

**FUNDING AGREEMENT REGARDING RECUPERATIVE CARE
FACILITIES AT 2323 KNOLL DRIVE IN CITY OF VENTURA AND 1400
VANGUARD DRIVE IN CITY OF OXNARD**

This Funding Agreement Regarding Recuperative Care Facilities at 2323 Knoll Drive, City of Ventura, and 1400 Vanguard Drive, City of Oxnard ("Funding Agreement") is entered into as of December 5, 2023 (the "Effective Date"), by and between the COUNTY OF VENTURA, a political subdivision of the State of California ("County") and Ventura County Medi-Cal Managed Care Commission d/b/a Gold Coast Health Plan ("GCHP") with reference to the following facts. County and GCHP are referred to as "Parties."

RECITALS

A. As of the Effective Date, the County owns real property located at 2323 Knoll Drive in the City of Ventura, and 1400 Vanguard Drive in the City of Oxnard.

B. The County, in partnership with Cabrillo Economic Development Corporation, proposes to develop a 75-bed Recuperative Care facility at 1400 Vanguard Drive ("Vanguard Project").

C. The County additionally proposes to develop a 50-bed Recuperative Care facility at 2323 Knoll Drive ("Knoll Project").

D. Both facilities ("Facilities") will support underserved residents of Ventura County, including but not limited to residents that are members of GCHP or are eligible to become members of GCHP.

E. GCHP is a County Organized Health System that operates a Managed Care Plan for providing Medi-Cal services to residents of Ventura County.

F. The California Department of Health Care Service's ("DHCS") Housing and Homelessness Incentive Program ("HHIP") aims to improve health outcomes and access to services by addressing housing insecurity and instability as a social determinant of health for the Medi-Cal population. HHIP funds are utilized to reduce and prevent homelessness and to ensure that Medi-Cal managed care plans like GCHP develop the necessary capacity and partnerships to connect their members to needed housing services.

G. GCHP has established its Investment Plan to implement HHIP priorities including expansion of recuperative care capacity in Ventura County.

H. The County has developed a cost estimate projecting the planning, design, and construction costs of the Facilities to total approximately \$15,940,146.

I. GCHP has obtained HHIP funding through DHCS's submission of the Home and Community Based Services ("HCBS") Spending Plan to the federal government which resulted in approved and allocated funding to GCHP through the American Rescue Plan Act ("ARPA").

J. GCHP desires to provide a \$10,000,000 payment to County to contribute toward the planning, design, and construction costs to support development of the Facilities.

K. The County has identified \$5,940,146 in Project funding, in addition to the \$10,000,000 GCHP payment, to provide full funding to plan, design, and construct the Facilities.

NOW, THEREFORE, in consideration of the Recitals hereof and the mutual promises and covenants set forth in this Funding Agreement, the parties agree as follows:

AGREEMENT

Section 1. Transfer of Funds. GCHP shall provide the County with two one-time payments: (1) \$7,500,000 within sixty (60) calendar days after the Effective Date and (2) \$2,500,000 within sixty (60) calendar days after GCHP receives the second disbursement of HHIP funds. County shall deposit the funds in a segregated account and solely use the funds for the planning, design, and construction costs of the Facilities (the "Project").

Section 2. Drawdowns. Once the funds are transferred to County, County may draw upon the funds at any time for any purpose allowed by this Funding Agreement. County shall only use the funds to directly pay costs of the Project and shall not reallocate the funds to any other accounts or any other County uses. County may not use the funding to pay County's administrative costs or for costs of County employees.

Section 3. Financial Records and Updates. Within sixty (60) calendar days after the Effective Date, County shall submit a copy of the cost estimate for the Facilities and any associated budget. County shall maintain records of all expenditures, which records shall be sufficient for auditing purposes and shall include invoices for all goods and services paid for with the funds. County shall submit a quarterly statement to GCHP indicating the status of the account and all expenditures of funds. By mutual written agreement, the Parties may agree to have statements at less-regular intervals. County shall maintain all records for at least ten (10) years following the final expenditure.

Section 4. Progress Reports. County shall submit quarterly progress reports to GCHP that describe the planning, design, and construction activities associated with the development of the Facilities.

Section 5. Compliance. County acknowledges that GCHP's funds come from ARPA through DHCS and the HCBS and that GCHP may have other regulatory requirements as a result of its role as a Medi-Cal managed care plan. County agrees to cooperate with GCHP in providing any information required by any federal or State regulatory agencies or to fulfill the requirements of ARPA. GCHP agrees to, upon request, provide County with information related to funding source or regulatory compliance. Additionally, the Parties agree that the intent of the Parties is to utilize the funding in accordance with all applicable funding and regulatory requirements.

Section 6. Timely Expenditure. County shall expend all funds no later than December 31, 2030. For purposes of this section "expend" shall mean that the funds are committed for Project use. All funds not expended by this deadline shall be returned to GCHP.

Section 7. Timely Completion. County shall begin providing recuperative care services at the Facilities no later than June 30, 2026. In the event that construction delays or other unforeseen circumstances prevent timely completion and operation, County may request that GCHP approve an extension of the completion time, which approval GCHP shall not unreasonably withhold. For purposes of this Section, GCHP shall approve an extension if County intends to complete the Project in good faith and is continuing to proceed in good faith toward completion.

Section 8. Abandonment of Project. If the County Board of Supervisors does not approve either the Knoll Project or Vanguard Project following completion of environmental review for the respective project, or if neither Facility is approved or otherwise developed to completion, then the County and GCHP shall confer and attempt to identify and agree upon alternate County projects to develop facilities providing the total of 125 recuperative care beds in Ventura County under this Funding Agreement. Upon completion of the Knoll Project, Vanguard Project, and/or other alternative project(s) agreed upon by County and GCHP (which potential alternative projects are also referred to as "Facilities" under this Funding Agreement), and further provided that Facilities have been constructed providing the total of 125 recuperative care beds in Ventura County under this Funding Agreement, the County shall continue to maintain any remaining unused portion of the GCHP payment in a segregated account and solely use the funds on furnishings or equipment, repair and maintenance, and/or operational needs of the Facilities until the GCHP payment is expended in full, or until the expenditure deadline set forth in Section 5 above, whichever occurs first. County shall maintain records documenting expenditure of the GCHP payment which shall be provided to GCHP upon request.

Section 9. Reduction of Beds. GCHP is providing the \$10,000,000 payment to the County for the purpose of funding the development of Facilities to provide a total of 125 recuperative care beds in Ventura County, which equals funding of \$80,000 per bed. In the event that County modifies the Project, or is otherwise unable

to expend the payment to develop a total of 125 recuperative care beds by the deadline set forth in Section 6 above, including at alternative Facilities agreed upon by the Parties pursuant to Section 8 above, County shall return to GCHP a proportional share of the funds calculated at \$80,000 for each bed fewer than 125 total beds at all Facilities that are developed.

Section 10. Access to Recuperative Care. County acknowledges that GCHP is entering into this Funding Agreement for the purpose of increasing access to recuperative care services for GCHP Members and residents who are eligible to become GCHP Members. As such, County shall ensure that GCHP Members and uninsured individuals that are eligible for GCHP Membership are not denied access to recuperative care services at the Facilities or are not given lower priority of access than other individuals. To the extent that the recuperative care services at the Project are operated under contract, County shall pass through this requirement to the contract service provider.

Section 11. GCHP Access to Facility. [RESERVE]

Section 12. Change of Use of Facility.

a. By accepting funding from GCHP, County commits to ensure operation of the Facilities as providing at least 125 total recuperative care beds, or a mutually beneficial alternative use as may be agreed upon by the Parties, for 20 years from the commencement of recuperative care operations at each respective Facility. If County conveys or converts any Facility to another use prior to the end of this 20-year period thereby reducing the total number of recuperative care beds at all Facilities to less than 125, the Parties shall negotiate and attempt to reach agreement on a mutually beneficial change of use. In the event the Parties do not reach agreement on a mutually beneficial change of use, County shall return to GCHP a proportional amount of the funds as described in subsection (b) below. For purposes of this Section, "convey" means that either (1) County sells a Facility for value without restricting future use of the Facility, or (2) County enters into a lease of a Facility that does not restrict the use to a recuperative care facility. In the event that County sells or leases a Facility with the intent that it remain a recuperative care facility, or other agreed-upon mutually beneficial use, County shall record a regulatory agreement or other deed restriction and/or security interest that shall be enforceable by GCHP.

b. If County owes a payment to GCHP under this Section, the payment shall be calculated as follows: (1) the percentage of time that County did not meet its 20-year commitment for each bed fewer than 125 total beds at all Facilities (rounded to the next month) and; (2) multiplying that percentage by an initial amount \$80,000 per deficient bed as reduced for depreciation purposes by five (5) percent per year or fraction thereof. For example, if County conveys a Facility at the end of year 10 resulting in the loss of 50 beds, and the Facility would not be used for an alternative mutually beneficial use as agreed upon by the Parties at that time, County would owe GCHP \$1,000,000 calculated as follows: 50% [percentage reduction from 20-year

commitment] x (\$40,000 [depreciated value per bed] x 50 deficient beds). Such payment shall be made to GCHP within sixty (60) calendar days after GCHP's notice of demand for repayment.

Section 13. Relationship of Parties. Nothing in this Funding Agreement shall be interpreted or understood by either of the Parties, or by any third persons, as creating the relationship of employer and employee, principal and agent, limited or general partnership, or joint venture between the County and GCHP or GCHP's agents, employees, or contractors regarding the subject matter hereof. The County shall be solely responsible for its own acts and those of its agents and employees regarding the development, construction, and operation of the Facilities.

Section 14. Defense and Indemnification. The County agrees to indemnify, protect, hold harmless, and defend (by counsel satisfactory to GCHP) GCHP and its agents from and against any and all third-party suits, actions, claims, causes of action, costs, demands, judgments, and liens arising out of or related to this Funding Agreement including the development, construction, and operation of the Facilities, except to the extent caused by GCHP's sole active negligence or willful misconduct.

Section 15. Prevailing Wages. The County agrees and acknowledges that funding from GCHP constitutes public funds and all Construction, alteration, demolition, installation, repair, or maintenance work performed as part of the project will be subject to the payment of prevailing wages in accordance with Labor Code section 1720 et seq., 1770 et seq., and implementing regulations (the "Prevailing Wage Laws"). In contracting for any public work related to the project that is the subject of this Funding Agreement, County shall ensure that the contracts, and all subcontracts, include express language requiring compliance with the Prevailing Wage Laws. GCHP shall not be considered an "awarding body" or a "hiring party" for purposes of the Prevailing Wage Laws or in any filings with the Department of Industrial Relations related to the Prevailing Wage Laws.

Section 16. Payment Bond. County shall ensure that all contractors and subcontractors deliver a payment bond where required by law, in accordance with Civil Code sections 9550 et seq. and Labor Code section 1771. In addition to its other defense and indemnification obligations under this Funding Agreement, County shall further defend and indemnify GCHP for any costs related to any stop payment notice issued to GCHP by any contractor, subcontractor, supplier, or other person or entity working on the Project.

Section 17. Notices. Formal notices between the County and GCHP shall be sufficiently given if and shall not be deemed given unless dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the County and GCHP as follows:

County of Ventura:	Gold Coast Health Plan:
County of Ventura	Ventura County Medi-Cal Managed Care Commission
County Executive Office	DBA: Gold Coast Health Plan
Attn: Dr. Sevet Johnson	Attn: Nick Liguori
800 S. Victoria Ave., L1940	711 E Daily Dr # 106
Ventura, CA 93009	Camarillo, CA 93010
(805) 654-3656 (TEL)	

Such written notices, demands, and communications may be sent in the same manner to such other addresses as the affected party may from time to time designate by mail as provided in this Section. Receipt shall be deemed to have occurred on the date shown on a written receipt for delivery or refusal of delivery.

Section 18. Specific Performance. The Parties acknowledge that money damages and remedies at law generally are inadequate and specific performance and other non-monetary relief are particularly appropriate remedies for the enforcement of this Funding Agreement and should be available to both Parties.

Section 19. Audit. GCHP may, at its own cost and expense, perform an audit of the funds and expenditures at any time that County holds the funds until four years following the final expenditure. County shall cooperate with any audit and shall allow access during normal business hours and with reasonable advance notice to all relevant records for the purpose of completing any audit.

Section 20. No Third-Party Beneficiaries. This Funding Agreement is intended for the benefit of the Parties hereto and their successors, and not for the benefit of, nor may any provision hereof be enforced by, any other person.

Section 21. Publicity.

- a. In all written materials for public distribution prepared in association with construction of the Facilities, County shall include the following statement: "This project is funded in part by Gold Coast Health Plan and will benefit low-income and uninsured residents of Ventura County."
- b. County shall name GCHP as founding donor in all communications relating to this project.
- c. Permanent signage recognizing GCHP will be posted in a conspicuous location at or near the entrance of any Facility; this signage will recognize GCHP as a founding donor or language to that effect.
- d. In using any GCHP trademarks or logos, County shall comply with GCHP's branding policies. If mutually agreed, GCHP and County will prepare and

issue joint press releases that recognize GCHP's contribution and its importance to addressing community needs.

- e. GCHP may include information regarding the Funding Agreement on GCHP's external website.
- f. County and direct project partners, if any, will include information (in a form approved by GCHP) regarding this Funding Agreement on their external websites and on any associated or affiliated websites, and include a link to GCHP's website.

Section 22. Termination with Cause.

a. At GCHP's sole discretion, GCHP may terminate this Funding Agreement for cause if it demonstrates that: (a) funds were used for any purpose other than those specified under this Funding Agreement; (b) County is unable to carry out the purposes of this Funding Agreement; or (c) County fails to comply with a material obligation of this Funding Agreement, including but not limited to providing GCHP with timely and accurate expenditure reporting pursuant to Section 3 above.

b. Prior to terminating this Funding Agreement for cause GCHP shall: (1) first meet and confer with County regarding the noncompliance in a good faith attempt to resolve the issue; (2) next provide County with written notice, pursuant to Section 17, specifying the noncompliance and providing County with at least sixty (60) calendar days to cure; and (3) if the County fails to cure within the specified period, which may be extended by GCHP at its sole discretion, GCHP must then provide County with a written notice of termination for cause pursuant to Section 17.

c. If the Funding Agreement is terminated for cause County shall, within sixty (60) calendar days of receipt of the notice of termination: (1) reimburse GCHP any unexpended funds if the termination occurs prior to the expenditure deadline set forth in Section 6; and/or (2) repay any funds that GCHP has demonstrated were not used by County for purposes authorized in this Funding Agreement.

Section 23. Amendments. No amendment, alteration or variation of the terms or conditions of this Funding Agreement shall be valid unless agreed to in writing by the Parties.

Section 24. Entire Understanding of the Parties. This Funding Agreement constitutes the entire understanding and agreement of the Parties with respect to all matters stated herein.

Section 25. Multiple Originals; Counterpart. This Funding Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

WHEREFORE, this Funding Agreement has been entered into by the undersigned as of the Effective Date.

County of Ventura

Sevet Johnson

Authorized Signature

Sevet Johnson

Printed Name

CEO

Title February 2, 2024

Date

Gold Coast Health Plan

DocuSigned by:
Nick Liguori

Authorized Signature

Nick Liguori

Printed Name

Nick Liguori, CEO

Title
January 31, 2024 | 08:40:15 PST

Date