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Fee: \$182.00

After Recording Return to:
Oregon Health Authority
Health Systems Division
Attn: Social Determinants of Health
500 Summer St. SE, E-86
Salem, Oregon 97301

SPACE ABOVE FOR RECORDER'S USE

**STATE OF OREGON
OREGON HEALTH AUTHORITY**

**HEALTH SYSTEMS DIVISION
BEHAVIORAL HEALTH INVESTMENTS PROGRAM
GRANT AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS**

This Grant Agreement and Declaration of Restrictive Covenants (this "Agreement") is made and entered into this 6th day of March 2024 (the "Effective Date") by and between Transformations Wellness Center, an Oregon nonprofit public benefit corporation ("Grantee") and the State of Oregon, acting by and through its Oregon Health Authority ("OHA"). OHA and Grantee may be referred to jointly herein as the "Parties" or individually as a "Party."

RECITALS

A. The Oregon State Legislature appropriated \$15 Million in general funds under SB 5525A (2021-2023) to OHA in grant funds to increase substance use disorder facilities for children and adults with a substance use disorder or persons that meet the criteria of a substance use disorder diagnosis in accordance with OAR 944-001-0020(3)(f) ("SUD") to increase behavioral health facility capacity in Oregon.

B. OHA awarded Grantee an amount not to exceed **TWO MILLION THREE HUNDRED FIFTY-NINE THOUSAND TWO HUNDRED AND FOUR DOLLARS (\$2,359,204.00)** (the "Grant") for the purpose of funding the new building comprised of a forty-two (42) bed residential SUD facility and eight (8) beds for withdrawal management. (collectively, the "Improvements") situated on certain real property located in Klamath Falls, Klamath County (the "County"), Oregon and further described in Exhibit A, attached hereto (the "Property"). The Property and the Improvements are collectively referred to herein as the "Project".

C. The Parties desire that this Agreement be recorded in the relevant records of the County at Grantee's cost and that certain terms herein constitute restrictive covenants and equitable servitudes running with the Property and governing, among other things, the maintenance, monitoring, and operation of the Project.

AGREEMENT

NOW, THEREFORE, for good and sufficient consideration, including the terms, conditions, covenants, warranties, and undertakings set forth herein, the Parties agree as follows:

1. DEFINITIONS; INCORPORATION.

- 1.1. **Definitions.** Capitalized terms used herein without definition have the meaning ascribed to such term in the Program Requirements (as defined below), unless the context clearly requires otherwise.
- 1.2. **Incorporation.** The foregoing recitals and any exhibit(s) are incorporated into this Agreement by reference to the same extent and with the same force and effect as if fully set forth herein, provided, however, that the incorporated items do not modify the express provisions of this Agreement.

2. GRANT.

- 2.1. **Authority; Amount.** Subject to the availability of Grant funds, OHA having continued funding, appropriation, limitation, allotment, or other expenditure authority sufficient to allow it, in the exercise of its reasonable administrative discretion, to meet its obligations under this Agreement, and conditioned upon the terms and conditions of this Agreement, OHA will provide the Grant to Grantee.
- 2.2. **Grant Disbursement.** OHA will disburse the Grant to Grantee at its sole discretion and after execution and recording of this Agreement and delivery to OHA of information satisfactory to it that the construction or rehabilitation of the Project will commence within a reasonable time. Disbursements may begin only after the satisfaction of the conditions precedent set forth below. Any award for Project development costs will be disbursed to Grantee quarterly or on an expense reimbursement or costs-incurred basis. For certain Grants, OHA may, in its sole discretion, disburse the Grant, in whole or in part, to a title company or escrow account for the Project. Subject to the foregoing, disbursements of the Grant will be made in accordance with the disbursement requirements set forth herein.
 - 2.2.1. **Electronic Funds Transfer.** OHA no longer issues paper checks. To receive Grant funds, Grantee must enroll in Electronic Funds Transfer (EFT), also known as direct deposit. To enroll, Grantee must submit a Direct Deposit Authorization Form and follow the procedures in accordance with OHA requirements.
 - 2.2.2. **Conditions Precedent to Disbursements.** As to any requested disbursement of the Grant, OHA has no obligation to disburse Grant funds unless all following conditions are met:
 - (i) Grantee has delivered documentation satisfactory to OHA that, in addition

to the Grant funds, Grantee has available or has obtained binding commitments for substantially all funds necessary to complete the Project;

(ii) Grantee has delivered documentation satisfactory to OHA that Grantee has obtained all necessary land use permits and approvals for the Project, and is permitted to develop and complete the Project.

2.3. Appropriateness of Charges. Grant funds may only be used for reimbursement of eligible costs for the Project and in accordance with Grantee's Project Budget approved by OHA, set forth in Exhibit B (the "**Project Budget**") attached hereto as it may be revised by from time to time by Grantee and approved in writing by OHA. OHA may review all receipts and other evidence, as well as require and obtain such other information as it determines appropriate, concerning the eligibility, appropriateness, and amount of activities and Project costs prior to and after disbursing Grant funds to Grantee under this Agreement. OHA's determination as to the eligibility, appropriateness and amount of such rehabilitation or construction activities and related costs will be at OHA's sole discretion.

2.4. Recovery of Overpayments. Any funds disbursed to Grantee under this Agreement that are expended in violation or contravention of one or more of the provisions of this Agreement ("**Misexpended Funds**") or that remain unexpended on termination or expiration of this Agreement ("**Unexpended Funds**") must be returned to OHA. Grantee shall return all Misexpended Funds to OHA promptly after OHA's written demand and no later than fourteen (14) calendar days after OHA's written demand. Grantee shall return all Unexpended Funds to OHA within fourteen (14) calendar days after the termination or expiration of this Agreement, as applicable. OHA, in its sole discretion, may recover Misexpended Funds or Unexpended Funds by withholding from payments due to Grantee such amounts, over such periods of time, as are necessary to recover the amount of the Misexpended Funds or Unexpended Funds.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS OF GRANTEE.

Grantee represents, warrants and covenants that:

3.1. Validity. Grantee is a nonprofit public benefit corporation duly organized, validly created and existing under the laws of Oregon, is authorized to do business in Oregon, and has the power and authority to transact the business in which it is engaged and to enter into and perform this Agreement.

3.2. Authority; No Impairment. The making and performance of this Agreement by Grantee has been duly authorized by all necessary action of Grantee; do not and will not violate any provision of any applicable law, rule, or regulation or order of any court, regulatory commission, board or other administrative agency or any provision of Grantee's organizing documents or authorizing statutes; and do not and will not result in the breach

of, or constitute a default or require any consent under, any other agreement or instrument to which Grantee is a party or by which Grantee or any of its properties is bound or affected and does not and will not result in the creation or imposition of any prohibited encumbrance of any nature.

- 3.3. Enforceability.** This Agreement, when executed and delivered, is a valid and binding obligation of Grantee enforceable in accordance with its terms.
- 3.4. Program Requirements.** Grantee shall timely satisfy all requirements of this Agreement, including the program rules, all applicable OHA administrative rules, and all other applicable federal, state, and local statutes, rules, regulations, ordinances, and orders (all of the foregoing, as amended from time to time, collectively, the “**Program Requirements**”) to the satisfaction of OHA.
- 3.5. Insurance.** Grantee shall maintain insurance policies with responsible insurers or self-insurance programs, insuring against liability and risk of direct physical loss, damage or destruction of the Project, at least to the extent that similar insurance is customarily carried by entities constructing, operating and maintaining similar properties/facilities, including as required under the Agreement.
- 3.6. Completion Date.** Grantee will complete the Project and obtain a certificate of completion, or similar authorization to occupy the Project, no later than December 1, 2025, unless extended by OHA in writing (the “**Completion Date**”) in accordance with the terms and conditions of this Agreement.
- 3.7. Responsibility.** Grantee assumes full responsibility for timely and appropriate completion of the Project, for ownership of the Project, for its operation in accordance with this Agreement and acknowledges that OHA has no direct or contractual responsibility for the Project, for ownership of the Project, or for its operation.
- 3.8. Full Disclosure.** Grantee has disclosed in writing to OHA all facts that may adversely affect the Project, or the ability of Grantee to perform any obligation required by this Agreement. Grantee has made no false statements of fact, nor has it omitted information necessary to prevent any statements from being misleading, regarding the Grant, the Project and this Agreement. The information contained in this Agreement is true and accurate in all respects.
- 3.9. Pending Litigation.** Grantee has disclosed in writing to OHA all proceedings, environmental or otherwise, pending (or to the knowledge of Grantee, threatened) against or affecting Grantee or the Project, in any court or before any governmental authority or arbitration board or tribunal, that, if adversely determined, would materially adversely affect the Project or the ability of Grantee to perform all obligations required by this Agreement.
- 3.10. No Defaults.**

3.10.1. No Events of Default (as hereinafter defined) exist or occur upon authorization, execution or delivery of this Agreement.

3.10.2. Grantee has not violated and has not received notice of any claimed violation of, any agreement or instrument to which it is a party or by which the Project or its property may be bound, that would materially adversely affect the Project or the ability of Grantee to perform all obligations required by this Agreement.

3.11. Compliance with Existing Agreements and Applicable Law. The authorization and execution of, and the performance of all obligations required by, this Agreement will not: (i) cause a breach of a material agreement, indenture, mortgage, deed of trust, or other instrument, to which Grantee is a party or by which the Project or any of Grantee's property or assets may be bound; (ii) violate any provision of the applicable enabling statutes, code, charter, ordinances or other Oregon law pursuant to which Grantee was organized or established; or (iii) violate any laws, regulations, ordinances, resolutions, or court orders related to Grantee, the Project or Grantee's properties or operations.

3.12. Governmental Consent. Grantee has obtained or will obtain all permits and approvals, and has made or will make all notifications, declarations, filings or registrations, required for the making and performance of its obligations under this Agreement and undertaking and completion of the Project, including without limitation, all land use approvals and development permits required under local zoning or development ordinances, state law and federal law for the use of the land on which the Project will be located.

4. ADDITIONAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF GRANTEE; USE RESTRICTIONS

Grantee also represents, warrants, and covenants that:

4.1. Fair Housing and Other Civil Rights Compliance. Grantee shall comply with all applicable state and federal nondiscrimination laws including, but not limited to, the Fair Housing Act and the Americans with Disabilities Act.

4.2. Use Restrictions and Duration.

4.2.1. Use Restrictions. Upon completion of the Project and for the duration of the Use Restriction Period (as hereinafter defined), Grantee shall continuously operate the Project as forty-two (42) bed residential SUD facility and eight (8) beds for withdrawal management individuals as described in ORS 443.400 (collectively, the "Use Restrictions").

4.2.2. Use Restriction Period. For a period of twenty (20) years from December 31st of the year that the Project is completed or until **December 31, 2045**, whichever is later (the "Use Restriction Period"), Grantee is required to provide and comply with the

requirements of the Use Restrictions.

- 4.3. Habitability; Other Compliance.** Throughout the Use Restriction Period, Grantee will manage the Project in a safe and sanitary condition that is satisfactory to OHA and in accordance with applicable zoning, code and habitability requirements.
- 4.4. Prevailing Wage Requirements.** The prevailing wage rate requirements that may apply to the Project are set forth in ORS 279C.800 through 279C.870, the administrative rules promulgated thereunder (OAR Chapter 839, Division 25) and Oregon Laws 2021, chapter 678, section 17 (collectively, "PWR"), or, when applicable, 40 U.S.C. 3141 et seq. ("Davis-Bacon Act"). Grantee shall comply with PWR, and specifically:
- (i) Determine when PWR or Davis-Bacon Act apply.
 - (ii) Require its contractors and subcontractors to pay the applicable PWR or Davis-Bacon Act rates.
 - (iii) Comply with all other Oregon Bureau of Labor and Industries ("BOLI") requirements, including on all contracts and subcontracts and in filing separate public works bonds with the Construction Contractors Board.
 - (iv) Pay to BOLI, within the required timeframe and in the appropriate amount, the project fee required by OAR 839-025-0200 to 839-025-0230, including any additional fee that may be owed upon completion of the Project.
 - (v) Unless exempt under Section 17(2) of Oregon Laws 2021, chapter 678, if Grantee is a "public body" and the Project is a "qualified project," as those terms are defined in Section 17(3) of Oregon Laws 2021, chapter 678, Grantee shall require each contractor in a contract with an estimated cost of \$200,000 or greater to:
 - (a) Enter into a project labor agreement that, at a minimum, provides for payment of wages at or above the prevailing rate of wage.
 - (b) Employ apprentices to perform 15 percent of the work hours that workers in apprenticeable occupations performed under the contract, in a manner consistent with the apprentices' respective apprenticeship training programs.
 - (c) Establish and execute a plan for outreach, recruitment and retention of women, minority individuals and veterans to perform work under the contract, with the aspirational target of having at least 15 percent of total work hours performed by individuals in one or more of those groups.
 - (d) Require any subcontractor with a subcontract has an estimated cost of \$200,000 or greater to perform the requirements set forth in subparagraphs a, b, and c above.
 - (vi) Grantee represents and warrants that it is not on the BOLI current List of Contractors Ineligible to Receive Public Works Contracts and that it will not contract with any contractor on this list.
- 4.5. Records Maintenance, Access.** Grantee shall maintain all financial records relating to this Agreement in accordance with generally accepted accounting principles. In addition, Grantee shall maintain any other records, books, documents, papers, plans, records of shipments and payments and writings of Grantee, whether in paper, electronic or other

form, that are pertinent to this Agreement, in such a manner as to clearly document Grantee's performance. All financial records, other records, books, documents, papers, plans, records of shipments and payments and writings of Grantee whether in paper, electronic or other form, that are pertinent to this Agreement, are collectively referred to as "Records." Grantee acknowledges and agrees that OHA and the Secretary of State's Office and the federal government and their duly authorized representatives shall have access to all Records to perform examinations and audits and make excerpts and transcripts. Grantee shall retain and keep accessible all Records for the longest of:

- a. Six years following final payment and termination of this Agreement;
- b. The period as may be required by applicable law, including the records retention schedules set forth in OAR Chapter 166; or
- c. Until the conclusion of any audit, controversy or litigation arising out of or related to this Agreement.

4.6. Inspections; Information. Grantee shall permit OHA and any party designated by OHA: (i) to inspect the Project; and (ii) to inspect and make copies of any accounts, books and records, including, without limitation, Grantee's records regarding receipts, disbursements, contracts, investments and any other related matters.

4.7. Professional Responsibility. A professional engineer or architect, as applicable, registered and in good standing in Oregon, will be responsible for the design and construction of the Project. All service providers retained for their professional expertise must be certified, licensed, or registered, as appropriate, in the State of Oregon for their specialty. Grantee shall follow standard construction practices, such as bonding requirements for construction contractors, requiring errors and omissions insurance, and performing testing and inspections during construction. Grantee's signing of this Agreement serves as a certification that Grantee will comply with these responsibilities.

4.8. Disclaimer of Warranties; Limitation of Liability. Grantee acknowledges and agrees that:

4.8.1. OHA makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for particular purpose or fitness for any use of the Project or any portion of the Project, or any other warranty or representation.

4.8.2. In no event are OHA or its agents liable or responsible for any direct, indirect, incidental, special, consequential or punitive damages in connection with or arising out of this Agreement or the existence, furnishing, functioning or use of the Project.

5. FURTHER ASSURANCES.

5.1. Further Acts. Grantee, at any time upon request of OHA, will do, make, execute and deliver all such additional and further acts, instruments or papers as OHA may require in its sole discretion to protect OHA's rights under this Agreement.

- 5.2. **Reliance.** OHA may rely upon statements, certificates, and other records of Grantee and its agents and assigns, including as to accuracy, genuine nature, and proper execution of such statements, certificates, and other records.

6. **COVENANTS AND EQUITABLE SERVITUDES TO RUN WITH THE LAND.**

- 6.1. **Inducement.** Grantee represents, covenants and warrants that the issuance to it of the Grant described herein by OHA is an inducement to Grantee to complete the Project and to operate the Project in accordance with this Agreement. In consideration of the issuance of the Grant, Grantee has entered into this Agreement and has agreed to restrict the operation of and uses to which the Project can be put on the terms and conditions set forth herein. Therefore, Grantee covenants, agrees and acknowledges that OHA has relied on this Agreement in determining to issue the Grant.

6.2. **Covenants; Equitable Servitudes.**

6.2.1. OHA and Grantee hereby declare their express intent that throughout the Use Restriction Period the covenants, restrictions, charges and easements set forth herein, including the Use Restrictions, will be deemed covenants running with the Property and will create equitable servitudes running with the Property, and will pass to and be binding upon OHA's and Grantee's successors in title including any purchaser, grantee or lessee of any portion of the Project and any other person or entity having any right, title or interest therein and upon the respective heirs, executors, administrators, devisees, successors and assigns of any purchaser, grantee or lessee of any portion of the Project and any other person or entity having any right, title or interest therein.

6.2.2. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein (other than a residential rental agreement or residential lease) will contain an express provision making such conveyance subject to the covenants, restrictions, charges and easements contained herein; provided, however, that any such contract, deed or other instrument will conclusively be held to have been executed, delivered and accepted subject to such covenants, regardless of whether or not such covenants are set forth or incorporated by reference in such contract, deed or other instrument.

6.2.3. Any and all legal requirements for the provisions of this Agreement to constitute restrictive covenants running with the Property and applying to the Project as a whole, or to create equitable servitudes with respect to same in favor of OHA, are deemed satisfied in full.

6.2.4. The consent of any recorded prior lien holder on the Project, including the Property, is not required in connection with recording this Agreement, or if required, such consent has been or will be obtained by Grantee.

6.3. Burden and Benefit.

6.3.1. Grantee hereby declares its understanding and intent that the burdens of the covenants and equitable servitudes, including the Use Restrictions, set forth herein touch and concern the Property, and the Project as a whole, in that Grantee's legal interest in the Project is rendered less valuable thereby.

6.3.2. Grantee hereby further declares its understanding and intent that the benefits of such covenants and equitable servitudes touch and concern the Property, and the Project as a whole, by enhancing and increasing the enjoyment and use of the Project by residents, intended beneficiaries (in addition to OHA) of such covenants, reservations and restrictions, and by furthering the public purposes for which the Grant was issued.

6.4. Right of Modification. OHA may compromise, waive, amend or modify the terms of this Agreement including, but not limited to the restrictive covenants and equitable servitudes created hereby, as it so determines in OHA's sole discretion to be to the benefit of OHA, the Project, or OHA efforts to provide or maintain safe and sanitary conditions of the Project. To be effective, any compromise, waiver, amendment or modification of this Agreement must be in writing, signed by an authorized OHA representative.

7. REPORTING REQUIREMENTS.

7.1. Quarterly Reports. Grantee shall prepare and electronically submit written quarterly reports describing the grant activities and progress to OHA substantially in the form provided by OHA. The Contract Administrator will provide instructions for completion and any updates. Grantee must submit to OHA the Quarterly Reports on the following schedule each year of this Agreement until the Completion Date:

Fiscal Quarter	Due Date
First: July 1 – September 30	October 15
Second: October 1 – December 31	January 15
Third: January 1 – March 31	April 15
Fourth: April 1 – June 30	July 15

7.2. Annual Reports. After the Completion Date, ongoing Annual Reports must demonstrate Grantee's compliance with the Use Restrictions through the Use Restriction Period.

8. GRANTEE STATUS.

8.1. Independent Contractor. Grantee shall perform all obligations under this Agreement and will timely satisfy its obligations hereunder as an independent contractor. Grantee is not an officer, employee or agent of the State, as those terms are used in ORS 30.265 or otherwise, with respect to performance under this Agreement.

- 8.2. Grantee Responsible for Insurance Coverage.** Grantee agrees that insurance coverage, whether purchased or by self-insurance, for Grantee's agents, employees, officers and/or subcontractors is the sole responsibility of Grantee.
- 8.3. Non-Federal Employment Certification.** Grantee certifies that it is not employed by or contracting with the federal government for performance covered by this Agreement.
- 8.4. Good Standing Certification.** Grantee certifies to the best of its knowledge and belief that neither Grantee nor any of its principals, officers, directors or employees:

- (i) Is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any state or federal department or agency;
- (ii) Has within a three (3) year period preceding this Agreement been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract related to a public transaction; violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
- (iii) Is presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in subsection (d)(ii) of this Section;
- (iv) Has within a three (3) year period preceding this Agreement had one or more public transactions (federal, state or local) terminated for cause or default; and
- (v) Is included on the list titled "**Specially Designated Nationals and Blocked Persons**" maintained by the Office of Foreign Assets Control of the United States Department of the Treasury and currently found at:
<https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>

9. EVENTS OF DEFAULT.

- 9.1. Default by Grantee.** Each of the following will be an event of default (each, an "Event of Default") under this Agreement:

- (i) Grantee institutes or has instituted against it, insolvency, receivership or bankruptcy proceedings, makes an assignment for the benefit of creditors, or ceases doing business on a regular basis;

(ii) Grantee no longer holds a license or certificate that is required for Grantee to perform its obligations under this Agreement and Grantee has not obtained such license or certificate within fourteen (14) calendar days after OHA's notice or such longer period as OHA may specify in such notice;

(iii) Grantee fails to return Misexpended Funds or Unexpended Funds in accordance with this Agreement;

(iv) Grantee commits any material breach or default of any covenant, warranty, obligation or agreement under this Agreement, fails to perform any obligation under this Agreement within the time specified herein or any extension thereof, or so fails to pursue performance of any obligation as to endanger Grantee's performance under this Agreement in accordance with its terms, and such breach, default or failure is not cured within fourteen (14) calendar days after OHA's notice, or such longer period as OHA may specify in such notice;

(v) Grantee fails to disclose any fact material to the making of the Grant to Grantee, or upon discovery by OHA of any misrepresentation by, or on behalf of, or for the benefit of Grantee;

(vi) Construction on the Project is discontinued or prohibited for at least thirty (30) consecutive days, or the Project is abandoned; or

(vii) Grantee fails to diligently pursue the Project.

9.2. Default by OHA. OHA shall be in default under this Agreement if OHA commits any material breach or default of any covenant, warranty, or obligation under this Agreement, and such breach or default is not cured within thirty (30) calendar days after Grantee's notice or such longer period as Grantee may specify in such notice.

10. RIGHTS AND REMEDIES ON EVENT OF DEFAULT.

10.1. OHA's Remedies for Grantee's Default. Upon the occurrence of an Event of Default and at any time thereafter, OHA may, at its option, exercise any one or more of the following rights and remedies at law or in equity, including, but not limited to:

(i) termination of this Agreement as set forth herein;

(ii) withholding all or part of the Grant funds not yet disbursed by OHA to Grantee;

(iii) initiation of an action or proceeding for damages, specific performance, or declaratory or injunctive relief; or

- (iv) exercise of its right of recovery of Misexpended Funds or Unexpended Funds.

These remedies are cumulative to the extent the remedies are not inconsistent, and OHA may pursue any remedy or remedies singly, collectively, successively or in any order whatsoever.

- 10.2. Grantee's Remedies for OHA's Default.** In the event OHA terminates this Agreement or in the event OHA is in default and whether or not Grantee elects to exercise its right to terminate this Agreement, Grantee's sole remedy will be a claim for payment of Grant funds for costs or expenses incurred and for which payment is authorized by this Agreement. In no event shall OHA be liable to Grantee for any expenses related to termination of this Agreement or for anticipated profits or loss, consequential or punitive damages.

11. TERMINATION.

- 11.1. Termination.** OHA may terminate this Agreement in whole or in part, without further liability and without impairment of its remedies, effective upon delivery of written notice to Grantee, under any of the following conditions:

- (i) If OHA fails to receive funding, appropriations, limitations, allotments or other expenditure authority sufficient to allow OHA, in the exercise of its reasonable administrative discretion, to pay the Grant funds to Grantee as set forth in this Agreement;
- (ii) If federal or state laws, regulations, rules or other requirements are modified or interpreted in such a way that the intended use of Grant funding for the Project is no longer allowable or appropriate or the Project is no longer eligible for the Grant funding identified in this Agreement from the planned funding source(s) or if OHA is determined by its legal counsel or otherwise to lack or to have lost the authority to administer the Program;
- (iii) If any authority required by law or regulation to be held by Grantee to complete the Project ends for any reason; or
- (iv) If Grantee is unable or fails to commence the Project within six (6) months from the date of this Agreement.

- 11.2. Repayment.** If this Agreement or any part hereof, terminates prior to the term of the Use Restriction Period, Grantee will, within thirty (30) calendar days of written demand for repayment, repay the Grant multiplied by a fraction, the numerator of which is 20 minus the number of full years that the Project has been in compliance with this Agreement, including the Use Restrictions and a denominator of 20.

12. GENERAL PROVISIONS.

12.1. Compliance with Applicable Laws and Requirements.

12.1.1. Compliance. Grantee shall comply, and shall ensure that the Project complies, with the Program Requirements, including but not limited to all federal, state and local laws, regulations, codes, ordinances, and orders applicable to the Project.

12.1.2. Contracts; Subcontracts. Grantee shall ensure that all contracts and subcontracts related to the Project or this Agreement comply with the Program Requirements, including containing a provision to that effect therein.

12.1.3. Endurance of Obligations. Grantee will remain fully obligated under the provisions of the Agreement notwithstanding its designation of any third-party or parties for the undertaking of all or any part of the Project with respect to which Grant funding is being provided by OHA.

12.1.4. Prohibition on Supplanting. Grant funds may not supplant or replace other funds that have been contracted for the same purpose. Grantee shall ensure that the activities provided under this Agreement will be in addition to, and not in substitution for, comparable activities.

12.2. Indemnity. Grantee assumes sole liability for breach of the conditions of the Grant Agreement (including all terms and conditions of this Agreement) by Grantee or any of its officers, agents, employees, and assigns. Grantee will save, hold harmless, indemnify and defend the State of Oregon, OHA and their officers, agents, employees, members and assigns, from all suits, actions, claims, losses or damages, liabilities, costs and expenses of whatsoever nature, kind or description, including attorney fees (collectively, "Claims") related to the Grant, the Project, this Agreement or resulting from or arising out of the acts, omissions, neglect or misconduct of Grantee or its subcontractors, agents, or employees under this Agreement or related to the Grant, Project, to the extent permitted by law. Neither Grantee nor any attorney engaged by Grantee may defend any Claim in the name of the State of Oregon (including any agency of the State of Oregon), nor purport to act as legal representative for the State of Oregon, without first receiving from the Oregon Attorney General, in a form and manner determined appropriate by the Oregon Attorney General, authority to act as legal counsel for the State of Oregon, nor may Grantee settle any Claim on behalf of the State of Oregon without the approval of the Oregon Attorney General. If the State of Oregon assumes its own defense, Grantee will be liable for the attorney fees of the State of Oregon, including but not limited to any fees charged by the Oregon Department of Justice. This Section will survive any expiration or termination of this Agreement.

12.3. Time of the Essence. Time is of the essence in the performance by Grantee of the terms of this Agreement.

- 12.4. Notice.** Except as otherwise expressly provided in this Agreement, any notices required or permitted to be given under this Agreement will be given in writing, by personal delivery, or mailing the same, postage prepaid, to OHA or Grantee at the following addresses:

OHA: Oregon Health Authority
Health Systems Division
500 Summer St SE, E86
Salem, Oregon 97301

Grantee: Transformations Wellness Center
3647 Highway 39
Klamath Falls, Oregon 97603
Attention: Barbara Heath, CEO

or to such other address a party may indicate to the other pursuant to this Section. Any notice so addressed and mailed will be effective five (5) days after mailing. Any notice by personal delivery will be deemed to be given when actually delivered.

- 12.5. No Third-Party Beneficiaries.** Unless and only to the degree expressly provided otherwise in this Agreement, OHA and Grantee are the only Parties to this Agreement and are the only Parties entitled to rely on and enforce the terms of this Agreement. Nothing in this Agreement gives, is intended to give, or will be construed to give or provide any benefit or right not held by or made generally available to the public, whether directly indirectly or otherwise, to third persons unless such third persons are expressly identified in this Agreement and only to the degree they are expressly described as intended beneficiaries of particular terms of this Agreement and only with such remedies as expressly given herein with respect to such interests.
- 12.6. Survival of Remedies; Remedies Not Exclusive; Non-Waiver.** Provisions of this Agreement which by their nature are intended to survive termination of this Agreement and the Use Restriction Period will survive. Furthermore, such remedies will not be exclusive and are in addition to any other rights and remedies available at law, in equity or otherwise. No failure of or delay by OHA to enforce any provision of this Agreement will constitute a waiver by OHA of that or any other provision, nor will any single or partial exercise of any right, power or privilege under this Agreement preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege.
- 12.7. Assignment; Successors and Assigns.** Except as expressly permitted herein, Grantee shall not assign or otherwise transfer any interest in this Agreement or in Project (other than leases for the residential units in the Project) without the prior written consent of OHA. The provisions of this Agreement are binding upon and will run to the benefit of the Parties to this Agreement and their respective successors and permitted assigns.

- 12.8. Severability.** If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected, and the rights and obligations of the Parties will be construed and enforced as if the Agreement did not contain the particular term or provisions held to be invalid.
- 12.9. Attorney Fees.** Subject to Article XI, Section 7, of the Oregon Constitution, in the event a lawsuit or other proceeding is instituted regarding this Agreement, the prevailing party in any dispute arising under this Agreement will, to the extent permitted by law, be entitled to recover from the other(s) its reasonable attorney fees and all costs and disbursements incurred at trial, in mediation, and on appeal. Reasonable attorney fees will not exceed the rate charged to OHA by its attorneys. This provision does not apply to lawsuits or other proceedings instituted or maintained by or against tenants or other third-party beneficiaries hereunder, if any, for which lawsuits or other proceedings no award of attorney fees is permitted.
- 12.10. Construction.** The Parties to this Agreement acknowledge that each Party and its counsel have participated in the drafting and revision of this Agreement. Accordingly, the Parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not apply in the interpretation of this Agreement or any amendment, modification, supplementation or restatement of the foregoing or of any exhibit to this Agreement.
- 12.11. Captions.** The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Agreement.
- 12.12. Execution and Counterparts.** This Agreement may be executed in several counterparts, each of which will be an original, all of which will constitute but one and the same instrument.
- 12.13. Governing Law; Venue: Consent to Jurisdiction.** This Agreement will be governed by the laws of the State of Oregon without regard to principles of conflicts of law. Any claim, action, suit or proceeding (collectively, "Claim") related to this Agreement will be conducted exclusively within the Circuit Court of Marion County, Oregon (unless Oregon law requires that it be brought and conducted where the real property is located) or, if necessary, the United States District Court for the District of Oregon. In no event will this provision be construed as a waiver by OHA or the State of Oregon of any form of defense or immunity, whether it is sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any Claim or from the jurisdiction of any court. OHA and the State of Oregon expressly reserve all sovereignty rights. GRANTEE, BY EXECUTION OF THIS AGREEMENT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.
- 12.14. Merger; Waiver.** This Agreement constitutes the entire agreement between the Parties

on the subject matter hereof. No modification or amendment of this Agreement will bind either Party unless in writing and signed by the Parties (and the necessary approvals obtained), and no waiver or consent will be effective unless signed by the Party against whom such waiver or consent is asserted. Such waiver or consent, if given, will be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements or representations, oral or written, not specified herein regarding this Agreement.

12.15. No Limitations on Actions of OHA in Exercise of Its Governmental Powers. Nothing in this Agreement is intended, nor will it be construed, to in any way limit the actions of OHA in the exercise of its governmental powers. It is the express intention of the Parties that OHA will retain the full right and ability to exercise its governmental powers with respect to Grantec, the Project, this Agreement, and the transactions contemplated by this Agreement and the Program Requirements to the same extent as if it were not a Party to this Agreement or the transactions contemplated hereby, and in no event will OHA have any liability in contract arising under this Agreement, the Program Requirements, or otherwise by virtue of any exercise of its governmental powers.

(Signatures on following pages)

IN WITNESS WHEREOF, OHA and Grantee have caused this Agreement to be signed by their duly authorized officers on the Effective Date.

OHA:

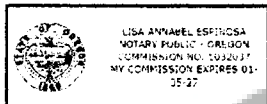
STATE OF OREGON, acting by and through its
Oregon Health Authority

Signed by:
Michael Kincaid
By: AFF761E0D5ED424...
Mick Kincaid
Director of Business Operations

STATE OF OREGON)
: SS
COUNTY OF MARION)

L.E.
2025

This instrument was acknowledged before me this 24 day of March ~~2024~~, by Mick Kincaid, Director of Business Operations for and on behalf of the State of Oregon, acting by and through its Oregon Health Authority.



DocuSigned by:
Lisa Espinosa
627119CB01BB483...
Notary Public for the State of Oregon
My Commission Expires: January 05, 2027

GRANTEE:

Transformations Wellness Center
an Oregon Public Benefit Non-Profit

By: Barbara Heath
Barbara Heath, CEO

STATE OF Oregon)

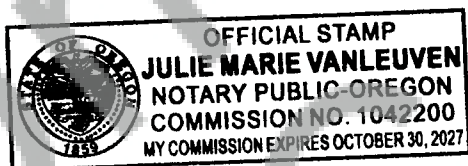
: SS

County of Klamath)

L.E.

2025

The foregoing instrument was acknowledged before me this 6 day of March, ~~2024~~ by Barbara Heath who executed the foregoing instrument for and on behalf of Grantee.



Narr

NOTARY PUBLIC FOR Oregon

My Commission Expires: 10/30/2027

EXHIBIT A
Legal Description

Real property in the County of Klamath, State of Oregon, described as follows:

PARCEL 1 OF PARTITION PLAT NO. LP- 38-22, RECORDED NOVEMBER 29, 2022, IN THE RECORD OF PARTITION PLATS IN KLAMATH COUNTY, OREGON, AND RECORDED AS DOCUMENT NO. 2022-00000, IN OFFICIAL RECORDS, KLAMATH COUNTY, OREGON.

EXHIBIT B
Project Budget

SB 5525 Project Budget

INSTRUCTION:

Grant Agreement not to EXCEED the total Amount for Development Project and Start up Costs

Applicant Name:	Transformations Wellness Center	
Project Location:	Parcel 1 of Partition Plat #. LP-28-22, Klamath Works Campus, Klamath Falls, OR	
	Cost	Budget Notes (as necessary)
DEVELOPMENT PROJECT COSTS		
Building Acquisition	0	
Renovation - Construction	\$1,421,502.60	New Construction 20,000 Sq, Foot Building, Firestop, Plumbing, HVAC, Electrical and Electric Alarm and Data
Site Improvements / Landscaping		
Permits & Fees		
Architectural & Engineering		
Legal		
Closing & Title Insurance		
Insurance - Property & Liability		
Financing Fees		
Developer Fee		
Other -	\$235,920.20	Contingencies
TOTAL DEVELOPMENT PROJECT COSTS	\$1,657,422.80	
START UP COSTS		
Salaries	\$200,000.00	2 Months of current staff wages
Training / Consultant Fees		
Staff Recruitment	\$97,551.20	Funds to recruit and train an additional workforce of 24 people, putting our total workforce at 59
Furniture & Furnishings	134,360.00	Staff offices, client rooms and spaces (group and living rooms, detox rooms and spaces
Office Equipment	100,700.00	Staff offices, including desks, filing cabinets, conference room furniture, chairs and conferencing equipment,
Appliances		
Kitchen Equipment	27,170.00	Tables, chairs, client accessible refrigerator and

		beverage stations, washer/Dryers, dishes and cookware
Building Maintenance Equipment		
Utilities		
Property, Liability & Auto Insurance		
Vehicle		
Other	\$142,000.00	Computers, telehealth equipment, Server, cameras, keycard locks. Printers, etc.
TOTAL START UP COSTS	\$701,781.20	
Approved Total Amount	\$2,359,204.00	
Total Number of Beds	58	50 Residential SUD/co- occurring beds plus 8 detox beds.
Additional Project or Start Up Cost Notes:	<p>Our project budget has increased from \$6,100,000 to \$9,635,564.00. WE have a HRSA grant for \$3,350,290.00, a grant for \$2,500,000.00 and two local ARPA grants amounting two \$775,000.00, for a total funds raised of \$6,725,290.00 This grant from SB 5525 for \$2,359,204.00 would bring us within \$600,000 of overall goal.</p>	