Authorized Signature
(Licensed Architect on plan set)

Typed Name of Signatory

Title of Signatory
(Licensed Architect on plan set)

Date

SPONSOR'S CERTIFICATION NO. 11

**CONSTRUCTION CONTRACT WITH
CONSTRUCTION CONTRACT RIDER**

I, _____, as an authorized representative of [insert
Sponsor name] ("Sponsor"), certify that:

1. I possess the legal authority to submit this certification on behalf of the Sponsor and the information and statements set forth below are, to the best of my knowledge and belief, true and correct.
2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the _____ ("Project") [insert name or description of project to be funded] and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP") are relying on this information in awarding and disbursing Program Funds.
3. Sponsor certifies that it has negotiated and attached to this Certification a construction contract for the Project as mutually agreed upon by Sponsor and the general contractor ("Construction Contract") which includes a total cost of construction that does not exceed the amount set forth in the application for Program Funds for construction costs of the Project, unless otherwise approved by AHP or the State, in their sole discretion.
4. Sponsor further certifies that the Construction Contract includes an attachment thereto, in the form attached to the Program Funding Agreement as Attachment J (the "Construction Contract Rider"), which shall contain certain required additional details, conditions, or terms to be agreed upon by and between Sponsor and the general contractor.
5. Upon full execution of the Construction Contract, or any amendment thereof, Sponsor promptly shall provide AHP a copy of the fully executed Construction Contract, with the Construction Contract Rider attached thereto and incorporated by reference.
6. Sponsor certifies that the Construction Contract Rider, as incorporated into the Construction Contract shall not be amended or modified in any manner, at any time, without prior approval by AHP, or the State, in their sole discretion.
7. Sponsor certifies that the final Construction Contract for the full course of construction of the Project is based on the fully permitted set of construction drawings which constitute the full scope of the construction for the Project.
8. Sponsor certifies that the General Contractor is registered with the California Department of Industrial Relations ("DIR") as required by California Labor Code Section 1725.5. Sponsor further certifies that the Construction Contract and any subcontracts entered into by the general contractor shall require the general contractor and all subcontractors to comply with California Labor Code Section 1720 *et seq.* for all work performed for the Project, including, but not limited to, the payment of prevailing wages for all work performed on the Project.

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

Authorized Signature

Typed Name of Signatory

Title of Signatory

Date

GENERAL CONTRACTOR'S CERTIFICATION NO. 12

PREVAILING WAGE COMPLIANCE

(to be completed by the Sponsor's General Contractor)

I, _____, as an authorized representative of **[insert name of General Contractor]** ("General Contractor"), certify that:

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

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

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

Authorized Signature

Typed Name of Signatory

Title of Signatory

Date

SPONSOR'S CERTIFICATION NO. 13

BUILDING PERMIT RECEIPT AND NOTICE OF EXEMPTION FILED

I, _____, as an authorized representative of [insert
Sponsor name] ("Sponsor"), certify that:

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

2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the _____ ("Project") [insert name or description of project to be funded] and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP") are relying on this information in awarding and disbursing Program Funds.

3. Sponsor certifies that it has obtained and provided to AHP copies of the building permits issued by the local jurisdiction with permitting authority over the Project required to commence construction on the Project.

4. Sponsor certifies that upon receipt of a building permit from the jurisdiction where the Project is located, that a Notice of Exemption for the Project has been filed with the County Clerk pursuant to the California Environmental Quality Act ("CEQA") Guidelines Section 15062.

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

Authorized Signature

Typed Name of Signatory

Title of Signatory

Date

SPONSOR'S CERTIFICATION NO.14

REQUIRED INSURANCE AND NOTICE TO PROCEED

I, _____, as an authorized representative of **[insert Sponsor name]** ("Sponsor"), hereby certify that:

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

2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the _____ ("Project") **[insert name or description of project to be funded]** and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP"), are relying on this information in awarding and disbursing Program Funds.

3. Sponsor certifies that it has acquired all general liability and any applicable builders risk and property insurance pursuant to the requirements of Article 11 of the Program Funding Agreement.

4. Sponsor certifies that it has provided to AHP copies of its certificates of insurance in accordance with the requirements of Article 11 of the Program Funding Agreement.

5. Sponsor certifies that it has provided to AHP an updated budget and schedule for the Project prior to Sponsor's issuance of a notice to proceed to its general contractor.

6. Sponsor certifies that on or about _____, 202__, (**[insert date]**), a notice to proceed was issued to its general contractor to commence construction on the Project.

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 No.14, Required Insurance and Notice to Proceed as a condition of receiving the Program Funds.

Authorized Signature

Typed Name of Signatory

Title of Signatory

Date

SPONSOR'S CERTIFICATION NO. 15

PROJECT CONSTRUCTION IS 50% COMPLETE

I, _____, as an authorized representative of **[insert Sponsor name]** ("Sponsor"), hereby certify that:

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

2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the _____ ("Project") [insert name or description of project to be funded] and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP") are relying on this information in awarding and disbursing Program Funds.

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

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

Authorized Signature

Typed Name of Signatory

Title of Signatory

Date

SPONSOR'S CERTIFICATION NO. 16

RECEIPT OF CERTIFICATE OF OCCUPANCY

I, _____, as an authorized representative of **[insert Sponsor name]** ("Sponsor"), hereby certify that:

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

2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the _____ ("Project") **[insert name or description of project to be funded]** and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP") are relying on this information in awarding and disbursing Program Funds.

3. Sponsor certifies that the Project has received its Certificate of Occupancy or equivalent from the jurisdiction where the Project is located.

4. Sponsor further certifies that it has provided to AHP a copy of the Certificate of Occupancy.

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

Authorized Signature

Typed Name of Signatory

Title of Signatory

Date

SPONSOR'S CERTIFICATION NO. 17

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

I, _____, as an authorized representative of [insert
Sponsor name] ("Sponsor"), hereby certify that:

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

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 No. 17, Notice of Completion and

Receipt of Unconditional Final Releases of Liens as a condition of receiving the Program Funds.

Authorized Signature

Typed Name of Signatory

Title of Signatory

Date

SPONSOR'S CERTIFICATION NO. 18

RECEIPT OF BUSINESS LICENSE AND OPERATIONAL

I, _____, as an authorized representative of [insert
Sponsor name] ("Sponsor"), hereby certify that:

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

2. I am providing this information in connection with an application for funding from the State of California ("State") pursuant to the Behavioral Health Continuum Infrastructure Program for the _____ ("Project") [insert name or description of project to be funded] and acknowledge that the State and its contract manager, Advocates for Human Potential, Inc. ("AHP") are relying on this information in awarding and disbursing Program Funds.

3. Sponsor certifies that the Sponsor, and the Project, each, as may be required, individually, and collectively, has received, renewed, or maintained all licenses, designations, and certifications, including a business license, as may be required, by the jurisdiction where the Project is located, and the State, to operate the Project pursuant to the requirements of the Program Funding Agreement.

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

Authorized Signature

Typed Name of Signatory

Title of Signatory

Date

SPONSOR'S FACILITY ACCESS CERTIFICATION

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

I, _____, as an authorized representative of [insert
Sponsor name] ("Sponsor"), hereby certify that:

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

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

Authorized Signature

Typed Name of Signatory

Title of Signatory

Date

Attachment G

PERFORMANCE MILESTONES

BHCIP Round 3			
ATTACHMENT G - PERFORMANCE MILESTONES			
These Performance Milestones are the basis for your Project's Payment Schedule so that Program Funds are obligated by June 30, 2024 and expended by December 31, 2026.			
ESTIMATED MILESTONES			
Preconstruction/Acquisition, Construction, Move-in			
PHASE	MILESTONE	Milestone Certification or Documents	COMPLETION DATE: Not To Exceed
Preconstruction	MATCH FUNDS, PROPERTY EQUITY, OR IN-KIND MATCH	Certification # 4	Project specific, N/A
Preconstruction	DECLARATION OF RESTRICTIONS	Certification # 5	
Preconstruction	LEGAL REVIEW OF CA WELFARE AND INSTITUTIONS CODE §5960.3(a)	Certification # 6	
Preconstruction	PLANNING AGENCY REVIEW	Certification # 7	
Preconstruction	DUE DILIGENCE COMPLETED FOR ACQUISITION	Certification # 8	
Acquisition	ACQUISITION -CLOSE OF ESCROW/DECLARATION OF RESTRICTIONS	Recorded Deed	
Preconstruction	DESIGN DEVELOPMENT DRAWINGS 100% COMPLETE	Certification # 9	
Preconstruction	CONSTRUCTION DRAWINGS FOR FIRST SUBMITTAL TO BUILDING DEPT	Certification # 10	
Preconstruction	CONSTRUCTION CONTRACT WITH CONSTRUCTION CONTRACT RIDER	Certification # 11	
Preconstruction	PREVAILING WAGE COMPLIANCE (GC)	Certification # 12	
Preconstruction	BUILDING PERMIT RECEIPT AND NOTICE OF EXEMPTION FILED	Certification # 13	
Construction	REQUIRED INSURANCE AND NOTICE TO PROCEED	Certification # 14	Completion before 12/31/26
Construction	PROJECT CONSTRUCTION IS 50% COMPLETE	Certification # 15	
Construction	RECEIPT OF CERTIFICATE OF OCCUPANCY	Certification # 16	
Move-In	NOTICE OF COMPLETION AND RECEIPT OF UNCONDITIONAL FINAL RELEASES OF LIEN	Certification # 17	Completion before 12/31/26
Move-In	RECEIPT OF BUSINESS LICENSE AND OPERATIONAL	Certification # 18	
CLOSE OUT	ANTICIPATED EXPIRATION DATE OF THE AGREEMENT & TRANSFER TO STATE OVERSIGHT		

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

[County/State]

ADDRESS

ADDRESS

ADDRESS

Attention: _____

NO FEE FOR RECORDING PURSUANT TO
GOVERNMENT CODE SECTION 27383

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Attachment H

REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIONS

This Regulatory Agreement and Declaration of Restrictions (the "**Declaration**"), dated _____ for reference purposes, is by and between _____ [INSERT NAME OF REAL PROPERTY OWNER AND TYPE OF ENTITY] (the "**Owner**") and the State of California ("**State**"), represented by the Department of Health Care Services, a public agency of the State of California ("**DHCS**").

RECITALS

A. DHCS oversees the Behavioral Health Continuum Infrastructure Program ("**BHCIP**"), which was established by California Assembly Bill No. 133 (Chapter 142, Statutes of 2021), and which is governed by Welfare and Institutions Code section 5960-5960.45. Under BHCIP, DHCS awards competitive grants to qualified entities to construct, acquire, and rehabilitate real estate assets to build new capacity or expand existing capacity for facilities that will operate for a minimum of thirty (30) years to provide short-term crisis stabilization, acute and subacute care, crisis residential, community-based mental health residential, substance use disorder residential, peer respite, community and outpatient behavioral health services, and other clinically enriched longer term treatment and rehabilitation options for persons with behavioral health disorders in the least restrictive and least costly settings;

B. On January 31, 2022, DHCS issued a Request for Applications ("**RFA**") for BHCIP grant awards and selected Owner's Project (as defined below) as a recipient of a BHCIP grant award. Advocates for Human Potential, Inc., a Massachusetts corporation ("**AHP**"), acting as the initial program administrator for the initial 5-year building phase of BHCIP, entered into a Program Funding Agreement (the "**Program Funding Agreement**") dated _____, with Owner for the distribution of BHCIP funds (in an amount not to exceed _____ Dollars (\$ _____) (the "**Program Funds**") over the above-mentioned five- (5) year building phase for Owner to acquire, expand, or construct certain improvements more particularly described in the RFA ("**Owner's Project**") on that certain real property commonly known as _____ [INSERT ADDRESS OF REAL PROPERTY], located in the City of _____ [INSERT NAME OF CITY] ("City"), County of _____ [INSERT NAME OF COUNTY] ("County"), State of California, and the improvements thereon (the "**Property**"); as more

particularly described and shown on Exhibit A, attached hereto and incorporated herein by this reference;

C. As an award recipient, in consideration for the Program Funds, and in order to comply with the policies, programs, and applicable legislation, including the RFA, the Program Funding Agreement, the Facility Access Agreement between DHCS and the Owner, the Coronavirus State and Local Fiscal Recovery Fund established by the American Rescue Plan Act of 2021 (see 42 U.S.C. § 801 *et seq.*; 31 C.F.R. Part 35, U.S. Treasury guidance), and the Behavioral Health Continuum Infrastructure Program, authorized under Welfare and Institutions Code section 5960-5960.45, established by California Assembly Bill No. 133 (Chapter 142, Statutes of 2021), the Property and the owner thereof are subject to certain requirements and restrictions, including, without limitation, the obligation to ensure that the Property shall be used for **[SPECIFY THE TYPE OF FACILITY/LICENSE AND OPERATION]** (the "Permitted Use") for the Restriction Period (defined below), subject to change or modification to another use set forth in Exhibit B with DHCS approval, which must accept and provide services to Medi-Cal beneficiaries as patients; and

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

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

AGREEMENT

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

If the Property is no longer needed for any of the uses set forth in Exhibit B, the Owner shall comply with all applicable requirements governing disposition under the Coronavirus State and Local Fiscal Recovery Fund, established by the American Rescue Plan Act of 2021 (see 42 U.S.C. § 801 *et seq.*; 31 C.F.R. Part 35, U.S. Treasury guidance; 2 C.F.R. § 200.311).

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

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

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

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

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

2.5. To comply with all applicable laws affecting the Property including, but not limited to, the Coronavirus State and Local Fiscal Recovery Fund, established by the American Rescue Plan Act of 2021 (see 42 U.S.C. § 801 *et seq.*; 31 C.F.R. Part 35, U.S. Treasury guidance) and the Behavioral Health Continuum Infrastructure Program, authorized under Welfare and Institutions Code section 5960-5960.45; Part 200 of Title 2 of the Code of Federal Regulations (including 2 C.F.R. § 200.311); and not to suffer or permit any violations of any such applicable law, nor of any covenant, condition or restriction affecting the Property. To the extent an amendment to the foregoing imposes requirements upon the ownership or operation of the Project more restrictive than those imposed by this Declaration, this Declaration shall be deemed automatically amended, without consent or approval of any other person, to impose such additional or more restrictive requirements; however, Owner hereby agrees to execute such amendment upon request by DHCS;

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

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

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

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

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

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

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

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

3. **Restrictions on Sale, Encumbrance, and Other Acts.**

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

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

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

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

4. Insurance, Casualty and Condemnation.

4.1. During the Restriction Period, Owner shall obtain and maintain (i) property insurance insuring against, among other things, loss of the Property, or any portion thereof, and Owner's personal property and fixtures by fire and such other hazards and casualties, (ii) commercial liability insurance insuring against liabilities arising out of the ownership, use, occupancy, condition or maintenance of, or the operations, use and activities in, on, or about, the Property, and (iii) other such insurance required by DHCS, and in such amounts as required by DHCS, which policies shall include DHCS as an additional insured upon request by DHCS. All insurance policies and renewals thereof shall be issued by a carrier and in a form acceptable to DHCS.

4.2. In the event of any fire or other casualty to the Property or any part thereof, Owner shall immediately notify DHCS and seek direction from DHCS on how to proceed. DHCS, in its sole and absolute discretion, shall determine whether to instruct the Owner to apply the insurance proceeds to (i) the repair and restoration of the Property to a condition equal to or better than the Property was in immediately prior to such casualty or (ii) the repayment of the Program Funds, consistent with all applicable requirements governing property disposition under the Coronavirus State and Local Fiscal Recovery Fund, established by the American Rescue Plan Act of 2021 (see 42 U.S.C. § 801 *et seq.*; 31 C.F.R. Part 35, U.S. Treasury guidance; 2 C.F.R. Part 200). DHCS has the right but not the obligation to approve the plans and specifications for any repair and restoration, as well as the right but not the obligation to approve disbursements of insurance proceeds for repair and restoration under a construction escrow or similar arrangement.

4.3. In the event the Property is the subject of eminent domain proceedings resulting in the condemnation of the Property, the Owner shall comply with all applicable requirements governing property disposition under the Coronavirus State and Local Fiscal Recovery Fund, established by the American Rescue Plan Act of 2021 (see 42 U.S.C. § 801 *et seq.*; 31 C.F.R. Part 35, U.S. Treasury guidance; 2 C.F.R. Part 200). Any residual grant funds not otherwise disposed of shall thereafter be returned to DHCS or used at the direction and approval of DHCS.

5. **Covenants Run with the Land.** The Property is held and hereafter shall be held, conveyed, hypothecated, encumbered, leased, rented, used, and occupied subject to this Declaration. Notwithstanding section 1460 *et seq.* of the California Civil Code, the provisions hereof shall run with the land and may be enforced either in law or in equity by any State agency. DHCS and Owner hereby declare their express intent that the covenants, reservations and restrictions contained herein shall be deemed both equitable servitudes and covenants running with the land, and shall pass to and be binding upon the Owner's successors in title to the Property; provided, however, that upon the expiration of the Restriction Period said covenants, reservations and restrictions shall expire. Owner expressly acknowledges and agrees that the Declaration is a reasonable restraint on Owner's right to own, use, maintain, and transfer the Property and any estate or interest therein and is not and shall not be construed to be an unreasonable restraint on alienation. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property, or any portion thereof, shall be held conclusively to have been executed, delivered, and accepted subject to this Declaration, regardless of whether this Declaration is set forth in such contract, deed, or other instrument.

6. **Term of Declaration.** The covenants in this Declaration shall be binding, effective, and enforceable commencing upon the recordation of this Declaration on the fee estate in land in the official records of the County, and they shall continue in full force and effect for a period of at least thirty (30) years after the date of either of the following: (i) the date of issuance of a Certificate of Occupancy, if the Owner's Project is for construction of a new facility, or (ii) the date of recordation of a Notice of Completion, in the official records of the County, if the Project is for the rehabilitation, and/or expansion of an existing facility on the Property; and until the Owner satisfies any and all applicable disposition requirements under the Coronavirus State and Local Fiscal Recovery Fund, established by the American Rescue Plan Act of 2021 (*see* 42 U.S.C. § 801 *et seq.*; 31 C.F.R. Part 35, U.S. Treasury guidance; 2 C.F.R. Part 200 (including 2 C.F.R. 200.311)) (the "Restriction Period"), regardless of any sale, assignment, transfer, or conveyance (including, without limitation, by foreclosure sale) of the Property or any portion thereof to any other person or entity.

7. **Default, Remedies.** If Owner defaults in the performance or observance of any covenant, agreement, restriction or obligation of Owner set forth in this Declaration, and if such default remains uncured for a period of 30 days after notice therefore shall have been given by DHCS to the Owner, then DHCS shall declare an "Event of Default" to have occurred hereunder. An Event of Default under this Declaration shall entitle DHCS to any rights, remedies, or damages available at law or in equity, including, but not limited to, those that are specified in Section 7.1-7.4 below and those set forth under the Coronavirus State and Local Fiscal Recovery Fund, established by the American Rescue Plan Act of 2021 (*see* 42 U.S.C. § 801 *et seq.*; 31 C.F.R. Part 35, U.S. Treasury guidance; 2 C.F.R. Part 200). DHCS's failure to exercise any specific right or remedy shall not be construed as a waiver of that or any other right or remedy. An Event of Default under this Declaration shall also constitute a default under the Program Funding Agreement, in the event the same has not expired by its terms.

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

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

7.3. **Appointment of Receiver.** In addition to or in conjunction with any other remedy available at law or in equity, DHCS may apply to a court of competent jurisdiction for the appointment of a receiver to take over and operate the Property in accordance with the requirements of the Program Funding Agreement and this Declaration. The receiver shall have all powers which shall be necessary or are usual in such cases for the protection, possession, control, management and operation of the Property.

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

8. DHCS Review and Inspection.

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

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

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

9. **Owner Representations.** Owner represents and warrants to DHCS that: (1) Owner has sufficient interest in the Property to support the operation of the Property in accordance with this Declaration; (2) to Owner's actual knowledge and belief, there are no agreements, contracts, covenants, conditions, or exclusions to which Owner (or its predecessor in

interest) is a party which would, if enforced, prohibit or restrict the use of the Property in accordance with the terms of this Declaration; (3) Owner has the full right and authority to enter into this Declaration; (4) this Declaration constitutes a valid and legally binding obligation on Owner, enforceable in accordance with its terms; and (5) Owner is duly organized and authorized to do business in the State of California.

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

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

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

13. **Recording of Agreement.** This Declaration shall be recorded on the fee estate in land in the official records of the County no later than ____ [DATE]. The Declaration shall be recorded, and shall remain, as a lien against the Property.

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

OWNER:
[NAME OF OWNER, TYPE OF LEGAL ENTITY]

By: _____
[INSERT NAME OF AUTHORIZED SIGNATORY]
Its: [INSERT TITLE OF SIGNATORY]

Department of Health Care Services

By: _____
[INSERT NAME OF AUTHORIZED SIGNATORY]
Its: [INSERT TITLE OF SIGNATORY]

All signatures must be acknowledged.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

STATE OF CALIFORNIA)
)
COUNTY OF _____)

Name: _____
Notary Public

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

[TO BE INSERTED BY TITLE COMPANY]

SAMPLE

EXHIBIT "B"

PROPERTY AND OPERATIONS

A facility that provides one or more of the following services to persons with behavioral health disorders: short-term crisis stabilization, acute and subacute care, crisis residential, community-based mental health residential, substance use disorder residential, peer respite, mobile crisis, community and outpatient behavioral health services, or other clinically enriched longer term treatment and rehabilitation options for persons with behavioral health disorders in the least restrictive and least costly setting. The facility shall accept and provide services to Medi-Cal beneficiaries as patients.

CONSTRUCTION CONTRACT ADDENDUM

This Construction Contract Addendum is made this _____ day of _____, _____, by and between _____ ("Owner"), and _____ ("Contractor").

RECITALS

A. The Owner and Advocates for Human Potential, Inc., a Massachusetts corporation ("AHP"), acting as program administrator for the California Department of Health Care Services ("DHCS"), a public agency of the State of California, have entered into that certain Program Funding Agreement dated _____ ("Agreement"), pursuant to which Owner was allocated funds pursuant to the Behavioral Health Continuum Infrastructure Program ("Program Funds") for the purposes of developing the Project.

B. Owner and Contractor have entered into a construction agreement dated _____ under which Contractor has agreed to undertake construction work on the Project (the "Contract").

C. Owner and Contractor wish to modify and add to the terms of the Contract as set forth in this Addendum, and Contractor agrees to be bound by the following provisions in the construction of said Project, in order to provide for certain terms required by AHP as a condition of providing the Program Funds for the Project. It is a condition to AHP providing the Program Funds that the Contractor agrees to be bound by the terms hereof.

NOW, THEREFORE, Owner and Contractor hereby agree as follows:

1. OWNER'S OBLIGATIONS. Owner agrees that any obligation imposed on Contractor by this Addendum does not waive, diminish, or alter any of Owner's obligations to AHP under the Agreement, and that the obligations of Contractor to AHP contained herein are in addition to those obligations of Owner to AHP or DHCS contained in the Agreement. Owner shall be solely responsible for satisfying its obligations to Contractor under the Contract.

2. CONSENT TO ASSIGNMENT OF DEVELOPMENT RIGHTS. Contractor consents to the assignment of its Contract with Owner to AHP, upon demand by AHP, and to any subsequent assignment of the Contract by AHP at the election of AHP. Contractor agrees that if there is a breach of the Agreement or any other Event of Default (as the term may be defined in the Agreement), AHP may elect to enforce the assignment and take over the Contract. Contractor agrees to continue to perform its obligations under the Contract and this Addendum for the benefit and account of AHP in the same manner as if performed for the benefit and account of Owner in the absence of the assignment at no additional cost to AHP, as long as Contractor continues to receive the compensation called for under the Contract. Contractor agrees that AHP shall not have any obligation under the Contract until AHP notifies it in writing of AHP's election to accept the assignment.

3. ASSIGNMENT OF SUBCONTRACTS. Contractor hereby consents to the assignment to AHP of all its interest in all subcontracts and agreements now or hereafter entered into by Contractor for performance of any part of the construction work required to be performed under the Contract. The assignment will be effective upon acceptance by AHP in writing and only as to those subcontracts and agreements, which AHP designates in writing. AHP may accept said assignment at any time during the course of the construction work required to be performed under the Contract and prior to final completion of construction work required to be performed under the Contract in the event of a suspension, or termination of Contractor's rights under the Contract. Such assignment is part of the consideration to Owner for entering into the Contract with Contractor and may not be withdrawn prior to final completion of construction work required to be performed under the Contract. Contractor agrees that any subcontract entered by and between Contractor and a subcontractor in connection with the Contract or performance of the construction work required to be performed under the Contract shall expressly provide that such subcontract shall be assignable to AHP and that AHP subsequently may assign such subcontract.

4. COMMENCEMENT AND COMPLETION OF CONSTRUCTION. Contractor must begin construction of the Project by the date set for the commencement of construction in the Agreement. Contractor must diligently prosecute construction of the Project to completion and must complete construction of the Project by the completion date set forth in the Agreement. Incorporated herein are the Scope of Work, Performance Milestones and Payment Schedule from the Agreement.

5. CONSTRUCTION BONDS. Upon execution of the Contract and prior to commencement of construction, unless otherwise approved by AHP, or DHCS each in their sole discretion, Contractor must obtain a labor and material (payment) bond and a performance bond, or a dual bond which covers both payment and performance obligations, with respect to the construction of the Project in a penal sum each of not less than one hundred percent (100%) of the scheduled cost of construction. Such bonds must be issued by a company which is authorized to transact surety insurance in California and which has assets exceeding its liabilities in an amount equal to or in excess of the bond amount. The bonds must name AHP and DHCS as obligees. Owner shall provide to AHP a copy of any and all such payment and performance bonds prior to commencement of construction of the construction work required to be performed under the Contract.

6. CONTRACT WORK. Contractor warrants and represents that it is licensed or otherwise authorized to perform the construction work specified in the Contract in the State of California. All construction work must be performed by persons or entities licensed or otherwise authorized to perform the applicable construction work in the State of California. Contractor shall insert similar provisions in all subcontracts for work for the Project.

7. QUALITY OF WORK. Contractor must construct the Project in conformance with the plans and specifications and any modifications thereto approved by AHP. Contractor must construct the Project according to general industry standards and shall employ building materials of a quality suitable for the requirements of the Project and conforming to general industry standards. Contractor must construct the Project in full conformance with applicable local, state, and federal statutes, regulations, and building and housing codes.

The parties acknowledge that AHP and DHCS are under no duty to review the Plans and Specifications or to inspect construction of the Project. Any review or inspection undertaken by AHP or DHCS of the Project is solely for the purpose of determining whether Owner and Contractor are properly discharging their obligations, and should not be relied upon by Owner, Contractor, or any third parties as a warranty or representation by AHP or DHCS as to the quality of the design or construction of the Project.

8. ADDITIONS OR CHANGES IN WORK. AHP must be notified no later than thirty (30) days of the execution of a change order by and between Owner and Contractor, of any changes in the work required to be performed under the Contract or this Addendum, including any substantial additions, changes, or deletions to the approved Plans and Specifications, which exceeds Twenty Five Thousand Dollars (\$25,000). Contractor shall not allow subcontractors to mark-up any change order by more than fifteen percent (15%). Contractor shall provide AHP and Owner with an updated budget and schedule prior to the commencement of construction at the Project and at 50% completion of the Project showing all changes from the budget and schedule prepared prior to the issuance of the notice to proceed to Contractor.

9. SITE INSPECTIONS. Contractor shall permit and facilitate in person and remote observation and inspection of work at the job site by AHP and DHCS and their agents and by public authorities during reasonable business hours.

10. AUDITS. Contractor must make available for examination at reasonable intervals and during normal business hours to AHP and DHCS's representatives all books, accounts, reports, files, and other papers or property with respect to all matters covered by the Contract and this Addendum, and must permit these representatives to audit, examine, and make copies, excerpts, or transcripts from such records.

11. NONDISCRIMINATION. Contractor may not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, sexual preference, national origin, AIDS or AIDS-related conditions, or disability in any phase of employment during construction. Contractor agrees to post in conspicuous places available to all employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

12. PREVAILING WAGES. All workers performing construction work for the Project employed by Contractor and by any of its subcontractors must be compensated in an amount no less than the general prevailing rate of per diem wages as determined by the California Department of Industrial Relations under California Labor Code Sections 1770 *et seq.*, and implementing rules and regulations. Contractor must comply with, and must ensure that its subcontractors comply with, all reporting and recordkeeping requirements of the applicable prevailing wage statutes and regulations.

In the event of underpayment of wages by Contractor or by any subcontractor employed on the Project, AHP, in addition to other rights and remedies afforded by this Agreement, may: (1) demand that any underpaying employer comply with these requirements; (2) demand that the underpaying employer pay the difference between the prevailing wage rate and the amount actually paid to workers; (3) withhold and/or pay any Program Funds as necessary to compensate workers the full wages required under this Agreement; and/or (4) pursue any lawful administrative or court remedy to enforce these requirements against the underpaying employer.

Any underpaying employer shall comply with a demand to pay any amounts due under this section within ten calendar days of the demand.

Contractor must include the prevailing wage requirement in all subcontracts for work on this Project and must specify that AHP and DHCS are intended third party beneficiary of such provisions. Contractor must take reasonable measures to monitor and enforce the prevailing wage requirements imposed on its subcontractors, including withholding payments to those subcontractors who violate these requirements. In the event that Contractor fails to take the above measures, Contractor shall be liable for the full amount of any underpayment of wages, plus costs and attorneys' fees, as if Contractor was the actual employer.

13. INSURANCE COVERAGE. Contractor must have in full force and effect during the complete course of construction of the Project, insurance, providing coverage in the types and amounts set forth below:

13.1 Worker's compensation insurance as required by the State of California.

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

13.3 Commercial general liability insurance of not less than \$1,000,000 per occurrence with an annual aggregate limit of \$5,000,000 for bodily injury and property damage liability combined. Such insurance can be provided pursuant to an umbrella policy. The commercial general liability insurance policy shall cover liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured agreement. The commercial general liability insurance shall apply to each insured against whom claim is made or suit is brought subject to the Sponsor's limit of liability.

14. NON-LIABILITY OF OFFICIALS, EMPLOYEES AND AGENTS. No member, official, employee, or agent of AHP or DHCS shall be personally liable to Contractor for any obligation created under the terms of the Contract or this Addendum except in the case of actual fraud or willful misconduct by such person.

15. INDEMNITY. Notwithstanding the insurance requirements herein, Contractor hereby indemnifies, defends and holds, AHP and DHCS and their respective members, officers, officials, employees, and agents, (collectively, the "Indemnified Parties"), harmless against any losses, damages, liabilities, claims, demands, judgments, actions, court costs, and legal or other expenses (including attorneys' fees) which an Indemnified Party may incur as a consequence of Contractor's failure to perform any obligations as and when required by the Contract or this Addendum, any act or omission by Contractor or its subcontractors with respect to the Project, or any failure of any of Contractor's representations or warranties to be true and complete, except to the extent such losses are caused by the negligence or willful misconduct of the Indemnified Party. Contractor shall pay immediately upon the Indemnified Party's demand any amounts owing under this indemnity. The duty of Contractor to indemnify includes the duty to defend the Indemnified Party in any court action, administrative action, or other proceeding brought by any third party arising from the Project. Contractor's duty to indemnify the Indemnified Party shall survive the term of the Contract.

16. HAZARDOUS MATERIALS. Neither Contractor nor any of its subcontractors may use the real property upon which the Project is to be constructed (the "Project Property") or allow the Project Property to be used for the generation, manufacture, storage, disposal, or release of Hazardous Materials. Contractor shall immediately notify AHP and Owner in writing of: (a) the discovery of any concentration or amount of Hazardous Materials on or under the Project Property requiring notice to be given to any governmental agency under Hazardous Materials Laws; (b) any knowledge by Contractor that the Project Property does not comply with any Hazardous Materials Laws; (c) the receipt by Contractor of written notice of any Hazardous Materials claims; and (d) the discovery by Contractor of any occurrence or condition on the Project Property or on any real property located within 2,000 feet of the Project Property that could cause the Project Property to be designated as a "hazardous waste property".

17. NOTICES; NOTICE OF DEFAULT TO AHP. If at any time after the execution of the Contract it shall become necessary or convenient for Contractor to serve any notice, demand, or communication upon AHP, such notice, demand or communication shall be in writing provided in accordance with the notice requirements of the Agreement. Contractor shall give AHP prior or concurrent written notice of any default or breach claimed by Contractor against Owner or any other party under the Contract. The notice shall describe the default and give AHP the option to cure said default within 30 calendar days. No termination of the Contract by Contractor shall be binding unless AHP has been given the required notice and has not cured the default within thirty (30) calendar days.

18. REMEDIES. The parties hereto agree that AHP, while not a party to the Contract, is an intended third party beneficiary of the obligations imposed on Contractor in this Addendum. In the event of any breach or violation of any agreement or obligation of Contractor under the Contract or this Addendum, AHP may proceed with any of the following remedies:

18.1 Bring an action in equitable relief seeking the specific performance by Contractor of the terms and conditions of the Contract or this Addendum, and/or enjoining, abating, or preventing any violation of said terms and conditions;

18.2 Order immediate stoppage of construction and demand that any condition leading to the default be corrected before construction may continue;

18.3 Enter the Project Property and take any actions necessary in its judgment to complete construction of the Project as permitted under the assignment of development rights;

18.4 Suspend disbursement of Program Funds for the Project until the breach or violation is corrected, or, if Owner had any concurrent obligation to perform on or ensure performance on the breached obligation, cancel the Program Funds commitment made to Owner and terminate AHP's obligation to disburse Program Funds to Owner;

18.5 Terminate the Contract; or

18.6 Pursue any other remedy allowed at law or in equity.

19. GOVERNING LAW. This Addendum shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law and those provisions preempted by federal law.

20. DEFINITIONS. Capitalized terms not defined in this Addendum shall have the same meaning as defined in the Agreement.

21. ATTORNEYS' FEES AND COSTS. In the event any legal action is commenced to interpret or to enforce the terms of this Addendum, the prevailing party in any such action shall be entitled to recover all reasonable attorneys' fees and costs incurred in such action.

22. TIME. Time is of the essence in the performance of this Addendum by Contractor.

23. CONSENTS AND APPROVALS. Any consent or approval required under this Addendum shall not be unreasonably withheld, delayed, or conditioned.

24. BINDING UPON SUCCESSORS. All provisions of this Addendum shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors-in-interest, transferees, and assigns of each of the parties; provided, however, that this section does not waive the prohibition on assignment of this Addendum by Contractor without AHP's consent.

25. RELATIONSHIP OF CONTRACTOR AND AHP. Contractor understands that neither AHP nor DHCS undertakes or assumes any responsibility or duty to Contractor or to any third party. The relationship of Contractor and AHP/DHCS for this Project shall not be construed as a joint venture, equity venture, or partnership. AHP shall have no obligation to any party under the Contract but is an intended third party beneficiary of the obligations under this Addendum. Contractor shall have no authority to act as an agent of AHP or DHCS or to bind AHP or DHCS to any obligation.

26. ASSIGNMENT. Contractor may not assign any of its interests under the Contract or the Addendum to any other party, except with the prior written consent of AHP. Any unauthorized assignment shall be void.

27. AMENDMENTS AND MODIFICATIONS. Any amendments or modifications to this **Addendum** must be in writing and shall be made only if executed by Owner and Contractor and consented to in writing by AHP.

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

29. ADDENDUM CONTROLS. In the event that any provisions of this Addendum and the Contract conflict, the terms of this Addendum shall control.

[SIGNATURES ON NEXT PAGE]

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

"CONTRACTOR"

By: _____

Title: _____

"OWNER"

By: _____

Title: _____

Attachment J

RFA



DHCS Behavioral Health Continuum Infrastructure Program Launch Ready Grant and CDSS Community Care Expansion Program Joint Request for Applications (RFA)

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Part One: Overview

1.1. INTRODUCTION TO THE GRANT OPPORTUNITY AND FUNDING

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

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

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

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

1.2. PURPOSE AND PROGRAM OBJECTIVES—STATE PRIORITIES

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

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

BHCIP Launch Ready/CCE Joint Request for Applications 3



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

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

BHCIP Rounds 1 and 2 were released in 2021:

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

The remaining BHCIP rounds will be released in 2022:

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

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

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

CCE Capital Expansion

- Approximately 75 percent of funds (\$570,000,000) will be made available for capital expansion projects, including acquisition, construction, and rehabilitation of residential care settings. Grantees may be approved to use a portion of these funds to establish a capitalized operating subsidy reserve (COSR) for these projects, available for use for up to 5 years.
- Applications for CCE Capital Expansion project funding will be accepted on a project-by-project basis through this joint RFA and funded on a rolling basis until funds are exhausted. However, projects that cannot be funded prior to applicable obligation and liquidation deadlines may not be funded. A portion of the CCE budget includes Home and Community-Based Services (HCBS) funding that must be obligated by December 2023 and liquidated by June 2026, as well as State Fiscal Recovery Funds (SFRF) that must be obligated by June 2024 and liquidated by December 2026. The exact timeline for obligation and liquidation of funds for each funded project will be provided in the grant award announcement.



CCE Preservation, Including Capital Preservation

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

1.3. AUTHORIZING AND APPLICABLE LAW

BHCIP: [Welfare and Institutions Code, Division 5, Part 7](#)

CCE: [Welfare and Institutions Code, Division 9, Part 6](#), commencing with section 18999.97

1.4. TIMELINE

Table 1a: Timeline for BHCIP Applications

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

*See Section 2.2 Application Process (page 6)

Table 1b: Timeline for CCE Applications

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



Part Two: Application, Submission, Award

2.1. TOTAL GRANT AMOUNTS

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

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

2.2. APPLICATION PROCESS

BHCIP

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

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

CCE

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

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



BHCIP and CCE application process

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

Reasonable Accommodations for BHCIP and CCE: For individuals with disabilities, DHCS or CDSS will provide assistive services such as reading or writing assistance and conversion of the RFA, questions/answers, RFA addenda, or other Administrative Notices in Braille, large print, audiocassette, or computer disk. To request copies of written materials in an alternate format, please send an email to bhcip.cce.info@ahpnet.com or call (323) 545-6202.

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

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

Regional Funding Reserve Methodology

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

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

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

The RFA will be open to CCE applicants on a rolling basis. CDSS has established an initial priority application period from the release date of the CCE application through September 30, 2022. During this prioritization period, CDSS will group applications into one of the seven geographic regions, unless the



application is prioritized for the rural or tribal entity set-asides. This timeframe will allow applicants time to prepare projects and seek relative technical assistance (TA). It also provides CDSS with additional data on the statewide need and interest. After September 30, 2022, CDSS reserves the right to stop grouping applications by geographic region, and instead deploy unused funds from any undersubscribed geographic region(s) to fund subsequent applications statewide.

Table 2: Regions and Counties

Counties by Geographic Distribution	BHCIP Launch Ready Estimated Targeted Funding Levels (less 20% discretionary and 5% tribal set-asides) (Total available: \$394,060,000)	Community Care Expansion Estimated Targeted Funding Levels (less 20% discretionary and 5% tribal set-asides) (Total available: \$430,171,874)
Los Angeles County	\$138,033,407	\$135,281,766
Bay Area: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma	\$80,110,607	\$85,690,868
Southern California: Imperial, Orange, Riverside, San Bernardino, San Diego, Ventura	\$75,954,578	\$100,473,714
San Joaquin Valley: Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare	\$44,552,480	\$45,982,932
Sacramento Area: El Dorado, Placer, Sacramento, Sutter, Yolo, Yuba	\$23,553,889	\$31,914,624
Central Coast: Monterey, San Benito, San Luis Obispo, Santa Barbara, Santa Cruz	\$14,912,943	\$15,052,939
Balance of State: Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity, Tuolumne	\$16,942,096	\$15,775,031



2.3. PRE-APPLICATION CONSULTATIONS AND TA

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

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

The Round 2 funding via BHCIP consisted of a planning RFA for counties and tribes for BHCIP and CCE projects. For applicants who have received a BHCIP Round 2 Planning Grant, that grant will be considered during the TA planning process in order to leverage local planning already underway. AHP will also conduct informational webinars on topics such as strategies to serve target and prioritized populations, braiding resources to ensure viability, and green/sustainable building practices. This will include topics to help address concerns common to capital development projects serving the prioritized populations, such as best practices related to siting facilities and strategies for promoting community collaboration and support.

2.4. APPLICATION SCORING CRITERIA

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

- Full and complete application
- Commitment to serve population and to address the gaps identified in the community
- Demonstrated match
- Completed pre-application consultation
- Attested to meet federal, state, and local laws
- Reasonable cost compared to projects within the same region
- Able to expend funds within the required timeline

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

- Alignment with the State Priorities described in 1.2, above;



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

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

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

2.5. AWARD PROCESS

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

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

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



2.6. APPEALS

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

Part Three: Program Requirements

3.1. ELIGIBILITY CRITERIA

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

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

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

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

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

- A Memorandum of Understanding (MOU) or other agreement with the nonprofit organization, tribal entity, city, or county to confirm the private organization's role in the project, including that they are working on behalf of the service provider, and



- Related prior experience, reflected in the successful development, ownership, or operation of a relevant project for individuals who qualify as members of the target population.

3.2. ELIGIBLE USES

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

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

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

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

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



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

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

Residential Clinical Programs (includes a variety of settings primarily focused on delivering clinical services; also provide shelter and support, from overnight to many days, weeks, and months)		
	BHCIP	CCE
Acute inpatient hospitals—medical detoxification/withdrawal management (medically managed inpatient detoxification/withdrawal management facility)	x	
Acute psychiatric inpatient facilities	x	
Adolescent residential treatment facilities for SUD	x	
Adult residential treatment facilities for SUD	x	
Chemical dependency recovery hospitals	x	
Children's crisis residential programs (CCRP)	x	
Community treatment facilities (CTFs)	x	
Crisis stabilization units (CSUs)	x	
General acute care hospitals (GACHs) and acute care hospitals (ACHs)	x	
Mental health rehabilitation centers (MHRCs)	x	
Psychiatric health facilities (PHFs)	x	
Short-term residential therapeutic programs (STRTPs)	x	
Skilled nursing facilities with special treatment programs (SNFs/STPs)	x	
Social rehabilitation facilities (SRFs)	x	

Residential Support Programs (BHCIP-funded facilities listed here are primarily focused on shelter and support services, from overnight to many months; funded facilities are required to serve Medi-Cal recipients. CCE will fund adult and senior care settings to provide care and support to seniors and adults with disabilities.)		
	BHCIP	CCE
Peer respite	x	x
Recovery residence/sober living homes	x	x
Adult residential facilities (ARFs)		x
Residential care facilities for the elderly (RCFEs)		x



Permanent Supportive Housing that serves the needs of seniors and adults with disabilities (including models that provide site-based care, such as Program for All Inclusive Care for the Elderly [PACE] and the Assisted Living Waiver programs)		x
Other residential care settings that serve the target population, including recuperative care sites		x

Facility types that are not eligible for funding:

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

3.3. MATCH

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

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

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

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

Cash may come from

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

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

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



Services will not be allowed as match.

3.4. GENERAL PROGRAM REQUIREMENTS

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

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

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

Permits

- Applicant documents understanding of approvals and permitting needed, and the capacity to obtain these approvals and permits, as evidenced by both of the following:
 - Providing detailed information regarding the site of the proposed capital project, including zoning, land use limitations, permissible “as of right” uses, and any approvals or variances that may be required and
 - Including a list of the approvals and permits required to complete the project as described in the construction plan (below), along with the sequences of these approvals and permits.
- Applicant commits to making initial required applications within 60 days of award, as applicable.

Licensure/certification

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

Preliminary construction plans for proposed project, such as

- Site plan (if applicable);



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

Acquisition and/or construction timeline

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

Capacity to meet match requirements (see Section 3.3)

Approval and engagement

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

Service use restriction

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

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

3.5. PRE-DEVELOPMENT (CCE ONLY)

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

Examples may include but are not limited to:

- Hiring a development team (lawyer, architect, owner's representative or construction manager)
- Physical needs assessment



- Feasibility study
- Site plan
- Environmental survey (Phase 1 & 2 reports)
- Schematic and construction drawing and architectural plans
- Construction cost estimates
- Preliminary engineering/dry utilities
- Stakeholder coordination
- Preliminary development budgets
- Basic underwriting

3.6. BUDGET DEVELOPMENT

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

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

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

3.8. ACCESSIBILITY AND NON-DISCRIMINATION

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



maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the project and be available in a sufficient range of sizes and amenities consistent with 24 CFR Part 8.26.

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

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

3.9. STATE & FEDERAL PREVAILING WAGE

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

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

If DHCS or CDSS selects an applicant to receive a BHCIP and/or CCE grant and the applicant is not using the grant to fund a public work, then the applicant shall submit a Certification of Inapplicability to the awarding department (i.e., DHCS or CDSS) explaining why the project is not a public work as defined by



California Labor Code section 1720. The Certification of Inapplicability shall be signed by the general contractor(s) and the applicant.

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

3.10. EXEMPTIONS

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

1. Deemed to be consistent with and in conformity with any applicable local plan, standard, or requirement;
2. Deemed to be allowed as a permitted use within the zone in which the structure is located; and
3. Not subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals.

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

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

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

3.12 LOW-RENT HOUSING PROJECT EXEMPTION

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

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



apartments, or other living accommodations of the project may be occupied by persons of low income;

2. The project is privately owned housing, is not exempt from ad valorem taxation by reason of any public ownership, and is not financed with direct long-term financing from a public body;
3. The project is intended for owner-occupancy, which may include a limited-equity housing cooperative as defined in Section 50076.5 of the Health and Safety Code, or cooperative or condominium ownership, rather than for rental-occupancy;
4. The project consists of newly constructed, privately owned, one-to-four-family dwellings not located on adjoining sites;
5. The project consists of existing dwelling units leased by the state public body from the private owner of these dwelling units;
6. The project consists of the rehabilitation, reconstruction, improvement or addition to, or replacement of, dwelling units of a previously existing low-rent housing project, or a project previously or currently occupied by lower-income households, as defined in Section 50079.5 of the Health and Safety Code; or
7. The project consists of the acquisition, rehabilitation, reconstruction, improvement, or any combination thereof, of a project which, prior to the date of the transaction to acquire, rehabilitate, reconstruct, improve, or any combination thereof, was subject to a contract for federal or state public body assistance for the purpose of providing affordable housing for low-income households and maintains, or enters into, a contract for federal or state public body assistance for the purpose of providing affordable housing for low-income households.

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

Part Four: Program Operations

4.1. PROGRAM OVERSIGHT AND REPORTING

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

Grantees are required to meet BHCIP Launch Ready, CCE program, and other state and federal reporting, financial, and administrative requirements, as well as submit required reporting data through an online grantee data portal. Reporting requirements will include quarterly reports and a final report, along with an annual BHCIP Launch Ready or CCE Program and Expenditure Report for 5 years following Standard Agreement execution. The annual report will be due no later than January 31 for the prior



calendar year of January 1 to December 31. The reports and data entered in the grantee data portal shall be in such form and contain such information as required by DHCS or CDSS, as appropriate, in its sole and absolute discretion. Funding will be contingent upon provision of submission of data and reporting. These requirements will be fully detailed upon award.

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

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

4.2. DISBURSEMENT OF GRANT FUNDS

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

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

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

Part Five: Attachments

Attachment A: Application

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

Attachment B: Pre-Application Consultation Process

BHCIP Launch Ready/CCE Joint Request for Applications 21



Attachment K

AWARD LETTER



State of California—Health and Human Services Agency
Department of Health Care Services



November XX, 2022

THIS LETTER SENT VIA EMAIL

Ms. /Mr. First Name Last Name, Title
Entity Name

Street Address or P.O. Box
Number Mail Stop (MS)
Code, if applicable City, State
Zip Code

RE: NOTICE OF FINAL GRANT AWARD - BEHAVIORAL HEALTH CONTINUUM
INFRASTRUCTURE PROGRAM (BHCIP) ROUND 3: LAUNCH READY

Dear Ms./Mr. Last Name: (use first and last name if gender is unknown)

The Department of Health Care Services (DHCS) is pleased to inform you of your final award announcement in the amount of \$XXX for purposes of BHCIP project completion as represented in your BHCIP Round 3: Launch Ready grant application and approved project budget, contingent upon review and final execution of the required Program Funding Agreement with Advocates for Human Potential (AHP), BHCIP's administrative entity.

Please note that the referenced Program Funding Agreement, to be released by AHP within a few days from date of this notice, has been carefully drafted to address DHCS and AHP's compliance needs, and our ability to entertain amendments to this agreement is minimal. Awardees are unable to commence work or invoice for their BHCIP Round 3: Launch Ready projects until the Program Funding Agreement is finalized.

Funding for BHCIP Round 3: Launch Ready is derived from the Federal Coronavirus State and Local Fiscal Recovery Funds (SLFRF), which is part of the American Rescue Plan. As an award recipient, you are responsible for reviewing and understanding general limitations and requirements applicable to these funds, including the provisions of 2 C.F.R. Part 200 and the disposition requirements applicable to real property improvements using federal funds set forth in 2 C.F.R. section 200.311.

If for any reason, acceptance of the BHCIP Round 3: Launch Ready funding proves problematic in that you are unable to execute the Program Funding Agreement, your

Behavioral Health
Community Services Division
P.O. Box 997413, Sacramento, California 95899
MS 2634
Internet Address: <http://www.DHCS.ca.gov>

Ms./Mr. Name
Page 2 Date
November XX, 2022

project is no longer reflective of the project described in your application for funding, there is concern about the perpetuity of your BHCIP project, or you are no longer interested in receiving funding, please contact DHCS/BHCIP immediately.

DHCS is excited to embark on this endeavor with you to expand the continuum of behavioral health facilities in California. We are doing lasting work that will benefit some of our state's most vulnerable individuals.

If you have any questions or concerns, please contact BHCIP at Round3@ahpnet.com.

Sincerely,

Marlies Perez, Division Chief
Community Services Division
Department of Health Care Services

FACILITY ACCESS AGREEMENT

Department of Health Care Services
Grantee: [Contractor's/Grantee's Name]
Agreement # []
Page 1 of 9

Facility Access Agreement
Behavioral Health Continuum Infrastructure Program (BHCIP)
Round 3: Launch Ready Grant

1. Statement of Intent

The purpose of this Facility Access Agreement ("Agreement") is to provide the Department of Health Care Services (DHCS) with access to a property and facility owned and operated by [INSERT CONTRACTOR/GRANTEE/SPONSOR NAME HERE] ("Sponsor") and which received grant funding through the Behavioral Health Continuum Infrastructure Program (BHCIP). Sponsor further agrees to provide information and documents to DHCS as outlined in this agreement. Sponsor agrees to provide this facility access and to provide the information outlined in this document to enable DHCS to confirm Sponsor's compliance with BHCIP grant requirements and restrictions and applicable federal regulations. Sponsor enters into this agreement as a condition of receipt of BHCIP grant funds and will comply with this agreement for the term specified.

2. Background

DHCS oversees the BHCIP pursuant to Welfare and Institutions Code sections 5960-5960.45. DHCS established the BHCIP Round 3 Launch Ready Grants to award competitive grants to qualified entities to construct, acquire, and rehabilitate real estate assets to expand the community continuum of behavioral health treatment resources for persons with behavioral health disorders in the least restrictive and least costly setting.

DHCS awarded the Sponsor a BHCIP Round 3 Launch Ready grant to acquire, expand, or construct certain improvements (the "Sponsor's Project") on that certain real property commonly known as [INSERT ADDRESS OF REAL PROPERTY], located in the City of [INSERT NAME OF CITY], County of [INSERT NAME OF COUNTY], State of California, and the improvements thereon (the "Property"); and, to operate the specific type of behavioral health facility (the "Facility") identified in Sponsor's grant application on the Property following the completion of the Sponsor's Project.

The grant for Sponsor's Project is funded through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), which was established by Public Law 117-2. (<https://www.congress.gov/117/plaws/publ2/PLAW-117publ2.pdf>) and which is governed by Part 35 of Title 31 of the Code of Federal Regulations. SLFRF funds and the grant to Sponsor are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards set forth in Part 200 of Title 2 of the Code of Federal Regulations.

As part of DHCS's grant award to Sponsor, Sponsor entered into a contract with Advocates for Human Potential (AHP), who is acting as DHCS's program

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Facility Access Agreement
Behavioral Health Continuum Infrastructure Program (BHCIP)
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administrator to administer Round 3 Launch Ready, to undertake Sponsor's Project.

This Agreement between DHCS and Sponsor provides additional obligations the Sponsor has to DHCS as a condition of receiving all funds under Sponsor's contract with AHP and in order to comply with the requirements of the statutes governing BHCIP and the SLFRF.

3. Applicability of BHCIP Statutes

The statutes governing BHCIP are to be repealed by their own terms on January 1, 2027 (see Welfare and Institutions Code §5960.45.) It is the intent of the parties that Sponsor, and any subsequent owners of the Property, continue to be bound by the requirements of the BHCIP statutes and this Agreement for a minimum of 30 years from the date the Sponsor contracts with AHP, notwithstanding the repeal of the BHCIP statutes. The BHCIP statutes, as written on the date of this agreement, are hereby incorporated by reference into this agreement.

4. Sponsor Obligations to DHCS

For a minimum of 30 years, and thereafter until and unless the Sponsor satisfies any disposition requirements applicable to SLFRF funded projects (see 2 CFR section 200.311), the Sponsor shall:

- A. Ensure that the Facility operates in compliance with the requirements set forth in Welfare and Institutions Code sections 5960-5960.45 and Section 8.A of this Agreement;
- B. Ensure that the Facility operates in compliance with requirements governing the SLFRF as described in Section 8.A of this Agreement;
- C. Comply with the change of Facility use requirements contained in Section 8.B. of this Agreement, if applicable;
- D. Maintain all books, accounting records, client records, and documents in accordance with the requirements set forth in Section 8.C. of this Agreement;
- E. Provide DHCS access to the Property, the Facility, books, accounting records, client records, and documents in accordance with the requirements set forth in Section 8.D. of this Agreement;
- F. Provide DHCS with reports in the manner and frequency set forth in Cal. Welfare and Institutions Code sections 5960-5960.45 and Section 8.E. of this Agreement;
- G. Comply with any and all applicable rules contained in Part 200 of Title 2 of the Code of Federal Regulations, including those governing the disposition property in the event that Sponsor elects to transfer ownership of the Property; and

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Facility Access Agreement
Behavioral Health Continuum Infrastructure Program (BHCIP)
Round 3: Launch Ready Grant

H. Require, as a condition of sale, that any subsequent owners of the Property comply with the terms of this Agreement, if the Sponsor transfers ownership of Facility at any time during the 30 years.

5. Service Location

The services shall be performed at the Property.

6. Service Hours

The services shall be provided during normal Sponsor working hours and days.

7. Project Representatives

A. The project representatives during the term of this Agreement will be:

Department of Health Care Services	Contractor's/Sponsor's Name
Contract/Grant Manager: [Enter Name] Telephone: (XXX) XXX-XXXX Fax: (XXX) XXX-XXXX Email: xxxxxxx@dhcs.ca.gov	Contract/Grant Manager: [Enter Name] Telephone: (XXX) XXX-XXXX Fax: (XXX) XXX-XXXX Email: xxxxxxx@xxxxxxx

B. Direct all inquiries to:

Department of Health Care Services	Contractor's/Sponsor's Name
Section or Unit Name (as applicable) Attention: [Enter name] Mail Station Code XXXX Street address & room/suite number P.O. Box Number (if applicable) City, CA, Zip Code Telephone: (XXX) XXX-XXXX Fax: (XXX) XXX-XXXX Email: xxxxxxx@dhcs.ca.gov	Attention: [Enter name] Street address & room number, if applicable P.O. Box Number (if applicable) City, State, Zip Code Telephone: (XXX) XXX-XXXX Fax: (XXX) XXX-XXXX Email: xxxxxxx@xxxxxxx

C. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this Agreement.

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Facility Access Agreement
Behavioral Health Continuum Infrastructure Program (BHCIP)
Round 3: Launch Ready Grant

8. Services to be Performed

A. Operation of the Facility

For a minimum of 30 years, the Sponsor shall comply with the following requirements:

1. Operate the Facility in accordance with all applicable requirements in Cal. Welfare and Institutions Code sections 5960-5960.45;
2. Operate the Facility as the type of behavioral health services facility identified in the Sponsor's DHCS approved BHCIP grant application, unless otherwise approved by DHCS in the manner described in Section 4.B below;
3. Accept Medi-Cal beneficiaries; and
4. Operate the Facility in compliance with all applicable requirements governing the SLFRF, including: sections 802 and 803 of Title 42 of the United States Code; regulations governing SLFRF, which includes Part 35 of Title 31 of the Code of Federal Regulations and Part 200 of Title 2 of the Code of Federal Regulations; and any SLFRF guidance issued by U.S. Department of the Treasury.

B. Change in Facility Use

If Sponsor wants to change the type of behavioral health facility that it operates on the Property to something other than what was approved in the Sponsor's BHCIP grant application, the Sponsor shall submit a written request to DHCS prior to making such a change.

The Sponsor's written request shall:

1. Identify the desired type of behavioral health facility;
2. Explain the need for the proposed change;
3. Identify any licenses, certifications, building modifications, staff, or any other requirement that the Sponsor must obtain before being able to make the proposed change; and

DHCS has absolute discretion to permit or deny the request and may require the Sponsor to provide additional information to evaluate the Sponsor's request.

C. Record Retention

1. The Sponsor shall maintain books, accounting records, client records, and other documents, in a manner sufficient to properly reflect all direct and indirect costs of operating the Property during the term of this Agreement, including any matching costs and expenses. The foregoing constitutes "records" for the purpose of this provision.

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Facility Access Agreement
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Round 3: Launch Ready Grant

2. The Sponsor's records and the Property's and Facility's records shall be subject at all reasonable times to inspection, audit, and reproduction by authorized representatives of the State of California, including DHCS or its authorized representatives.
3. The Sponsor agrees that departments authorized to represent the State of California (including DHCS, the Department of Finance or its authorized representatives, the Bureau of State Audits, or their designated representatives) and authorized representatives of the United States (including the Comptroller General) shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The Sponsor agrees to allow these state representatives access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Sponsor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Cal. Gov. Code §8546.7, 2 CCR §1896.77)
4. The Sponsor shall preserve and make available its records (1) for a period of three years from the expiration of this Agreement, and (2) for such longer period, if any, as is required by applicable statute, by any other provision of this Agreement. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three-year period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later.
5. The Sponsor may, at its discretion, following the expiration of this Agreement, reduce its accounts, books and records related to this Agreement to microfilm, computer disk, CD ROM, DVD, or other data storage medium. Upon request by DHCS or an authorized DHCS representative to inspect, audit or obtain copies of said records, the Sponsor shall supply or make available applicable devices, hardware, and/or software necessary to view, copy and/or print said records. Applicable devices may include, but are not limited to, microfilm readers and microfilm printers, etc.

D. DHCS Monitoring

1. DHCS, or its authorized representatives, has the right at all reasonable times to inspect the Property and the Facility. If DHCS exercises this right to inspect, the Sponsor shall provide access to the Property and the Facility, and shall provide reasonable assistance for the safety and convenience of the DHCS or its authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

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Facility Access Agreement
Behavioral Health Continuum Infrastructure Program (BHCIP)
Round 3: Launch Ready Grant

E. Proof of Insurance

Beginning five years after Sponsor enters into the contract with AHP, the Sponsor shall provide DHCS with proof of insurance for the Property annually or whenever there is a change in coverage.

F. SLFRF Reporting Requirements

Sponsor shall comply with any and all of the California Department of Finance's SLFRF reporting requirements.

G. Assignment of this Agreement Following the Transfer of Ownership of the Facility

If at any time during the initial 30 year period of this Agreement, the Sponsor sells, gifts, or otherwise transfers ownership of the Property, in whole or in part, the Sponsor shall ensure that, as a condition of the ownership transfer, the subsequent owner of the Property complies with the terms of this Agreement. Sponsor shall comply with any disposition requirements applicable to the facility under SLFRF and any unresolved disposition obligations at the time of sale shall pass to the entity taking ownership of the Property.

Prior to finalizing any transfer of ownership of the Property, the Sponsor shall request that DHCS formally amend this Agreement to assign the Sponsor's obligations under this Agreement to the subsequent owner of the Property.

This Agreement is not assignable by the Sponsor, either in whole or in part, without the consent of DHCS.

H. Sponsor Classification as a Subrecipient

BHCIP is a federal award within the meaning of Part 200 of Title 2 of the Code of Federal Regulations. DHCS has classified this Agreement and Sponsor's agreement with AHP as a subaward of the federal award to the State of California, and the Contractor as a subrecipient for the purposes of U.S. Office of Management and Budget Guidance pursuant to section 200.330 of Title 2 of the Code of Federal Regulations. Sponsor is hereby notified of the following information pursuant to Section 200.332 of Title 2 of the Code of Federal Regulations.

- (i) Subrecipient name: [Sponsor]
- (ii) Subrecipient Unique Entity Identifier: [Sponsor Unique Identifier]
- (iii) Federal Award Identification Number: SLFRP3211

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- (iv) Federal Award Date: 6/9/2021
- (v) Subaward Period of Performance:
 - a. Start Date: [Date contract are signed]
 - b. End Date:
- (vi) Subaward Budget Period:
 - a. Start Date: [Date contract is signed]
 - b. End Date:
- (vii) Amount of Federal Funds Obligated to Sponsor: []
- (viii) Total Amount of Federal Funds Obligated to Sponsor by DHCS: []
- (ix) Amount of Federal Award committed to Sponsor: []
- (x) Federal Award Project Description:
- (xi) Federal Awarding Agency and Pass-Through Entity Contact Information:
 - a. Federal Awarding Agency: United States Department of the Treasury
 - b. Pass-Through Entity: California Department of Health Care Services
 - i. Contact Information for DHCS:
- (xii) Federal Assistance Listing number and listing title: **21.027 CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS**
- (xiii) This award is not for research and development.
- (xiv) The Indirect Cost Rate for the Federal Award is de minimis.

I. Remedies

If the Sponsor violates the terms of this contract, DHCS or another department authorized to represent the State of California, may impose a corrective action plan and/or take any of the following enforcement actions:

1. Direct AHP to temporarily withhold any grant payments pending correction of the deficiency.
2. Disallow all or part of the cost of the activity or action not in compliance.
3. Direct AHP to wholly or partly suspend or terminate the grant award.
4. Withhold or deny further BHCIP awards to the Sponsor.
5. Require the Sponsor to forfeit and return all or part of the grant funds, including any interest, and/or
6. Require the Sponsor to forfeit and return all unused grant funds, including any interest.

DHCS (or another department authorized to represent the State of California) may specify the timeframes and deadlines for the Sponsor's compliance with the

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above remedies. All remedies required by DHCS shall be final and are not subject to administrative review.

DHCS (or another department authorized to represent the State of California) may take any other permissible remedies available in law and equity to enforce the terms of this Agreement.

9. Americans with Disabilities Act

Contractor agrees to ensure that deliverables developed and produced pursuant to this Agreement shall comply with the accessibility requirements of Sections 7405 and 11135 of the California Government Code, Section 508 of the Rehabilitation Act of 1973 as amended (29 U.S.C. § 794d), regulations implementing the Rehabilitation Act of 1973 as set forth in Part 1194 of Title 36 of the Code of Federal Regulations, and the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.). In 1998, Congress amended the Rehabilitation Act of 1973 to require Federal agencies to make their electronic and information technology (EIT) accessible to people with disabilities. California Government Code Sections 7405 and 11135 codifies Section 508 of the Rehabilitation Act of 1973 requiring accessibility of EIT.

10. Agreement Execution

This Participation Agreement shall be signed by the California Department of Health Care Services and by a representative of Sponsor, who by signing warrants that they have the requisite authority to enter into this agreement on behalf of Sponsor. This Agreement shall be effective as of the date that the complete document is signed or the date that the contract between Sponsor and AHP goes into effect, whichever date is later.

Sponsor's Authorized Representative's Signature

Sponsor Representative's Name in Print and Title

Date

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DHCS Representative Signature

DHCS Representative Name in Print and Title

Date