

**PROGRAM FUNDING AGREEMENT  
COMMUNITY CARE EXPANSION PRESERVATION PROJECTS**

\*\*\*\*\*

**SUMMARY COVER SHEET**

Program Funding Agreement ID **7480-CA CCE-XXX-01-G**

Program Agreement Effective Date:

Program Funding Agreement Manager: **HORNE LLP (Horne)<sup>1</sup>**

Tel: [( ) - ] ♦ Fax: [( ) - ]

**Horne Contracting Officer:** [ ]

Tel: [( ) - ] | [email]

**Horne Project Director:** [ ]

Tel: [( ) - ] | [email]

**Horne Direct Staff Contact:** [ ]

Tel: [( ) - ] | [email]

County: **xxx ("XXX")**  
ATTN:  
Address  
Phone:  
mail address:

Prime Contract Identification: **California Department of Social Services  
Agreement No.: 22-3100**

**Contract Title:** *Community Care Expansion Preservation Program*

Contract Type: Deliverable Based Type Contract

Base Period of Performance: \_\_\_\_\_

Consideration/Budget: Facility Preservation and Renovation **Not to Exceed \$XXXX**

<sup>1</sup> Client to confirm contact information.

This Program Funding Agreement (the “Agreement”) is entered into [REDACTED], 2023 (the “Effective Date”), by and between **HORNE LLP**, a Delaware limited liability company, with offices located at **661 Sunnybrook Rd., Suite 100, Ridgeland, MS 39157** (“Horne”), and **XXX (“X”), a political subdivision of the State acting through its Department of [REDACTED] (Designated Department for Administration of Program)** with offices at **ADDRESS (“XXX”** or “County”). Horne and County may be referred to separately as a “Party” or collectively as “Parties.”

## RECITALS

1. Horne entered into an agreement with the State of California (the “State”) through the California Department of Social Services (“CDSS”) to facilitate program funding awards and provide services to CDSS as the third-party administrator of the CDSS Community Care Expansion Preservation Program (“Program”). The agreement between CDSS and Horne shall hereinafter be referred to as the “Prime Contract” or “CDSS Contract”;
2. The purpose of the Program is to preserve and avoid the closure of licensed residential adult and senior care facilities that serve applicants and recipients of Supplemental Security Income/State Supplementary Payment and Cash Assistance Program for Immigrants (“Qualified Residents”), with a priority for individuals experiencing or at risk of homelessness (“Prioritized Population”);
3. Pursuant to the requirements of the Program and CDSS guidelines, counties are to use their allocation of program funds to preserve the capacity of eligible residential adult and senior care settings as well as increase the acceptance of new Qualified Residents by providing operating subsidy payments (“Operating Subsidy Payments” or “OSP”) and funding capital projects addressing critical repairs, required upgrades, and ensuring that facilities are compliant with licensing standards (“Capital Projects”), with the goal of preventing closures and preserving beds in existing licensed facilities;
4. In response to that certain Notice of Funding Availability issued by Horne on behalf of CDSS on or about June 10, 2022 (the “NOFA”) for the Program, and the All County Welfare Directors Letter (“ACWDL”) dated December 14, 2022 (collectively referred to as “Funding Letters”), County elected to receive its noncompetitive allocation of [REDACTED] for the purpose of funding Operating Subsidy Payments and/or Capital Projects (“Program Funds”) and has submitted to Horne an Implementation Plan (“Implementation Plan”) for the administration and disbursement of the Program Funds to existing licensed adult and senior care facilities serving Qualified Residents; and;
5. This Agreement sets forth the terms and conditions of Horne’s administration and management of the Program Funds and County’s duties and obligations related to its receipt of Program Funds. Capitalized terms not defined herein shall have the meanings ascribed thereto in the California Welfare and Institutions Code sections 18999.97 – 18999.98.

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

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

California Assembly Bill 172 (Chapter 696, Statutes of 2021) (“AB 172”) added sections 18999.97-18999.98 to the Welfare and Institutions Code, providing the statutory basis for the Program and California Senate Bill 129 (Chapter 69, Statutes of 2021), the Budget Act of 2021, and California Assembly Bill 178 (Chapter 45, Statutes of 2022), Budget Act of 2022, provide the funding for the Program. CDSS issued the Funding Letters and Horne publishes Funding Letters on behalf of CDSS and provides technical assistance, general training and support to counties on administration, disbursement and monitoring of the Program Funds, as well as administration and fund management to CDSS.

This Agreement is entered under the authority of and in furtherance of the Program. This Agreement is the result of the County’s election to accept its allocation of Program Funds and County’s submission of an Implementation Plan which is subject to Horne and CDSS review and approval.

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

- 1.1 AB 172 (Chapter 696, Statutes of 2021), including any subsequent amendments to the statutes contained therein;
- 1.2 California Welfare and Institutions Code sections 18999.97 – 18999.98;
- 1.3 The NOFA, in the form attached to this Agreement as Attachment D issued on our about June 10, 2022; and the ACWDL dated December 14, 2022;
- 1.4 Guidance issued by CDSS regarding the Program;
- 1.5 Program Guidelines, or Program Manuals, as adopted by CDSS, and as may be amended from time to time;
- 1.6 The award letter(s) issued by Horne to County (“Award Letter”) attached to this Agreement as Attachment E; and
- 1.7 All other applicable law, including, but not limited to, California Labor Code statutes applicable to public works projects.

County is solely responsible and liable for County and County’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. For any provision within the Agreement

where a County uses a subcontractor to meet or partially meet the requirements, duties, or obligations of the provision, the term “County,” if used in the provision, includes the subcontractor, as applicable.

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

- 2.1 This Agreement shall commence on the Effective Date and shall expire automatically on June 29, 2029 (the “Expiration Date”), **which Expiration Date may be extended by Horne or CDSS**. The period from the Effective Date through the Expiration Date shall be referred to herein as the “Term”, unless earlier terminated by Horne or CDSS or assigned to CDSS pursuant to Section 2.3 below.
- 2.2 Upon the expiration of the Term, there shall be no extension or renewal of the Term of this Agreement, unless the Parties and CDSS otherwise agree in writing.
- 2.3 In the event that the Term of this Agreement is not extended, renewed, or terminated early, and either Party hereto shall have a material obligation to the other Party by the terms of this Agreement, which shall not be satisfied on or before the Expiration Date, all of Horne’s rights and obligations under this Agreement shall be assigned to CDSS, if directed by CDSS, effective June 29, 2029, at 11:59 p.m Pacific time. Each of the Parties hereto acknowledges and agrees that upon the occurrence of an assignment pursuant to this Section 2.3, such an assignment shall be effective without any further action by either Party hereto, or CDSS, and from and after the date of such an assignment: (i) CDSS shall be a Party to this Agreement and shall have all rights and obligations of Horne hereunder, and (ii) Horne shall cease to be a Party to this Agreement and shall be released from its obligations hereunder. Upon the occurrence of such assignment, the Term of this Agreement shall be extended automatically for a period of one (1) year and shall expire without any further action by either County or CDSS, unless County and CDSS otherwise agree in writing.
- 2.4 In the event that the Prime Contract is terminated or amended in a manner removing Horne from responsibility as a Party to this Agreement, and either Party hereto shall have a remaining obligation to the other Party by the terms of this Agreement, which shall not be satisfied on or before the Expiration Date, all of Horne’s right and obligations under this Agreement shall be assigned automatically to CDSS effective upon the date of the termination or amendment.
- 2.5 Notwithstanding the foregoing or anything to the contrary contained herein, Horne and/or CDSS shall have the termination rights as set forth in Article 7, and Article 8, of this Agreement.

**ARTICLE 3.**  
**PROGRAM FUNDS AND DISBURSEMENT**

- 3.1 **Purpose.** The County 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 Implementation Plan and for no other purposes. The County shall be responsible for administering and disbursing the Program Funds for purposes that are consistent with the Program Requirements. The County may disburse Program Funds to Eligible Recipients (as defined below) for OSP and/or for Capital Projects. Program Funds awarded for OSP may not be commingled with Program Funds awarded for Capital Projects, and vice versa. The County is obligated to develop an application, allocation methodology and award process for Eligible Recipients consistent with the terms of this Agreement. Program Funds shall be disbursed only upon satisfaction of the requirements of this section.
- 3.2 **Conditions of Disbursement.** Within thirty (30) calendar days of the delivery to Horne of a fully executed Agreement, Horne shall disburse to the County twenty-five percent (25%) of the total amount of Program Funds awarded to the County (“Advance Disbursement”), which funds are to be used by the County in accordance with this Agreement. County shall submit proof of expenditures applied against the Advance Disbursement no later than (30) days after the end of each calendar quarter. In no event shall further Program Fund disbursements be made by Horne to County until after the Advance Disbursement has been exhausted and County has provided proof of expenditures applied against the Advance Disbursement. Such proof of expenditures shall be in a form approved by Horne and shall include any documentation requested by Horne to evidence the County’s expenditures of funds, consistent with the terms of this Agreement. After the Advance Disbursement has been exhausted, disbursements shall be made by written request in a form approved by Horne and shall include any documentation requested by Horne to evidence the County’s expenditures of funds, including Match Funds as described in Section 5.6, consistent with the terms of this Agreement (“Disbursement Request”).

Disbursements are subject to the following:

- 3.2.1 County shall submit Disbursement Requests no more than once per calendar quarter, unless additional Disbursement Requests are permitted pursuant to section 3.2.4.
- 3.2.2 Disbursement Requests shall be submitted no earlier than the last day of each calendar quarter and no later than thirty (30) days following the last day of each calendar quarter.
- 3.2.3 Program Funds will be disbursed to the County for costs incurred for the Project within thirty (30) days of receipt of a complete Disbursement

Request for Program Funds, provided such Disbursement Request is approved by Horne or its designee.

- 3.2.4 Other than the Advance Disbursement, all disbursements shall be based on actual expenditures incurred by the County. The County may submit requests for additional advance disbursements upon providing to Horne evidence of good cause for the additional advance disbursement, and Horne shall provide said request to CDSS for approval. Any approval or disapproval of a disbursement request for an advance disbursement is within the sole discretion of CDSS. In no event shall the balance of advance disbursements exceed 25% of the total Program Fund amount.
- 3.2.5 Disbursement Requests shall identify the purpose of the use of funds, whether for OSP or Capital Projects or both, and shall delineate items allocated to OSP or Capital Projects, if applicable.
- 3.2.6 Within ninety (90) days of the final Disbursement Request, the County shall provide Horne with (i) a reconciliation showing all expenditures made with Program Funds, including those made with the Advance Disbursement, (ii) documentation of the expenditure of all Match Funds, and (iii) any documentation or evidence requested by Horne to support such expenditures.
- 3.3 Documentation of Match Funds. Match Funds contributed pursuant to Article 5, Section 5.6 of this Agreement shall be reported with each Disbursement Request. In the event the Match Funds are an in-kind contribution in lieu of cash, including Project expenses incurred prior to the Effective Date (the “Sunk Costs”), the value of such in-kind contribution must be approved by Horne. All Match Funds must be expended prior to submitting the final Disbursement Request.
- 3.4 Disbursement of Program Funds to Eligible Recipients. The County shall be responsible for disbursement of Program Funds to Eligible Recipients. The County shall follow its standard procurement, invoicing, and reimbursement processes for the disbursement of Program Funds, consistent with the terms and conditions of this Agreement.
- 3.5 Additional Considerations for Program Funds Used For Capital Projects. The County shall be responsible for ensuring that Eligible Recipients comply with all construction requirements, including that Eligible Recipients comply with California Prevailing Wage laws (California Labor Code section 1720 et seq.), all permitting requirements of the local jurisdiction and any other governmental or Program Requirements. The County shall require that all facilities receiving Program Funds for Capital Projects undertaking a construction project costing more than One Million Dollars (\$1,000,0000) shall obtain payment and performance bonds. Any exception to the requirement to obtain payment and performance bonds must be approved by Horne or CDSS.

**ARTICLE 4.**  
**ELIGIBLE RECIPIENTS AND EXPENDITURES**

The County shall disburse Program Funds to Eligible Recipients for the uses set forth below. In awarding Program Funds, the County shall prioritize facilities with the highest risk of closure and facilities with the highest percentage of Qualified Residents.

- 4.1 Eligible Recipients. Program Funds shall only be disbursed by the County to facilities meeting all of the following eligibility criteria (“Eligible Recipients”):
- 4.1.1 An existing licensed Adult Residential Facility as defined in Title 22, section 80001(a)(5) of the California Code of Regulations; Residential Care Facility for the Elderly, as defined in Title 22, section 87101(r)(5) of the California Code of Regulations; or a Residential Care Facility for the Chronically Ill as defined in Title 22, section 87801(r)(5) of the California Code of Regulations.
  - 4.1.2 Currently serving at least one Qualified Resident.
  - 4.1.3 In good standing with the Community Care Licensing Division or, if the facility is not in good standing, providing a certification that the Program Funds will bring the facility into good standing.
  - 4.1.4 Has agreed to continue to serve Qualified Residents.
  - 4.1.5 Has agreed to prioritize applications from Qualified Residents who are part of the Prioritized Population.
  - 4.1.6 Has agreed to remain in good standing with Community Care Licensing Division.
  - 4.1.7 Has agreed to use the Program Funds disbursed for the uses set forth below in Section 4.3 if Program Funds are used for OSP or Section 4.5 if the Program Funds are used for Capital Projects.
- 4.2 Additional Criteria for Eligible Recipients of OSP. In addition to the criteria for Eligible Recipients set forth in Section 4.1, recipients of Program Funds for OSP must also meet the following criteria:
- 4.2.1 Have a monthly or annual operating cash flow gap that places the facility at risk of closure or risk of reducing the number of beds for Qualified Residents.
  - 4.2.2 Have recorded a deed restriction on the facility or property requiring that the facility continue to provide licensed adult and senior residential care for a minimum duration equal to at least the term of the agreement between the County and Eligible Recipients to fund the OSP.

- 4.2.3 The duration of the agreement between the County and Eligible Recipients to fund the OSP is the period of time in which the County will be providing Program Funds for OSP to any Eligible Recipients within the County.
- 4.3 Eligible and Ineligible Uses of Program Funds for OSP. Program Funds used for OSP may be used to cover operating costs associated with the day-to-day physical operation of the Eligible Recipient's facility related to the Qualified Residents, including covering costs of utilities, maintenance and repair, staff and payroll costs, marketing, leasing, taxes and insurance, office supplies, accounting, and strategic planning. Examples of eligible uses are set forth in [section 205 of the NOFA]. Program Funds used for OSP may not supplant other funding awarded or otherwise dedicated from existing local, state, or federal programs and grants supporting Qualified Residents and may not supplant the Qualified Residents' payments to the Eligible Recipient. Program Funds cannot be used for costs that are not related to operations, distributions to the facility owners, to pay tort claim liabilities, or to pay costs associated with a change of ownership. The County shall be responsible for ensuring that Program Funds are used for eligible purposes consistent with the Program Requirements and this Agreement.
- 4.4 Additional Criteria for Capital Project Eligible Recipients. In addition to the criteria for Eligible Recipients set forth in Section 4.1, recipients of Program Funds for Capital Projects must also meet the following criteria:
- 4.4.1 Have a gap in their financial ability to make needed repairs or upgrades, placing the facility at risk of closure or reducing the number of beds available for Qualified Residents.
- 4.5 Eligible and Ineligible Uses of Program Funds for Capital Projects. Program Funds used for Capital Projects are to be used for physical repairs and upgrades to an Eligible Recipient's facility, inside or outside the facility within the property line of the facility. Examples of eligible uses are set forth in [section 205 of the NOFA]. Program Funds used for Capital Projects may not supplant any existing funds used to support the prioritized population. Program Funds for Capital Projects shall not be used for repairs to foundations of leased facilities, projects that would expand or create new usable space, the provision of services, or for operating costs.

**ARTICLE 5.**  
**PROGRAM IMPLEMENTATION REQUIREMENTS**

- 5.1 The County is responsible for the administration, disbursement, and monitoring of the Program Funds in accordance with the terms of this Agreement and the Program Requirements. Implementation requirements include the requirements in Sections 5.2-5.7.



- 5.2 Application Process. The County shall establish an application process for Eligible Recipients that addresses the Program priorities and goals. The application and funding selection process shall assess Eligible Recipients' financial capacity, and ability to adhere to the Program Guidelines, including ensuring that Eligible Recipients have sufficient staff capacity and financial resources to manage the facility. The County funding shall be distributed geographically throughout the County to the extent feasible.
- 5.3 Monitoring. The County is responsible for monitoring use of Program Funds to ensure that Program Funds are only used for eligible uses in a manner consistent with the Program Guidelines. The County procedures must include a corrective action plan for assessing the risk of activities, projects, and for monitoring facilities to ensure that Program Requirements are met. The County is responsible for taking appropriate action in the event that Eligible Recipients fail to use the Program Funds for eligible uses or fail to perform. The County may subcontract any of its obligations to a third party, but the County remains responsible for the obligations in this Agreement.
- 5.4 OSP Agreements. The County shall enter into written agreements with Eligible Recipients of Program Funds used for OSP, which at a minimum shall include (i) the Eligible Recipient's reporting obligations; (ii) the requirement that the Eligible Recipient respond to requests for information from Horne and CDSS; (iii) the eligible uses of the Program Funds; (iv) the conditions under which Program Funds will be disbursed; (v) the method of disbursement; (vi) a requirement that the facility be deed restricted to provide licensed adult and senior residential care for a minimum duration equal to the term of the agreement between the County and the Eligible Recipient for the use of Program Funds for OSP; (vii) conditions for the repayment of Program Funds or cancellation of future disbursement of Program Funds; (viii) a requirement that the Eligible Recipient provide an annual audit within ninety (90) days of the end of the fiscal year, if applicable; (ix) a requirement to report material changes, such as changes in key staff or litigation against the Eligible Recipient or the facility, within thirty (30) days of such occurrence; (x) a requirement that the Eligible Recipient indemnify the County; and (xi) such other provisions required by Horne or CDSS. County may include other requirements in its the agreement with Eligible Recipients of Program Funds used for OSP.
- 5.5 Capital Project Agreements. The County shall enter into written agreements with Eligible Recipients of Program Funds for Capital Projects which at a minimum shall include (i) the Eligible Recipients reporting responsibilities; (ii) the requirement that the Eligible Recipient respond to requests for information from Horne and CDSS; (iii) the allowed use of the Program Funds; (iv) the conditions for disbursement of the Program Funds; (v) the method of disbursement for the Program Funds; (vi) any procurement and bidding requirements, including, but not limited to, requirements to pay prevailing wage pursuant to California Labor Code section 1720 et seq.; (vii) conditions for repayment of the Program Funds or the cancellation of future disbursements; (viii) a requirement that the Eligible

Recipient provide an annual audit within ninety (90) days of the end of the fiscal year, if applicable; (ix) a requirement to report material changes, such as changes in key staff or litigation against the Eligible Recipient or the facility within thirty (30) days of such occurrence; (x) a requirement that the Eligible Recipient indemnify the County; (xi) if part of the County requirements, a requirement that the Eligible Recipient enter into a deed restriction to provide licensed residential care to Qualified Residents for a term determined by the County; and (xii) such other provisions required by Horne or CDSS. County may include other requirements in its agreement with Eligible Recipients of Program Funds used for Capital Projects.

- 5.6 Capital Project Program Fund Match. The County is required to match at least ten percent (10%) of the Program Funds for Capital Projects allocated to the County (the “Match Funds”). The County shall provide evidence to Horne of the contribution of Match Funds either in the form of cash or in-kind contributions as outlined in Article 3. Match Funds may be from the County or provided by an Eligible Recipient. In-kind Match Funds may be in the form of Sunk Costs directly related to the Capital Project, or costs directly related to the Capital Project that have already been incurred and cannot be recovered, and evidenced with documentation of paid invoices for professional services related to preconstruction of the specific Capital Project, as approved by Horne or CDSS on a case-by-case basis. In-kind Match Funds may also include donations of professional design-build services or materials directly related to the Capital Project. Any Match Funds claimed under Sunk Costs must supplement, not supplant, other fund sources. The provision of services and funds derived from the State general fund cannot be used in satisfaction of the required contribution of Match Funds.
- 5.7 Deed Restriction or Regulatory Agreement. The County must require Eligible Recipients receiving Program Funds for OSP to record a deed restriction or regulatory agreement on the funded facility requiring that the facility continue to provide licensed residential adult and senior care for a minimum duration equal to the term of the agreement between the County and Eligible Recipient for funding OSP. The deed restriction must be recorded on the title to the property upon which the facility is located before the County disburses any funds. If the Eligible Recipient leases the facility or property, the deed restriction must be signed by both the Eligible Recipient and the owner of the fee interest in the property and recorded against both the fee interest in the property and the leasehold. The County may, at its election, require deed restrictions for Capital Projects.

## **ARTICLE 6.** **FISCAL ADMINISTRATION**

- 6.1 The County shall be responsible for managing the Program Funds in compliance with the Program Requirements. The County is responsible for ensuring that Program Funds are used in accordance with the terms of this Agreement and the Program Requirements. The County is not required to establish a separate

account for Program Funds but must establish a separate fund and must monitor all expenditures from the fund to ensure funds are only used for Program purposes. All interest earned from Program Funds shall be used for purposes consistent with the terms of this Agreement and segregated from other County funds. Minimum requirements for the management of Program Funds include the following:

- 6.1.1 The County, by signing this Agreement, attests that it has the capacity and ability to manage the application, disbursement, and monitoring of the Program Funds required by this Agreement and the Program Requirements.
- 6.1.2 The County shall include in its program requirements that all Eligible Recipients are assessed for financial feasibility and ability to comply with the Program Requirements.
- 6.1.3 The County shall comply with all disbursement procedures for the Program Funds set forth in the County's Implementation Plan or as otherwise approved by CDSS.
- 6.1.4 The County shall assign the necessary staff to monitor the use of Program Funds, ensure adherence to the Program Requirements, and monitor ongoing compliance with Program Requirements for the duration of any deed restriction required by this Agreement or the Term of this Agreement, whichever is longer, or required by the County.
- 6.1.5 The County shall ensure that recipients of Program Funds for Capital Projects comply with State Labor Code section 1720 et seq. (State Prevailing Wage).
- 6.1.6 The County shall comply with any reporting and record retention requirements in the Program Requirements or this Agreement.
- 6.2 Any Program Funds that have been disbursed to the County but have not been expended by the expiration of the Period of Performance set forth in the Summary Cover Sheet must be returned to CDSS with accrued interest within thirty (30) calendar days after the expiration of the Period of Performance in accordance with directions provided by CDSS. County shall not be entitled to any disbursement of Program Funds after expiration of the Period of Performance and any such undisbursed funds will be retained by CDSS.
- 6.3 The County shall not expend more than fifteen percent (15%) of the Program Funds on County administrative costs.

**ARTICLE 7.**  
**DEFAULT AND REMEDIES**

- 7.1 Event of Default. Any of the following, after notice to County by Horne or CDSS, provided in accordance with the notice requirements of this Agreement, and expiration of any applicable cure period, shall constitute an Event of Default under this Agreement:
- 7.1.1 The County's failure to timely satisfy each or any of the conditions set forth in this Agreement, or the Award Letter.
  - 7.1.2 The County's violation of any of the Program Requirements.
  - 7.1.3 Horne's or CDSS's determination of the following:
    - 7.1.3.1 The County has concealed any material fact from Horne or CDSS related to the County or any Eligible Recipients; or
    - 7.1.3.2 Any material fact or representation, made or furnished to Horne or CDSS by the County in connection with this Agreement shall have been untrue or misleading at the time that such fact or representation was made known to Horne, or subsequently becomes untrue or misleading; or
    - 7.1.3.3 Any Certification provided by the County is determined to be untrue or misleading.
    - 7.1.3.4 Any objectives or requirements of the Program cannot be met in accordance with this Agreement or within applicable timeframes, as memorialized by this Agreement.
- 7.2 Right to Cure. If the breach, violation, or default pursuant to Section 7.1 is not cured to Horne's and CDSS' satisfaction, as determined by Horne and CDSS, each in their sole and absolute discretion, within fourteen (14) days of notice to the County, provided in accordance with the notice requirements of this Agreement, then Horne, with CDSS approval, may declare an Event of Default under this Agreement.
- 7.2.1 Notwithstanding the foregoing, the County may request additional time to cure any default from Horne. Horne may, but shall not be required to, grant any such request, subject to CDSS approval, in CDSS's sole discretion. CDSS's approval of the County's request for additional time to cure shall be subject to the County's continuing and diligent efforts to cure, and any additional cure period provided to the County shall be reasonable, as determined by CDSS, in CDSS's sole discretion. Horne, shall provide notice to County of approval or denial of County's request for additional time to cure any default.

- 7.3 Horne/CDSS Remedies. Upon the occurrence of an Event of Default, Horne (on CDSS's behalf) and/or the State (represented by CDSS in this Agreement) may take any and all actions or remedies that are available under this Agreement, at law, or in equity, including but not limited to the following:
- 7.3.1 temporarily withhold disbursement of Program Funds pending correction of the breach, violation, or default;
  - 7.3.2 disallow use of Program Funds for all or part of the costs resulting from the breach, violation, or default;
  - 7.3.3 wholly or partly suspend or terminate this Agreement and the County's award of Program Funds, or disbursements thereof (any such suspension or termination of this Agreement or the County's award of Program Funds shall be effective upon the County's receipt of Horne or CDSS notice of termination or suspension);
  - 7.3.4 withhold or deny further Program Funds or awards to the County;
  - 7.3.5 require the County to return all or part of any Program Funds including any interest;
  - 7.3.6 specific performance;
  - 7.3.7 injunctive relief; and
  - 7.3.8 any and all remedies allowed by law or equity.

## **ARTICLE 8.** **TERMINATION**

- 8.1 Horne and/or CDSS shall have the right, each in its sole discretion and without prejudice to any other rights and remedies it may have under applicable law, to terminate this Agreement immediately upon notice of such termination to the County, if (i) an Event of Default occurs; (ii) three (3) violations, breaches or defaults by the County 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 violations, breaches or defaults are timely corrected; (iii) the County 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 County discontinues or dissolves its business or if a receiver is appointed for the County or the County's business; or (iv) County fails to provide Horne with adequate assurances within a reasonable time that County is financially solvent, or Horne or CDSS determines that County is financially insecure.

- 8.2 Notwithstanding the foregoing, or anything to the contrary stated herein, Horne may terminate this Agreement upon thirty (30) days' notice if Horne is directed by CDSS to terminate this Agreement.
- 8.3 Upon termination of this Agreement for any reason, neither Horne nor CDSS shall be liable for any work that is not performed in accordance with the Agreement or for any commitments made by the County to any Eligible Recipient. Upon any termination, neither Horne nor CDSS shall be responsible for any additional disbursements of Program Funds after the termination date or for any damages to the County as a result of such termination. Upon termination, County shall cease to disburse Program Funds to Eligible Recipients and shall return all Program Funds to the State at the direction of Horne or CDSS.

**ARTICLE 9.**  
**POLICIES AND LEGAL AUTHORITIES**

- 9.1 The County shall comply with all California and federal law, regulations, and published guidelines, to the extent that these authorities contain requirements applicable to the County's performance under this Agreement, including any licensing and health and safety requirements.
- 9.2 The County shall comply with California Welfare and Institutions Code sections 18999.97 – 18999.98 et seq., including any related CDSS guidance, regulations, and/or subsequent additions or amendments thereto.
- 9.3 In the event the County does not comply with the terms of this Article 9, Horne shall give notice in accordance with Section 15.7 and shall have all rights set forth in Article 7 and Article 8.

**ARTICLE 10.**  
**INDEMNIFICATION**

- 10.1 The County shall indemnify, defend, and hold harmless Horne, its officers, employees and agents, and CDSS and its officers, employees and agents, against liabilities to third persons and other losses (not compensated by insurance or otherwise) and for any costs and expenses incurred by Horne and CDSS, including reasonable attorneys' fees, judgments, settlements or penalties against all liabilities, claims, suits, demands or liens for damages to persons or property (collectively "Claims") (unless such Claims arise from the gross negligence or willful misconduct of Horne or CDSS), arising out of, resulting from, or relating to, County's performance under this Agreement and including, but not limited to, the following:
- 10.1.1 Any act, omission, or statement of the County, or any person employed by or engaged under contract with the County, that results in injury (including death), loss, or damage to any person or property;

- 10.1.2 Any failure on the part of the County to comply with applicable Program Requirements and requirements of law;
  - 10.1.3 Any act or omission of any Eligible Recipient, including but not limited to any failure of any Eligible Recipient to comply with the Program Requirements and the terms of this Agreement;
  - 10.1.4 Any failure on the part of the County or an Eligible Recipient to satisfy all claims for labor, equipment, materials and other obligations relating to the performance of the work hereunder;
  - 10.1.5 Any injury to property or person occurring on or about the infrastructure or the property of the County or any Eligible Recipient; or
  - 10.1.6 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 any facility funded with Program Funds is located.
- 10.2 The County shall indemnify Horne and/or CDSS under this clause for any of the above acts attributable to its employees, consultants, agents, lower-tiered subcontractors, or Eligible Recipients, in connection with this Agreement. Horne or CDSS shall provide timely notice of any Claims describing in reasonable detail such facts and circumstances with respect to such Claims. The County shall defend Horne and/or CDSS with counsel reasonably acceptable to Horne and/or CDSS. Horne and/or CDSS may, each, at its option and own expense, engage separate counsel to advise regarding the Claim and its defense. Such counsel may attend all proceedings and meetings. The County shall not settle any Claim without the consent of Horne and/or CDSS, as applicable.
- 10.3 The County agrees to indemnify, defend and hold harmless Horne, its officers, agents and employees and CDSS, its officers, agents and employees from any and all claims, costs (including, but not limited to, all legal expenses, court costs, and attorney's fees incurred in investigating, preparing, serving as a witness in, or defending against, any such claim, action, or proceeding, commenced or threatened), and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the County in connection with this Agreement.
- 10.4 This indemnification shall survive the expiration or termination of the Agreement.

**ARTICLE 11.**  
**PREVAILING WAGE**

Any construction work that is funded with Program Funds is subject to state prevailing wage law, including California Labor Code section 1720 *et seq.* The County is responsible for ensuring that all Eligible Recipients comply with Prevailing Wage law as well as any other applicable federal or state labor requirements.

**ARTICLE 12.**  
**RELOCATION.**

The County is responsible for ensuring that all Eligible Recipients comply with applicable relocation laws, including 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 any Program Funds will be used for projects that 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 and guidance provided by CDSS, the County is responsible for ensuring that an Eligible Recipient (i) has 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; and (ii) provides any required notices and relocation benefits. The County is also responsible for ensuring compliance with California Health & Safety Code and corresponding regulations for the safe transfer and relocation of residents in residential care facilities licensed by CDSS, and ensuring that Eligible Recipients obtain CDSS’s approval of a relocation plan for each resident in care in a manner specified by CDSS.

**ARTICLE 13.**  
**INSPECTIONS, AUDITS, AND RECORD RETENTION**

- 13.1 Horne and CDSS and any of their authorized representatives shall have the right to access any documents, papers, or other records of the County and any Eligible Recipients 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 County and Eligible Recipient’s books and records, in addition to site inspections, as Horne or CDSS deems appropriate.
  
- 13.2 Horne and CDSS and any of their authorized representatives may perform compliance reviews and review procedures and documents pertaining to the County’s compliance with the terms of this Agreement and Eligible Recipient’s compliance with the Program Requirements, perform onsite visits and desk reviews in order to ensure Program Funds are expended for eligible uses and to protect against fraud, waste and abuse. The County shall include in all agreements with its subcontractors and Eligible Recipients, a requirement that they; (i) provide to Horne, and its authorized representatives, and CDSS and its



authorized representatives access to their records and facilities; and (ii) cooperate with any desk reviews.

- 13.3 The right to access records also includes timely and reasonable access to the County's and the Eligible Recipient's personnel for the purpose of interview and discussion related to the requested documents and/or information.
- 13.4 The right to access records is not limited to the required retention period but lasts as long as the records are retained by County and the Eligible Recipient.
- 13.5 The County shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Program Funds for the term of this Agreement and for a minimum of three (3) years thereafter, and require that all Eligible Recipients retain all records related to the Program Funds for the same period.
- 13.6 The County shall, and shall ensure that each of its subcontractors and Eligible Recipients complies with the requirements set forth in Attachment C – The California Department of Social Services Confidentiality and Information Security Requirements.
- 13.7 Any review or inspection undertaken by Horne, its designee, or CDSS, or its designee, of the County's records or of any Eligible Recipient's records or facility is solely for the purpose of determining whether the County or the Eligible Recipient is properly discharging its obligations to CDSS, and should not be relied upon by the County or by any third parties as a warranty or representation by Horne or CDSS as to the quality of the design, construction, or operation of any project. The County agrees that claims based upon an audit finding and/or an audit finding that is appealed and upheld shall be recovered by Horne or CDSS by one of the following options:

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

13.7.2 A repayment schedule which is agreeable to Horne, CDSS and County.

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

- 13.8 Reporting Requirements. The County shall provide Horne and CDSS with the following reports:

13.8.1 Initial quarterly reports shall be submitted within thirty (30) days of the end of each quarter. Updated quarterly reports reflecting any changes or corrections shall be submitted as soon as is practicable following the initial quarterly report.

13.8.2 An annual Program Fund Expenditure Report to be submitted not later than January 31st of each year for the prior calendar year.

13.8.3 A final report to be submitted no later than sixty (60) days after the final disbursement of Program Funds to Eligible Recipients.

All reports shall be in a form and contain such information as required by CDSS in its sole and absolute discretion. In addition to the above reporting requirements, Horne and CDSS may request additional reports and information necessary for Horne and CDSS to monitor compliance with the Program Requirements. The County shall be responsible for obtaining any necessary reporting information from its subcontractors and Eligible Recipients.

**ARTICLE 14.**  
**THIRD PARTY BENEFICIARIES.**

The State, represented by CDSS in this Agreement, is a third party beneficiary of this Agreement. This Agreement shall not be construed so as to give any other person or entity, other than the Parties and CDSS, any legal or equitable claim or right. CDSS or another authorized department or agency representing the State of California may enforce any provision of this Agreement to the full extent permitted in law or equity as a third party beneficiary of this Agreement. The State may take any and all remedies available in law and equity. In the event of litigation, the State may choose to seek any type of damages available in law or equity, up to the full amount of Program Funds awarded to the County. The County shall name Horne and CDSS as third party beneficiaries with rights of enforcement in all agreements entered into by the County with Eligible Recipients.

**ARTICLE 15.**  
**MISCELLANEOUS.**

15.1 Dispute Resolution:

15.1.1 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.

15.1.2 If the Parties cannot resolve a dispute arising under this Agreement pursuant to Section 15.1.1, 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.

15.1.3 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.

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

15.1.5 This Section 15.1 shall not apply to the State.

- 15.2 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 15.2 does not apply to the State.
- 15.3 Waiver. Horne's failure to notify the County of a breach or to insist on strict performance of any provision of this Agreement shall not constitute waiver of such breach or provision.
- 15.4 Remedies. No remedy in this Agreement is exclusive of any other remedy available under this Agreement, at law or in equity. Horne or CDSS may seek equitable relief, including an injunction, against the County in connection with any breach or threatened breach of this Agreement.
- 15.5 Limitation of Liability. Except as otherwise provided in this Agreement, or by applicable law, the County waives any right to seek, and Horne and CDSS shall not be liable for, any special, consequential, or punitive damages; indirect, or incidental damages; or for any loss of goodwill, profits, data, or loss of use arising out of, resulting from, or in any way connected with the performance or breach of this Agreement, even if the County advises Horne or CDSS of the possibility of any such damages.
- 15.6 Relationship. The County is an independent contractor with respect to Horne. This Agreement is not intended to create a partnership, joint venture, employment, or fiduciary relationship between the Parties or between any Party hereto and CDSS.
- 15.7 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.

15.7.1 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:

15.7.1.1 Such email must be properly addressed to the other Party's Designated Representatives. For purposes of this Agreement, "Designated Representative" means initially (i) for Horne, \_\_\_\_\_ and \_\_\_\_\_; and (ii) for the County, \_\_\_\_\_ and \_\_\_\_\_. A Party may change a Designated Representative only upon notice to the other Party pursuant to the requirements of Section 15.7(iii) (A), (B) or (C).

15.7.1.2 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 15.7(iii) (A), (B) or (C).

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

15.9 Assignment. The County shall not assign, delegate, or otherwise transfer this Agreement, or its duties, or obligations in connection therewith, in whole or in part without the prior approval of Horne and CDSS. Horne's obligations under this Agreement shall be assignable to CDSS or CDSS's designee upon CDSS's request without the County's consent. In the event that Horne assigns its obligations under this Agreement to CDSS, Horne shall make commercially reasonable efforts to transition any reasonably necessary documentation related to this Agreement to CDSS or its designee, at no cost to CDSS provided however, that Horne shall have no obligation to incur any liability, pay fees, charges, or reimbursement in connection with any assignment, wind-down or transition services.

15.10 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.

- 15.11 Independent Legal and Tax Advice. Horne and the County, each, have reviewed and negotiated this Agreement using such independent legal and tax counsel as each has deemed appropriate.
- 15.12 Exhibits. The Attachments, Schedules, and Addenda attached to this Agreement are a part of this Agreement and incorporated into this Agreement by reference.
- 15.13 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.
- 15.14 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.
- 15.15 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. Circumstances may include, but are not limited to, acts of God or a public enemy; wars; acts of terrorism; riots; fires; floods; epidemics; quarantine restrictions; labor disputes; strikes; defaults of subcontractors/vendors; failure/delays in transportation; unforeseen freight embargoes; unusually severe weather; or any law/order/regulation/request of a state or local government entity, the U.S. Government, or 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.
- 15.16 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 County agrees that the State may use and refer to the County and any Eligible Recipients in any publication, news release, advertising, speech, technical paper, or for any other purposes.
- 15.17 Notice of Litigation. Promptly, and in any event within ten (10) business days after an officer or other authorized representative of the County obtains knowledge thereof, the County shall provide written notice to Horne of (i) any litigation or governmental proceeding pending against the County which could materially adversely affect the County's or any of its Eligible Recipient's ability to perform its obligations under this Agreement and the Program Requirements;

and (ii) any other event which is likely to materially adversely affect the County or an Eligible Recipient's ability to perform its obligations under this Agreement and the Program Requirements.

- 15.18 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.
- 15.19 Successors. This Agreement shall be binding upon the Parties, their successors, and assigns.
- 15.20 Approvals. Whenever this Agreement calls for a Party's approval or for CDSS'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.
- 15.21 Counterparts; Electronic Signatures. The Parties may sign this Agreement in several counterparts, each of which constitutes an original, but all of which together constitute one instrument. Electronic signatures are valid and shall bind the Party delivering such signature.

***SIGNATURES ON THE FOLLOWING PAGE***

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

<b>HORNE LLP</b>	<b>XXX</b> <i>Print or Type Name of County</i>
<b>By:</b> _____	<b>By:</b> _____
<i>Signature of Authorized Representative</i>	<i>Signature of Authorized Representative</i>
_____	_____
<i>Print or Type Name of Person Signing</i>	<i>Print or Type Name of Person Signing</i>
_____	_____
<i>Representative Title</i>	<i>Representative Title</i>
_____	_____
<b>Date:</b> _____	<b>Date:</b> _____

## LIST OF ATTACHMENTS

<b>Title</b>	<b>No. of Pages</b>
Attachment A – State Requirements	6
Attachment B – Certification Regarding Lobbying and Conflicts of Interest	2
Attachment C – CDSS Confidentiality and Information Security Requirements	12
Attachment D – Funding Letters	37
Attachment E – Award Letters to County dated August 2022 and April 2023	3



Attachment A

**STATE REQUIREMENTS**

**1. California Civil Rights Requirements**

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

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

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

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

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

the Government Code (Gov. Code §§ 11135 *et seq.*), the regulations or standards adopted by CDSS to implement such article, the Unruh Civil Rights Act (California Civil Code § 51), and Title VI of the Civil Rights Act of 1964.

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

- c. In the event of County's noncompliance with the requirements of the provisions herein or with any state or federal statutes, rules, regulations, or orders regarding civil rights or non-discrimination requirements, this Agreement may be cancelled, terminated, or suspended in whole or in part and County may be declared ineligible for further state contracts or grants.
- d. County will include the contractor certification provisions required by this section in every subcontract or purchase order unless exempted by federal or state statutes, rules, regulations, or orders, so that such provisions will be binding upon each County or vendor. County will take such action with respect to any subcontract or purchase order Horne may direct as a means of enforcing such provisions.

## **2. Subcontract Requirements**

a. County may enter into subcontracts for services to be performed pursuant to the Program Funding Agreement, provided such subcontracts are consistent with this Agreement and provided further that County follows its procurement policy, a copy of which has been previously provided to and approved by Horne. Horne or CDSS reserve the right to require the substitution of subcontractors and require County to terminate subcontracts entered into in support of this Agreement.

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

b. County shall maintain a copy of each subcontract, including supporting documentation of cost reasonableness for subcontracting services sand shall, upon

request by Horne or CDSS, make copies available for approval, inspection, or audit.

- c. Horne and/or CDSS assume no responsibility for the payment of subcontractors used in the performance of this Agreement and/or subcontract agreements between the County and Eligible Recipients. County accepts sole responsibility for the payment of subcontractors used in the performance of this Agreement and/or subcontract agreements between the County and Eligible Recipients.
- d. County is responsible for all performance requirements under this Agreement even though performance may be carried out through a subcontract.
- e. County shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement.
- f. County agrees to include the following clause, relevant to record retention, in all subcontracts for services:

Subcontractor agrees to maintain and preserve, until three (3) years after termination of this Agreement and final payment of Program Funds, to permit Horne or CDSS or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records.

- g. Except as otherwise provided in this Agreement, or as may be stipulated in writing by Horne, Horne shall be County's sole point of contract for all matters related to performance and payment under this Agreement.
- h. County shall, as applicable, advise all subcontractors of their obligations to comply with this Attachment.

### **3. Income Restrictions**

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

### **4. Site Inspection**

The State has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder including subcontract-supported activities and the premises in which it is being performed. If any inspection or evaluation is made of

the premises of County, County shall provide and shall require its contractors and subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

## **5. Warranties**

County represents and warrants that:

- a. It is free to enter into and fully perform this Agreement.
- b. It has secured and will secure all rights and licenses necessary for its performance of this Agreement.
- c. It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to Horne or CDSS in this Agreement.
- d. It has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
- e. It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way County's performance of this Agreement.
- f. All materials and equipment furnished in accordance with this Agreement and all work performed by County 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. The provisions set forth herein shall survive any termination or expiration of this Agreement or any Project schedule.

## **6. Suspension or Stop Work Notification**

- a. Horne may, at any time, issue a notice to suspend performance or stop work under this Agreement. The initial notification may be a verbal or written directive issued by Horne's Designated Representative. Upon receipt of said notice, County is to suspend and/or stop all, or any part of, the work called for by this Agreement.
- b. Written confirmation of the suspension or stop work notification with directions as to what work (if not all) is to be suspended and how to proceed will be provided within thirty (30) working days of the verbal notification. The

suspension or stop work notification shall remain in effect until further written notice is received from Horne. The resumption of work (in whole or part) will be at AHP's discretion and upon receipt of written confirmation.

- (1) Upon receipt of a suspension or stop work notification, County shall immediately comply with its terms and take all reasonable steps to minimize or halt the incurrence of costs allocable to the performance covered by the notification during the period of work suspension or stoppage.
- (2) Within ninety (90) days of the issuance of a suspension or stop work notification, Horne shall either:
  - (a) Cancel, extend, or modify the suspension or stop work notification;  
or
  - (b) Terminate the Agreement as provided for in the Cancellation/  
Termination clause of the Agreement.
- c. If a suspension or stop work notification issued under this clause is canceled or the period of suspension or any extension thereof is modified or expires, County may resume work only upon written concurrence of Horne.
- d. If the suspension or stop work notification is cancelled and the Agreement resumes, changes to the services, deliverables, performance dates, and/or agreement terms resulting from the suspension or stop work notification shall require an amendment to the Agreement.
- e. If a suspension or stop work notification is not canceled and the Agreement is cancelled or terminated pursuant to the provision entitled Cancellation/  
Termination, Horne shall allow reasonable costs resulting from the suspension or stop work notification in arriving at the settlement costs.
- f. In accordance with Article 10 and Section 15.5 of the Agreement, Horne shall not be liable to County or its subcontractors for loss of profits because of any suspension or stop work notification issued under this clause.

## **7. Compliance with Statutes and Regulations**

- a. County shall comply with all applicable California and federal law, regulations, and published guidelines in connection with this Agreement.

Attachment B

State of California  
Department of Social Services

**CERTIFICATION REGARDING LOBBYING AND CONFLICTS OF INTEREST**

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

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

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

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

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

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

**Name of County**

**Printed Name of Person Signing for County**

\_\_\_\_\_  
**Contract Number**

\_\_\_\_\_  
**Signature of Person Signing for County**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Title**

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

Attachment C

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

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

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

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

**III. Confidentiality of Information.**

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

- i. “Confidential Information” is information maintained by CDSS that is exempt from disclosure under the provisions of the California Public Records Act (Government Code sections 6250 *et seq.*) or has restrictions on disclosure in accordance with other applicable state or federal laws.
- ii. “Sensitive Information” is information maintained by CDSS which is not confidential by definition, but requires special precautions to protect it from unauthorized access and/or modification (i.e., financial or operational information). Sensitive information is information in which the disclosure would jeopardize the integrity of CDSS (i.e., CDSS’ fiscal resources and operations).
- iii. “Personal Information” is information, in any medium (paper, electronic, or oral) that identifies or describes an individual (i.e., name, social security number, driver’s license, home/ mailing address, telephone number, financial matters with security codes, medical insurance policy number,



Protected Health Information (PHI), etc.) and must be protected from inappropriate access, use or disclosure, and must be made accessible to information subjects upon request. It can also be information in the possession of the Department in which the disclosure is limited by law or contractual Agreement (i.e., proprietary information, etc.).

iv. “Breach” is

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

v. “Information Security Incident” is

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

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

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

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

- Unemployment Insurance Code section 14013
- d. **EXCLUSIONS.** “Confidential Information,” “Sensitive Information,” and “Personal Information” (CDSS CSP) does not include information that:
- i. is or becomes generally known or available to the public other than because of a breach by County of these confidentiality provisions;
  - ii. already known to County before receipt from CDSS without an obligation of confidentiality owed to CDSS;
  - iii. provided to County from a third party except where County knows, or reasonably should know, that the disclosure constitutes a breach of confidentiality or a wrongful or tortious act; or
  - iv. independently developed by County without reference to CDSS CSP.

### III. County Responsibilities.

- a. **TRAINING.** County shall instruct all employees, agents, and subcontractors with access to CDSS CSP regarding:
- i. The confidential nature of the information;
  - ii. The civil and criminal sanctions against unauthorized access, use, or disclosure found in the California Civil Code section 1798.55, Penal Code section 502 and other state and federal laws;
  - iii. CDSS procedures for reporting actual or suspected information security incidents in Paragraph V – Information Security Incidents and/or Breaches; and
  - iv. That unauthorized access, use, or disclosure of CDSS CSP is grounds for immediate termination of this Agreement and may be subject to penalties, both civil and criminal.
- b. **USE RESTRICTIONS.** County shall take the appropriate steps to ensure that their employees, agents, and subcontractors will not intentionally seek out, read, use, or disclose CDSS CSP other than for the purposes described in the Agreement and to meet its obligations under the Agreement.
- c. **DISCLOSURE OF CDSS CSP.** County shall not disclose any individually identifiable CDSS CSP to any person other than for the purposes described in the Agreement and to meet its obligations under the Agreement.
- d. **SUBPOENA.** If County receives a subpoena or other validly issued administrative or judicial notice requesting the disclosure of CDSS CSP, County

will immediately notify the Horne Project Director and CDSS Information Security and Privacy Officer. In no event should notification to CDSS occur more than three (3) business days after receipt by County's responsible unit for handling subpoenas and court orders.

- e. **INFORMATION SECURITY OFFICER.** County shall designate an Information Security Officer to oversee its compliance with this Attachment and to communicate with CDSS on matters concerning this Attachment.
- f. **REQUESTS FOR CDSS CSP BY THIRD PARTIES.** County shall promptly transmit to the Horne Project Director and CDSS Information Security and Privacy Officer all requests for disclosure of any CDSS CSP requested by third parties to the Agreement (except from an individual for an accounting of disclosures of the individual's personal information pursuant to applicable state or federal law), unless prohibited from doing so by applicable state or federal law.
- g. **DOCUMENTATION OF DISCLOSURES FOR REQUESTS FOR ACCOUNTING.** County shall maintain an accurate accounting of all requests for disclosure of CDSS CSP Information and the information necessary to respond to a request for an accounting of disclosures of personal information as required by Civil Code section 1798.25, or any applicable state or federal law.
- h. **RETURN OR DESTRUCTION OF CDSS CSP ON EXPIRATION OR TERMINATION.** Upon expiration or termination of the Agreement between County and Horne, or upon a date mutually agreed upon by the Parties following expiration or termination, County shall return or destroy CDSS CSP. If return or destruction is not feasible, County shall provide a written explanation to the Horne Project Director and CDSS Information Security and Privacy Officer, using the contact information in this Agreement. CDSS, in its sole discretion, will make a determination of the acceptability of the explanation and, if retention is permitted, shall inform County in writing of any additional terms and conditions applicable to the retention of CDSS CSP.
- i. **RETENTION REQUIRED BY LAW.** If required by state or federal law, County may retain, after expiration or termination, CDSS CSP for the time specified as necessary to comply with the law.
- j. **RECORDS RETENTION.** Maintain all project materials and records pertaining to service delivery and fiscal and administrative controls for three years after final payment has been made under the terms of this Agreement, or until all pending county, State and federal audits are completed, whichever is later. County agrees that the State or its designated representative shall have the right to review and copy any records and supporting documentation pertaining to the performance of this Agreement. Upon request, the County shall promptly make these materials and records available to the State or its representative including the State Auditor. County agrees to allow the State or its representative access to such records

during normal business hours and to allow interviews of any employees or others who might reasonably have information related to such records. Further, County agrees to include a similar right of the State to audit records and interview staff in any subcontract related to this Agreement.

- k. **OBLIGATIONS CONTINUE UNTIL RETURN OR DESTRUCTION.** County's obligations regarding the confidentiality of CDSS CSP set forth in this Agreement, including but not limited to obligations related to responding to Public Records Act requests and subpoenas, shall continue until County returns or destroys CDSS CSP or returns CDSS CSP to CDSS; provided, however, that on expiration or termination of the Agreement between County and Horne, County shall not further use or disclose CDSS CSP except as required by state or federal law.
- l. **NOTIFICATION OF ELECTION TO DESTROY CDSS CSP.** If County elects to destroy CDSS CSP, County shall certify in writing, to the Horne Project Director and CDSS Information Security and Privacy Officer, using the contact information, that CDSS CSP has been destroyed.
- m. **BACKGROUND CHECK.** Before a member of County's workforce may access CDSS CSP, County must conduct a thorough background check of that worker and evaluate the results to assure that there is no indication that the worker may present a risk to CDSS information technology systems and/or CDSS data. County shall retain each workforce member's background check documentation for a period of three (3) years following Agreement termination.
- n. **CONFIDENTIALITY SAFEGUARDS.** County shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of CDSS CSP that it creates, receives, maintains, uses, or transmits pursuant to the Agreement. County shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of County's operations and the nature and scope of its activities, including at a minimum the following safeguards:
  - i. **General Security Controls.**
    - 1. **Confidentiality Acknowledgement.** By executing the Agreement and signing Paragraph XI, CDSS Confidentiality and Security Compliance Statement, County acknowledges that the information resources maintained by CDSS and provided to County may be confidential, sensitive, and/or personal and requires special precautions to protect it from wrongful access, use, disclosure, modification, and destruction.

2. **Workstation/Laptop Encryption.** All County-owned or managed workstations, laptops, tablets, smart phones, and similar devices that process and/or store CDSS CSP must be encrypted using a FIPS 140-2 certified algorithm which is 128 bit or higher, such as Advanced Encryption Standard (AES). The encryption solution must be full disk unless approved by CDSS Information Security Office.
3. **Data Encryption.** Any CDSS CSP shall be encrypted at rest when stored on network file shares or document repositories.
4. **Server Security.** Servers containing unencrypted CDSS CSP must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.
5. **Minimum Necessary.** Only the minimum necessary amount of CDSS CSP required to perform necessary business functions may be copied, downloaded, or exported.
6. **Removable Media Devices.** All electronic files that contain CDSS CSP must be encrypted when stored on any removable media or portable device (i.e., USB thumb drives, floppies, CD/DVD, smart phone, backup tapes, etc.). Encryption must be a FIPS 140-2 certified algorithm which is 128 bit or higher, such as AES.
7. **Antivirus Software.** All County-owned or managed workstations, laptops, tablets, smart phones, and similar devices that process and/or store CDSS CSP must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.
8. **Patch Management.** To correct known security vulnerabilities, County shall install security patches and updates in a timely manner on all County-owned or managed workstations, laptops, tablets, smart phones, and similar devices that process and/or store CDSS CSP as appropriate based on County's risk assessment of such patches and updates, the technical requirements of County's systems, and the vendor's written recommendations. If patches and updates cannot be applied in a timely manner due to hardware or software constraints, mitigating controls will be implemented based upon the results of a risk assessment.
9. **User IDs and Password Controls.** All users must be issued a unique username for accessing CDSS CSP. County's password

policy must be based on information security best practices for password length, complexity, and reuse.

10. **Data Destruction.** Upon termination of the Agreement, all CDSS CSP must be sanitized in accordance with NIST Special Publication 800-88, Guidelines for Media Sanitization.

ii. **System Security Controls.**

1. **System Timeout.** The system providing access to CDSS CSP must provide an automatic timeout, requiring re-authentication of the user session after no more than thirty (30) minutes of inactivity for applications, and fifteen (15) minutes of inactivity for desktops and laptops.
2. **Warning Banners.** All systems (servers, desktops, laptops, etc.) containing CDSS CSP must display a warning banner at login stating that data is confidential, systems are logged, and system use is for business purposes only. User must be directed to log off the system if they do not agree with these requirements.
3. **System Logging.** The system must maintain an automated audit trail which can identify the user or system process which initiates a request for CDSS CSP, or which alters CDSS CSP. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. If CDSS CSP is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least one (1) year after occurrence.
4. **Access Controls.** The system must use role-based access controls for all user authentications, enforcing the principle of least privilege.
5. **Transmission Encryption.** All data transmissions of CDSS CSP by County outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm, such as Advanced Encryption Standard (AES), with a 128-bit key or higher. Encryption can be end-to-end at the network level, or the data files containing CDSS CSP can be encrypted. This requirement pertains to any type of CDSS CSP in motion such as website access, file transfer, and email.
6. **Intrusion Detection.** All systems involved in accessing, holding, transporting, and protecting CDSS CSP that are accessible via the

Internet must be protected by a comprehensive intrusion detection and prevention solution.

iii. **Audit Controls.**

1. **System Security Review.** All systems processing and/or storing CDSS CSP must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews shall include vulnerability scanning tools.
2. **Log Reviews.** All systems processing and/or storing CDSS CSP must have a routine procedure in place to review system logs for unauthorized access.
3. **Change Control.** All systems processing and/or storing CDSS CSP must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.

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

1. **Disaster Recovery.** County must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic CDSS CSP in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than twenty-four (24) hours.
2. **Data Backup Plan.** County must have established documented procedures to backup CDSS CSP to maintain retrievable exact copies of CDSS CSP. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and the amount of time to restore CDSS CSP should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of CDSS data.

v. **Paper Document Controls.**

1. **Supervision of Information.** CDSS CSP in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information may be observed by an individual not authorized to access the information. CDSS CSP in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.

2. **Escorting Visitors.** Visitors to areas where CDSS CSP are contained shall be escorted, and CDSS CSP shall be kept out of sight while visitors are in the area.
3. **Confidential Destruction.** CDSS CSP must be disposed of through confidential means, such as cross-cut shredding and/or pulverizing.
4. **Removal of Information.** CDSS CSP must not be removed from the premises of County except for identified routine business purposes or with express written permission of CDSS.
5. **Faxing.** CDSS CSP that must be transmitted by fax shall require that County confirms the recipient fax number before sending, takes precautions to ensure that the fax was appropriately received, maintains procedures to notify recipients if County's fax number changes, and maintains fax machines in a secure area.
6. **Mailing.** Paper copies of CDSS CSP shall be mailed using a secure, bonded mail service, such as Federal Express, UPS, or by registered U.S. Postal Service (i.e., accountable mail using restricted delivery). All packages must be double packed with a sealed envelope and a sealed outer envelope or locked box.

IV. **Information Security Incidents and/or Breaches of CDSS CSP.**

- a. **CDSS CSP Information Security Incidents and/or Breaches Response Responsibility.** County shall be responsible for facilitating the Information Security Incident and/or Breach response process as described in California Civil Code 1798.82(f), and State Administrative Manual (SAM) section 5340, Information Security Incident Management, including, but not limited to, taking:
  - i. Prompt corrective action to mitigate the risks or damages involved with the Information Security Incident and/or Breach and to protect the operating environment; and
  - ii. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.
- b. **Discovery and Notification of Information Security Incidents and/or Breaches of CDSS CSP.** County shall notify the Horne Project Director and CDSS Information Security and Privacy Officer of an Information Security Incident and/or Breach as expeditiously as practicable and without unreasonable delay, taking into account the time necessary to allow County to determine the scope of the Information Security Incident and/or Breach, but no later than three (3) calendar days after the discovery of an Information Security Incident and/or Breach. Notification is to be made by telephone call and email.



- c. **Isolation of System or Device.** A system or device containing CDSS CSP compromised by an exploitation of a technical vulnerability shall be promptly disconnected or quarantined and investigated until the vulnerability is resolved. County will notify CDSS and Horne within two (2) business days of a confirmed exploitation of a technical vulnerability and keep CDSS and Horne informed as to the investigation until resolution of the vulnerability is completed.
- d. **Investigation of Information Security Incidents and/or Breaches.** County shall promptly investigate Information Security Incidents and/or Breaches of CDSS CSP. CDSS shall have the right to participate in the investigation of such Information Security Incidents and/or Breaches. CDSS shall also have the right to conduct its own independent investigation, and County shall cooperate fully in such investigations. County is not required to disclose their un-redacted confidential, proprietary, or privileged information. County will keep CDSS fully informed of the results of any such investigation.
- e. **Updates on Investigation.** County shall provide regular (at least once a week) email updates on the progress of the Information Security Incident and/or Breach investigation of CDSS CSP to the Horne Project Director and CDSS Information Security and Privacy Officer until the updates are no longer needed, as mutually agreed upon between County and the Horne Program Director/CDSS Information Security and Privacy Officer. County is not required to disclose their unredacted confidential, proprietary, or privileged information.
- f. **Written Report.** County shall provide a written report of the investigation to the Horne Project Director and CDSS Information Security and Privacy Officer within thirty (30) business days of the discovery of the Information Security Incident and/or Breach of CDSS CSP. County is not required to disclose their unredacted confidential, proprietary, or privileged information. The report shall include, but not be limited to, if known, the following:
  - i. County point of contact information;
  - ii. A description of what happened, including the date of the Information Security Incident and/or Breach of CDSS CSP and the date of the discovery of the Information Security Incident and/or Breach, if known;
  - iii. A description of the types of CDSS CSP that were involved and the extent of the information involved in the Information Security Incident and/or Breach;
  - iv. A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed CDSS CSP;
  - v. A description of where CDSS CSP is believed to have been improperly transmitted, sent, or utilized;

- vi. A description of the probable causes of the improper use or disclosure;
  - vii. Whether Civil Code sections 1798.29 or 1798.82, or any other federal or state laws requiring individual notifications of breaches, are triggered; and
  - viii. A full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the Information Security Incident and/or Breach of CDSS CSP.
- g. **Cost of Investigation and Remediation.** Per SAM section 5305.8, County shall be responsible for all direct and reasonable costs incurred by Horne or CDSS due to Information Security Incidents and/or Breaches of CDSS CSP resulting from County's failure to perform or from negligent acts of its personnel, and resulting in the unauthorized disclosure, release, access, review or destruction, or loss, theft or misuse of an information asset. These costs include, but are not limited to, notice and credit monitoring for twelve (12) months for impacted individuals, Horne staff time, CDSS staff time, material costs, postage, media announcements, and other identifiable costs associated with the Information Security Incident, Breach and/or loss of data.

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

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

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

- VII. Amendment.** The Parties acknowledge that federal and state laws regarding information security and privacy rapidly evolve and that amendment of this Attachment may be required to provide for procedures to ensure compliance with such laws. The Parties specifically agree to take such action as is necessary to implement new standards and requirements imposed by regulations and other applicable laws relating to the security or privacy of CDSS CSP.
- VIII. Interpretation.** The terms and conditions in this Attachment shall be interpreted as broadly as necessary to implement and comply with regulations and applicable State laws. The Parties agree that any ambiguity in the terms and conditions of this Exhibit shall be resolved in favor of a meaning that complies and is consistent with federal and state laws and regulations.
- IX. Termination.** An Information Security Incident and/or Breach of CDSS CSP by County, its employees, agents, or subcontractors, as determined by CDSS, may constitute a material breach of the Agreement between County and Horne and grounds for immediate termination of the Agreement.
- X. CDSS Confidentiality and Security Compliance Statement.**

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

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

We hereby acknowledge that the confidential and/or sensitive records of CDSS are subject to strict confidentiality requirements imposed by state and federal law, which may include, but are not limited to, the following: the California Welfare and Institutions Code § 10850, Information Practices Act – California Civil Code § 1798 *et seq.*, Public Records Act – California Government Code § 6250 *et seq.*, California Penal Code § 502, 11140–11144, 13301–13303, Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) – 45 CFR Parts 160 and 164, and Safeguarding Information for the Financial Assistance Programs – 45 CFR Part 205.50. Contractor agrees to comply with the laws applicable to CDSS CSP received.

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

Project Representative \_\_\_\_\_  
 Name (Printed): \_\_\_\_\_  
 Title: \_\_\_\_\_

Business Name: \_\_\_\_\_  
Email Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

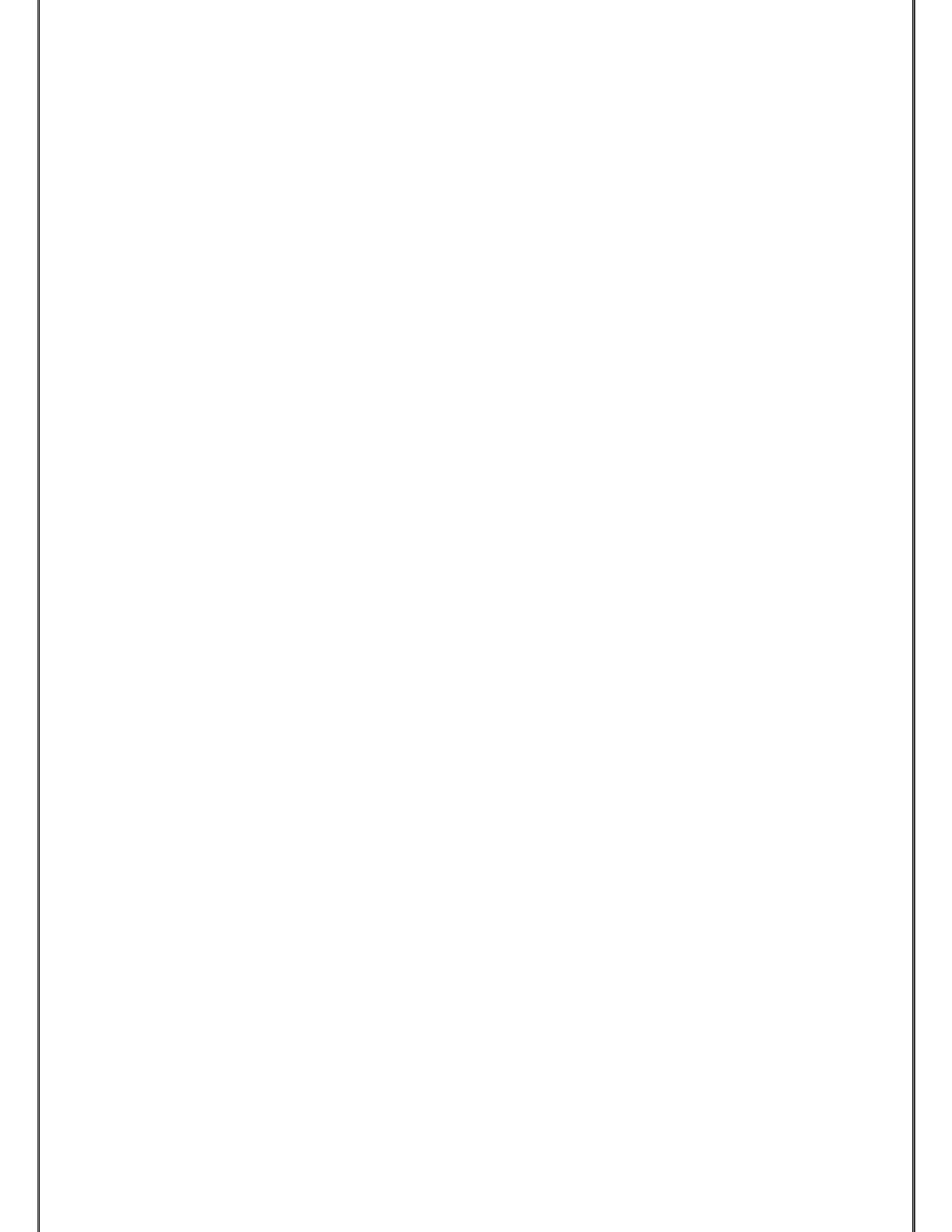
READ and ACKNOWLEDGED: Information Security Officer  
(or authorized official responsible for business' information security program)

Name (Printed): \_\_\_\_\_  
Title: \_\_\_\_\_  
Business Name: \_\_\_\_\_  
Email Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date Signed: \_\_\_\_\_

Attachment D

**FUNDING LETTERS**

[attached]



Attachment E  
**AWARD LETTERS**

