

A G R E E M E N T

This Agreement is made and entered into **March 3, 2026**, by and between the COUNTY OF SONOMA, (hereinafter COUNTY) and ALEXANDER VALLEY HEALTHCARE, a California nonprofit corporation (hereinafter GRANTEE).

RECITALS

WHEREAS, pursuant to the State of California Budget Act of 2025, as amended (Budget Bill, SB 105; Chapter 104, Statutes of 2025), (“Act”), the State of California appropriated \$3,500,000 to the County of Sonoma for GRANTEE’s Alexander Valley Health and Wellness Center project; and

WHEREAS, GRANTEE plans to construct a new and expanded healthcare facility with expanded services in Cloverdale; and

WHEREAS, the COUNTY, as a pass-through entity between the State and GRANTEE, has accepted the subject \$3,500,000 from the State of California and, in furtherance of the Act, seeks to remit said funds to GRANTEE in accordance with the Act and the related allocation requirements;

NOW, THEREFORE, IT IS AGREED by and between the parties hereto as follows:

1. Recitals. That the foregoing Recitals are true and are incorporated herein by reference.
2. Funding. COUNTY shall provide GRANTEE the total sum of **\$3,500,000** (the “Grant”), upon execution of this agreement for the Funded Purpose stated below. All unused funds must be returned to COUNTY and any funds used for other than the expressly allowed Funded Purpose shall be subject to immediate reimbursement by GRANTEE to COUNTY or the State, as directed.
3. Funded Purpose. The Grant is made solely for the use and purpose of GRANTEE’S Health and Wellness Center project (the “Funded Purpose”). GRANTEE undertakes the project at GRANTEE’s sole risk, expense, responsibility, and election, and COUNTY shall have no responsibility for or ownership of the project or any aspect thereof as a result of this Agreement.

All use of the Grant shall comply with the terms, conditions, and other requirements under the Act and state law, which are incorporated hereto by reference. Without limitation, GRANTEE agrees to comply, and to not cause the COUNTY to be out of compliance as pass-through recipient, as follows:

- 3.1 To follow all applicable federal or state law relating to the Funded Purpose.

3.2 To maintain accurate fiscal data in accordance with generally accepted accounting principles and, where applicable, standards for governmental entities, documenting actual expenditures by category for the Funded Purpose.

3.3 To maintain documentation to substantiate that all costs are reasonable, necessary, allowable, and allocable to the Funded Purpose (e.g., invoices, receipts, agreements)

3.4 It is subject to audit by the State, including but not limited to, California Department of Health Care Services and the State Auditor, pertaining to the expenditure of funds provided. GRANTEE shall retain all records related to this Grant until at least June 30, 2032, or, where an audit has been requested, until the date the audit is resolved, whichever is longer.

3.5 To provide reports related to the Funded Purpose. Such reports include, but are not limited to, any reports required by the State of California, expenditure reports, and a close-out report.

4. Term. The Grant and the right to use the Grant (or any portion thereof) shall terminate should the Funded Purpose work not be completed by June 30, 2029. At such time, the Grant shall terminate and any remaining amounts shall be subject to repayment to COUNTY and shall no longer be available to GRANTEE under this Agreement. Notwithstanding, COUNTY, in its sole discretion, may allow for an extension of time to extend the availability of the Grant for good cause shown or other proper circumstance as determined by COUNTY.
5. Records. GRANTEE agrees to keep complete books and records relating to the Grant and the Funded Purpose, and to make available and submit to audit by COUNTY or the State of California all of GRANTEE'S books, records, and financial statements upon request. Pursuant to Government Code section 8546.7, GRANTEE acknowledges it is subject to examination and audit with regard to this Agreement and the Grant.
6. Authorized and Lawful Use. GRANTEE warrants to COUNTY that the Grant shall be expended for only those purposes authorized by the Act and otherwise in accordance with all applicable laws and regulations.
7. Compliance. GRANTEE is responsible for understanding and shall comply with all laws and regulations applicable to the project and GRANTEE's use of the Grant. GRANTEE shall obtain and comply with all applicable permits, licenses, and regulatory requirements for the project and all aspects thereof.
8. Prevailing Wage: To the extent GRANTEE uses or expends any Grant funds for any work, project, or activity constituting "public works" under applicable law (including under the California Labor Code), GRANTEE, and its contractors and subcontractors, shall comply with all applicable provisions of California's Prevailing Wage Law and the Labor Code, including Sections 1720-1861, and all other related laws and regulations, regarding prevailing wages and related requirements, including as follows:
 - a. GRANTEE and its contractors and subcontractors shall ensure that all workers who perform work are paid not less than the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations (DIR). Two hundred

dollars (\$200) shall be forfeited as penalty for each calendar day, or portion thereof, for each worker paid less than applicable prevailing wage rates. GRANTEE acknowledges and will comply with Labor Code section 1775.

- b. Copies of the general prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute work, as determined by Director of the State of California Department of Industrial Relations, are deemed included herein. State prevailing wage requirements are published by the Director of the State of California Department of Industrial Relations and can be found online at www.dir.ca.gov. Prevailing wage requirements can also be found at COUNTY's Purchasing Department, located at 2300 County Center Dr., Suite A208, Santa Rosa, CA 95403. Said rates shall be posted at all public work job sites.
- c. GRANTEE shall post (or cause the posting of) all required notices, including those required pursuant to 8 CCR 16451, and shall make them available to any interested party upon request.
- d. Prior to commencement of work, GRANTEE shall contact the Division of Apprenticeship Standards. GRANTEE shall be responsible for compliance with Section 1777.5, 1777.6, and 1777.7 of the Labor Code and Title 8, Cal. Code of Regulations, Div. 1 Chapter 2.
- e. Contractors and subcontractors shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, unless currently registered and qualified to perform public work pursuant to Labor Code Section 1725.5.
- f. Payroll Records: All payroll record keeping, availability, certification, and confidentiality requirements set forth in Labor Code section 1776 and 8 CCR sections 16400 et seq. shall be complied with.
- g. Accurate records of the work performed, as set forth in Labor Code Section 1812, shall be maintained.
- h. All work is subject to the requirements of Title 8, Cal. Code of Regulations Div. 1, Chapter 8, Subchapter 4.5 (starting at 8 CCR §16450), including the requirement to furnish certified payroll records directly to the Labor Commissioner and otherwise in compliance with 8 CCR §16461, and is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- i. In accordance with California Labor Code section 3700, GRANTEE is required to secure the payment of compensation of its employees and ensure the same by subcontractors and other third parties. By signing this Agreement, GRANTEE certifies awareness of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and certifies they will comply (or cause compliance) with such provisions before commencing any work.
- j. Eight hours labor shall constitute a legal day's work. Workers may not work more than eight hours a day or 40 hours in any one calendar week, unless compensated at not less than time and a half as set forth in Labor Code Section 1815 or as otherwise required by law. Twenty-five dollars (\$25) shall be forfeited as penalty for each worker employed in violation of the provisions of Labor Code sections 1810 et seq.
- k. With regard to every contract, subcontract or other arrangement which GRANTEE may make for performance of such work or labor on work, GRANTEE shall comply with and/or cause compliance with all requirements specified in Labor Code Sections 1776(g), 1777.5, 1810, 1813, and 1860, including all requirements to insert required provisions in subcontracts and other third party contracts including provision that the contractor or subcontractor shall pay persons performing labor or rendering service under contract or subcontract or other arrangement not less than the general prevailing

rate of per diem wages for work of a similar character in the locality in which the work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed in the Labor Code.

9. Indemnification: GRANTEE agrees to accept all responsibility for loss or damage to any person or entity, including COUNTY, and to indemnify, hold harmless, and release COUNTY, its officers, agents, and employees, from and against any actions, claims, damages, liabilities, disabilities, or expenses, that may be asserted by any person or entity, including GRANTEE, that arise out of, pertain to, or related to GRANTEE's or its agents', employees', contractors', subcontractors', or invitees' activities relating to the Grant or the project. GRANTEE's obligations under this Section apply whether or not there is concurrent negligence on County's part, but to the extent required by law, excluding liability due to County's conduct. County shall have the right to select its legal counsel at GRANTEE's expense, subject to GRANTEE's approval, which shall not be unreasonably withheld. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for GRANTEE or its agents under workers' compensation acts, disability benefits acts, or other employee benefit acts.
10. Non-Discrimination: GRANTEE shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, pregnancy, disability, sexual orientation or other prohibited basis, including without limitation, the County's Non-Discrimination Policy. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated herein by this reference.
11. Assignment/Delegation: GRANTEE shall not assign, sublet, transfer or delegate any interest in or duty under this agreement without written consent of COUNTY, and no assignment shall be of any force or effect whatsoever unless and until so consented.
12. Merger: This writing is intended both as the final expression of the agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to C.C.P. Section 1856. No modification of this agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.
13. Termination: At any time, with or without cause, COUNTY shall have the right in its sole discretion, to terminate this Agreement by giving written notice to GRANTEE.
14. Repayment: If GRANTEE fails to comply with the Act or this Agreement, then GRANTEE shall, within ten days of receipt of notice of such failure, return as requested to COUNTY all amounts received. GRANTEE agrees that in the event the State of California requests return or reimbursement from COUNTY or from GRANTEE of any of the Grant for any reason whatsoever, GRANTEE shall be solely responsible for resolving such request, including repayment if required.
15. Conflict of Interest: GRANTEE covenants that it presently has no interest and shall not acquire any interest, direct, or indirect, which would conflict in any manner or degree with receipt or use of the Grant. GRANTEE further covenants that in the receipt and use of the Grant no person having any such interest shall be employed.

16. Statutory Compliance: GRANTEE agrees to comply with all applicable federal, state and local laws, regulations, statutes and policies as they exist now and as they are changed, amended or modified during the term of this Agreement. Without limiting the generality of the foregoing, GRANTEE expressly acknowledges that this Agreement may be subject to the provisions of Article XXVI of Chapter 2 of the Sonoma County Code, requiring payment of a living wage to covered employees. Noncompliance during the term of the Agreement will be considered a material breach and may result in termination of the Agreement or pursuit of other legal or administrative remedies.

17. AIDS Discrimination: GRANTEE agrees to comply with the provisions of Chapter 19, Article II, of the Sonoma County Code prohibiting discrimination in housing, employment, and services because of AIDS or HIV infection during the term of this Agreement and any extensions of the term.

18. No Third Party Beneficiaries: Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.

19. Extra or Changed Work: Extra or changed work or other changes to the Agreement may be authorized only by written amendment to this Agreement, signed by both parties. GRANTEE expressly recognizes that, pursuant to Sonoma County Code Section 1-11, COUNTY personnel are without authorization to order extra or changed work or waive Agreement requirements. Failure of GRANTEE to secure such written authorization for extra or changed work shall constitute a waiver of any and all right to adjustment of this Agreement or to compensation whatsoever for the performance of any such work. GRANTEE further expressly waives any and all right or remedy by way of restitution and quantum meruit for any and all extra work performed without such express and prior written authorization of the COUNTY.

20. Extent of Agreement. This Agreement and the Grant are granted only in COUNTY's capacity as pass-through recipient of state funding, and not in County's governmental or regulatory capacity. Acquisition of any other necessary permits or entitlements for the Grant or the project remain the sole responsibility of GRANTEE.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first above written.

COUNTY OF SONOMA

By _____
 County Executive Officer

ALEXANDER VALLEY HEALTHCARE

By _____
 Signature

 Print Name

 Title