

**GRANT AGREEMENT FOR CAPITAL IMPROVEMENTS
SERVING SOCIAL PROGRAMS IN
VENTURA COUNTY**

This is a grant agreement for capital improvements serving social programs in Ventura County (hereinafter "Agreement"), dated as of July 1, 2014, by and between the County of Ventura ("County") and Casa Pacifica Centers for Children and Families, a California nonprofit public benefit corporation ("Casa Pacifica").

RECITALS

WHEREAS:

A. County has determined that a serious need exists for children's crisis care programs and facilities for abused, neglected, abandoned and other high-risk children and their families in Ventura County.

B. Casa Pacifica has adopted Articles of Incorporation and Bylaws which establish as its corporate purpose the development and funding of programs and facilities for high-risk youth and their families in Ventura County. Casa Pacifica has developed social programs for high-risk youth and their families which include: emergency shelter; residential treatment; therapeutic behavioral services; children's intensive response team; wraparound services; parent/child interaction therapy; intensive family services; family finding; transitional age youth; and family foster agency (hereinafter "social programs"). Casa Pacifica has built or caused to be built facilities in Ventura County for the housing of these social programs.

C. County is authorized under Government Code section 26227 to appropriate and expend money from the general fund to fund programs of private agencies deemed necessary to meet the social needs of the population of Ventura County and to finance or assist in financing the improvement of real property needed to carry out the programs.

D. In 1989 and 1990, County authorized the expenditure of \$3,949,000 of County funds to Casa Pacifica's predecessor, the Youth Connection of Ventura County, to assist in the establishment of the initial children's crisis care programs and facilities for high-risk youth and their families in Ventura County.

E. County finds that Casa Pacifica's social programs and facilities are necessary to meet the social needs of high-risk children and their families in Ventura County and that capital expenditures for improved facilities and additional facilities are necessary to meet the needs of a growing population and an increased need for services for abused and

neglected children in Ventura County in the future.

F. County wishes to expend funds in an additional amount of up to \$3 million over a five-year period, subject to annual appropriations by the Ventura County Board of Supervisors (the "Board of Supervisors") and subject to Casa Pacifica's fundraising results, for capital improvements at Casa Pacifica's Ventura County facilities so that Casa Pacifica, in conjunction with other fundraising efforts, can improve and expand the facilities used in its social programs for high-risk youth and their families in Ventura County.

G. County finds that the payment of said moneys to Casa Pacifica to fund capital improvements for new and improved facilities in Ventura County in which to operate children's crisis care social programs will benefit high-risk youth and their families and all other citizens of Ventura County by providing facilities for necessary health, social and educational services to eligible children in Ventura County and, therefore, constitutes a County public purpose.

AGREEMENT

Now, therefore, in consideration of the foregoing and the mutual covenants and conditions contained herein, the sufficiency of which is hereby acknowledged, County and Casa Pacifica agree as follows:

1. Grant Payments. County shall annually pay Casa Pacifica from appropriate County funds over a five fiscal year period beginning July 1, 2014, the amount of \$600,000 or some other amount determined by the Board of Supervisors, subject to annual appropriations by the Board of Supervisors and subject to County's annual review of Casa Pacifica's fundraising results for that fiscal year. The total amount paid over five fiscal years shall not exceed a total amount of \$3 million, and may be less than \$3 million depending upon County's annual appropriations and Casa Pacifica's annual fundraising results. The total amount paid over five fiscal years shall be full and complete payment for the performance and completion of all tasks by Casa Pacifica described herein. Each annual payment by County is made upon condition that the funds be paid to, held, and used by Casa Pacifica as set forth in sections 2, 3, 4 and 5 below.

2. Procedure for Payments by County. County has assigned \$3 million for purposes of this Agreement. For five consecutive fiscal years beginning in fiscal year 2014-2015, County will during each fiscal year seek the Board of Supervisors' approval of a grant payment to Casa Pacifica of up to \$600,000 or other amount as determined by the Board of Supervisors, depending on County's ability in that fiscal year to make appropriations for this Agreement and Casa Pacifica's fundraising results. County will pay Casa Pacifica the amount appropriated by the Board of Supervisors for that fiscal year within 30 days following: (a) receipt by County from Casa Pacifica of: 1) a written request for payment, and 2) a report of Casa Pacifica's fundraising results for the prior two fiscal years; (b) County's approval, or the continuation in effect after County's initial approval, of Casa Pacifica's records, audit and accounting system, as provided in section 5; and (c) the Board of Supervisors' appropriation action.

3. Handling of County's Payment. Casa Pacifica shall place all funds paid by County into a separate Casa Pacifica bank account and shall not commingle these funds with other Casa Pacific funds. After payment of funds by County and the deposit of the funds in a separate Casa Pacifica bank account, the funds and any interest which accrues from said funds shall be the property of Casa Pacifica. Interest accrued by Casa Pacifica on the funds paid by County shall be expended only in the performance of this Agreement.

4. Duties of and Expenditures by Casa Pacifica. Casa Pacifica shall hold and expend the funds paid by County and the interest accruing thereon solely to carry out capital improvements that serve County public purposes for children's crisis care facilities for high-risk children and their families at Casa Pacifica's facilities in Ventura County, subject to the conditions and limitations on use of the funds specified in sections 2, 3, 4 and 5 herein. The expenditure of funds to carry out capital improvements in Ventura County, as described in the preceding sentence, means expenditures only for construction of improvements to existing facilities and additional new facilities in Ventura County at Casa Pacifica's Lewis Road campus, including architect fees for the architect of record. All expenditures of funds paid by County for capital improvements in Ventura County, and interest thereon, shall also be conducted in accordance with the Articles of Incorporation and Bylaws of Casa Pacifica in effect as of July 1, 2014. Casa Pacifica shall provide County with 30 days' written notice of any proposed change in Casa Pacifica's Articles of Incorporation and Bylaws.

5. Records, Accounts and Bonds.

a. At the same time Casa Pacifica requests the initial payment from County, as provided in section 2(a) above, Casa Pacifica shall submit for review and approval to the County Executive Officer of County its proposed system of records, accounts and audits

for this Agreement. Said system shall be promptly reviewed by the County Executive Officer and shall be approved only if, in the opinion of the County Executive Officer of County, the system conforms to generally accepted accounting principles. Casa Pacifica shall maintain the approved system of accounts, audits and records, including personnel, property and financial records, in such a manner as to identify and account for all costs and expenses related to the expenditure of County-paid funds in accordance with the terms of this Agreement and to establish the commitment of and expenditure of funds by Casa Pacifica in furtherance of capital improvements for facilities that serve County public purposes for children's crisis care facilities for high-risk children and their families at Casa Pacifica's facilities in Ventura County. Casa Pacifica shall also maintain such other records as may be deemed necessary by County from time to time to assure proper accounting for all paid funds provided for herein. County may review and shall have access to all business records maintained by Casa Pacifica during normal business hours in order to ensure the approved system is being maintained. Failure of County to make further review of the approved system shall not waive County's right to make future demands for review of Casa Pacifica's accounting system, nor shall any other remedy allowed County by this Agreement be waived.

b. Casa Pacifica shall prepare and submit financial reports to County on an annual basis within 90 days after the end of the fiscal year and within 30 days of the termination or expiration of this Agreement. Said financial reports shall demonstrate the expenditure of funds paid by County and the expenditure of accrued interest on those funds in accordance with the terms of this Agreement. Such reports should be verified and signed by a responsible officer of Casa Pacifica, on behalf of Casa Pacifica. Also, within 90 days after the close of each fiscal year, Casa Pacifica shall furnish County the annual financial statement of Casa Pacifica, prepared in accordance with generally accepted accounting principles and signed by a responsible officer of Casa Pacifica, on behalf of Casa Pacifica.

c. After expiration or termination of this Agreement, County, its officers, agents and employees, may audit or cause an audit to be performed of the records required by this Agreement at Casa Pacifica's expense. The audit would be requested by County after all capital improvement facility transactions have been completed and the necessary payments have been made by Casa Pacifica. In the event the capital improvements of facilities are not completed at the expiration of the term of this Agreement, County may audit or cause an audit to be performed at the time of expiration as well as at the completion of the facilities, at Casa Pacifica's expense. The audit shall include all books, papers, accounts, documents, electronically stored information, electronic records or other records of Casa Pacifica, as they relate to expenditures for the capital improvements of facilities for which County funds were paid. The audit may take place at any time up to three years after expiration or termination of

this Agreement. To expedite the audit, Casa Pacifica should have the required records, including the source documents, electronic records and cancelled checks, readily available. All records required to be kept by this Agreement shall be kept and maintained maintained within 75 miles of the County Government Center, County of Ventura. Casa Pacifica should also provide an employee having knowledge of the Agreement and the accounting procedure or system to assist the auditor. Casa Pacifica shall provide a copy of any document, paper, record, electronic record or the like requested by the auditor. All All records required by this Agreement must be retained by Casa Pacifica for a period of not less than one year after the audit or final disposition of any disputed audit findings.

d. For those members of Casa Pacifica's Board of Directors and those officers or employees of Casa Pacifica who have authority to withdraw County-paid funds on behalf of Casa Pacifica, Casa Pacifica shall throughout the term of this Agreement provide individual fidelity bonds or a blanket fidelity bond covering the actions of those board members, officers or employees with regard to the withdrawal of said funds. The individual or blanket fidelity bond shall be in an amount acceptable to County for each person covered. The premium for the bond(s) shall be paid by Casa Pacifica.

6. Term. The term of this Agreement shall commence on July 1, 2014, and expire on June 30, 2019, covering fiscal years 2014-2015 through 2018-2019.

7. Indemnity and Insurance.

a. Casa Pacifica shall indemnify, defend and hold County, its officers and employees harmless from any and all liability for injury or damages to persons or property, including defense costs arising out of or caused by any acts or omissions of Casa Pacifica, its subcontractors, agents or assigns in carrying out the activities contemplated by this Agreement.

b. Casa Pacifica shall maintain such insurance as will protect County from claims under the Workers' Compensation Act, from automobile liability and from claims for damages for personal injury, including death and damage to property, which may arise from operations, including the use of any motor vehicle by Casa Pacifica, under this Agreement or by any person directly or indirectly employed by Casa Pacifica. Casa Pacifica shall have County named as an additional insured in the above insurance. Certificates of such insurance shall be filed with County and shall be subject to approval by County for adequacy of protection.

c. If any of the activities contemplated by this Agreement will be carried out by Casa Pacifica through an independent contractor, Casa Pacifica shall require said contractor to fulfill the indemnification and insurance requirements of this section 7.

d. The insurance companies which underwrite said insurance shall agree in writing that said insurance shall not be cancelled or otherwise terminated until 10 days after written notice on automobile insurance and until 30 days after written notice on all other insurance of intended cancellation has been given to County.

8. Termination; Notice. Either County or Casa Pacifica may terminate this Agreement by giving the other party 30 days' written notice of termination. Notwithstanding the preceding sentence, County may terminate this Agreement by giving Casa Pacifica five days' written notice of termination in the event that: (1) Casa Pacifica amends its Articles of Incorporation and Bylaws to delete from its corporate purpose programs and facilities for high-risk youth in Ventura County; (2) Casa Pacifica initiates insolvency or bankruptcy proceedings, or (3) Casa Pacifica terminates or abandons its programs for high-risk youth and their families in Ventura County or otherwise fails to carry out its obligation under this Agreement. Upon termination, Casa Pacifica shall, within 30 days, return to County any funds paid by County to Casa Pacifica under this Agreement and any interest accrued thereon, not yet expended or obligated for expenditure. With respect to County-paid funds obligated for capital expenditure at the time of termination of this Agreement, Casa Pacifica shall cancel, settle, or resolve any and all such obligations for capital expenditure and shall promptly return to County the amount of County-paid funds originally committed to obligations for capital expenditure and any unexpended interest accrued thereon, minus any cancellation cost or settlement amount for those obligations.

9. Legal Compliance. Casa Pacifica, in expending funds to carry out the capital improvements to its Ventura County facilities contemplated under this Agreement, shall comply with all federal, state and local laws, regulations and ordinances applicable to the capital improvements undertaken, including, as determined to be applicable by Casa Pacifica, any public bidding and prevailing wage laws.

10. Conflict of Interest. County and Casa Pacifica jointly agree and certify as follows:

a. No member of the Board of Supervisors and no other County public official, employee or agent who exercises any functions or responsibilities in conjunction with the planning and carrying out of activities contemplated by this Agreement shall have any personal financial interest, direct or indirect, in this Agreement.

b. Casa Pacifica covenants that its officers and employees currently have no personal financial interest and shall not acquire a personal financial interest, direct or indirect, in the activities contemplated under this Agreement which would conflict in any manner or degree with the performance of this Agreement, and no person having any

such interest will be employed or appointed. Casa Pacifica shall take appropriate steps to ensure compliance with this section.

11. Nondiscrimination. No person, on the grounds of race, color, national origin, gender, sexual orientation, age, handicap or religion, shall be excluded from participation in, be denied the benefits of, or be subjected to unlawful discrimination by Casa Pacifica in carrying out, the activities contemplated by this Agreement.

12. Administration and Notice. This Agreement shall be administered on behalf of County by and through the County Executive Officer and on behalf of Casa Pacifica by and through its Executive Officer. All notices and written communication between the parties hereto may be given by mailing the same, postage prepaid, to Casa Pacifica in care of the Executive Officer, Casa Pacifica, 1722 S. Lewis Road, Camarillo, California 93012, and to County in care of the County Executive Officer, 800 South Victoria Avenue, Ventura, California 93009.

/

/

/

/

/

/

/

WHEREFORE, County and Casa Pacifica have executed this Agreement in triplicate, each of which is an original, and enter into this Agreement as of the date first written above.

COUNTY OF VENTURA


Chair, Board of Supervisors

ATTEST:

MICHAEL B. POWERS, Chief Executive
Office, County of Ventura, and ex officio
Clerk of the Board of Supervisors



By: 
Deputy Clerk

CASA PACIFICA


President, Board of Directors