

CITY OF SAN DIEGO

CONSENT TO ASSIGNMENT OF LEASE AGREEMENT

This Consent to Assignment and Assumption of Lease Agreement ("Consent") is made as of September 1, 2009, by the City of San Diego ("CITY"), as ("LESSOR") under that certain Lease Agreement ("LEASE") entered into with NEIGHBORHOOD HOUSE ASSOCIATION ("ASSIGNOR"), a California not for profit corporation (ASSIGNOR), dated June 3, 1997 and filed in the Office of the City Clerk as Document 288733.

CITY hereby consents to the Assignment and Assumption of the LEASE from ASSIGNOR to

CHILDREN OF THE RAINBOW HEAD START LLC ("ASSIGNEE")

RECITALS

This consent is made with regard to the following facts:

- A. ASSIGNOR desires to assign to ASSIGNEE all of its rights, title, interests, and obligations as LESSEE in and to the LEASE. The LEASE and assignment of lease between ASSIGNOR and ASSIGNEE is attached hereto as Exhibit 1.
- B. ASSIGNOR and ASSIGNEE desire to obtain LESSOR's consent to the Assignment and LESSOR is willing to consent to the Assignment on the following terms and conditions.

The parties agree as follows.

- 1. Assumption. ASSIGNEE expressly assumes and agrees for the benefit of the LESSOR to be bound by, and to conform and comply with, every obligation of LESSEE under the LEASE upon the effective date of the Assignment. Notwithstanding the Assignment or LESSOR'S Consent to the Assignment, ASSIGNOR will remain jointly and severally liable for the payment of rents and for the performance of all other obligations of ASSIGNOR under the Lease from and after the effective date of this Consent.
- 2. Subsequent Assignments; Recapture. This Consent does not constitute a consent to any subsequent subletting or assignment and does not relieve ASSIGNEE or any person claiming under or through ASSIGNEE of the obligation to obtain the consent of the LESSOR under Section 4.1, Assignment and Subletting, of the LEASE to any future assignment or sublease.
- 3. Default Under the Lease. In the event of any default of ASSIGNEE under the LEASE, LESSOR may proceed directly against ASSIGNEE, any guarantors, or anyone else liable under the LEASE without first exhausting LESSOR's remedies against any other person or entity liable under the LEASE to LESSOR.

4. General Provisions.

- 4.1 Consideration for Assignment. ASSIGNOR and ASSIGNEE represent and warrant that there are no additional payments or rent or any other consideration of any type which has been paid or is payable by ASSIGNEE to ASSIGNOR in connection with the Assignment or the Premises, other than as specifically disclosed to CITY by ASSIGNOR and ASSIGNEE herein.
- 4.2 Brokerage Commission. ASSIGNOR and ASSIGNEE agree that LESSOR will not be liable for any brokerage commission or finders fee in connection with the consummation of the Assignment or this Consent. ASSIGNOR and ASSIGNEE will protect, indemnify and hold LESSOR harmless from any brokerage commission or finders fee in connection with the consummation of the Assignment or this consent, and from any cost or expense (including attorney's fees) incurred by LESSOR in resisting any claim for any such brokerage commission or finders fee. The provisions of this Section 4.2 shall survive the expiration or earlier termination of both the Assignment and this Consent.
- 4.3 Controlling Law. The terms and provisions of this Consent will be construed in accordance with and will be governed by the laws of the State of California.
- 4.4 Captions. Captions to the sections in this Consent are included for convenience only and do not modify any of the terms of this Consent.
- 4.5 Entire Agreement; Waiver. This Consent constitutes the final, complete and exclusive statement between the parties to this Consent pertaining to the terms of the LESSOR's Consent to the Assignment, supercedes all prior and contemporaneous understandings or agreements of the parties, and is binding on and inures to the benefit of their respective heirs, representatives, successors or assigns. No party had been induced to enter into this Consent by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Consent. Any agreement made after the date of this Consent is ineffective to modify, waive, or terminate this Consent, in whole or in part, unless that agreement is in writing, is signed by the parties to this Consent, and specifically states that it modifies this Consent.
- 4.6 Attorney Fees. If any party commences litigation against any other party for the specific performance of this Consent, for damages for the breach hereof or otherwise for enforcement of any remedy hereunder, the prevailing party shall be entitled to recover from the applicable party such costs and reasonable attorney fees as have been incurred.
- 4.7 Waiver. Except as explicitly stated in this Consent, nothing contained in this Consent will be deemed or construed to modify, waive, impair, or affect any of the covenants, agreements, terms, provisions, or conditions contained in the LEASE. In addition, the acceptance of rents by LESSOR from ASSIGNEE or any one else liable under the

LEASE will not be deemed a waiver by the LESSOR of any provisions of the LEASE.

- 4.8 Notice. Any notice required or permitted to be given shall be done so in accordance with Section 8.1 of the LEASE.

ASSIGNEE:

CHILDREN OF THE RAINBOW HEAD START LLC.

Date: 9-1, 2009

By: [Signature]

Date: _____, 2009

By: _____

Address of ASSIGNEE: _____

ASSIGNOR:

NEIGHBORHOOD HOUSE ASSOCIATION

By: [Signature]

By: _____

Address of ASSIGNOR: _____

THE CITY OF SAN DIEGO, LESSOR:

Date: 9/2/09, 2009

By: [Signature]

James F. Barwick, CCIM,
Director, Real Estate Assets Director

APPROVED AS TO FORM AND LEGALITY:

Jan I. Goldsmith, CITY ATTORNEY

By: [Signature]

Deputy City Attorney

CRG/cb
8-26-09

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ASSIGNMENT OF LEASE

This Lease Assignment ("Assignment") is made and entered into effective ~~August 10,~~ ^{SEPTEMBER 10,} 2008, by and among The City of San Diego ("Lessor") at 3795 - B Fairmount Avenue, County of San Diego, State of California at 92105, The Neighborhood House Association, a California non-profit public benefit corporation ("Assignor"), and Children Of The Rainbow, Inc., a California corporation, ("Assignee") for the assignment of the lease for the below described Premises. The Lessor, Assignor and Assignee are referred to herein collectively as (the "Parties")

RECITALS

WHEREAS, NHA executed a lease agreement with Lessor effective June 5, 1997 (the "Lease");

WHEREAS, NHA desires to transfer its entire interest in the Lease to Assignee;

In consideration of the mutual covenants and conditions herein, the Parties agree as follows:

1. For value received, Assignor assigns and transfers to Assignee the Lease ("Exhibit A") which is attached hereto and made a part hereof, together with all Assignor's right, title, and interest in and to the Lease, subject to all the conditions and terms contained in the Lease, to have and to hold from the effective date of this Assignment as first referenced above, until the present term of the Lease expires on September 30, 2013.
2. Assignor covenants that it is the lawful and sole owner of the interest assigned hereunder; that this interest is free from all encumbrances; and that Assignor has performed all duties and obligations and made all payments required under the terms and conditions of the Lease.
3. Assignee agrees to pay all rent due after the effective date of this assignment, and to assume and perform all duties and obligations required by the terms of the Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed in their names and on their behalf by the duly authorized representatives effective as of the date first above written.

ASSIGNEE

Children Of The Rainbow

Head Start, LLC

By

Its:

Date:

ASSIGNOR

The Neighborhood House Association

By

Rudolph A. Johnson, III

Its: President and CEO

Date:

Approved as to form and legality.

Dwight D. Smith

Vice President, General Counsel

Neighborhood House Association.

CONSENT OF LESSOR

On behalf of City of San Diego, as Lessor named in the above assignment of the Lease dated October 1, 2008, the below signed duly authorized representative of Lessor hereby consents to the assignment. The below signed representative of Lessor also consents to the Lease Assignment agreement by Assignee to assume after ~~August 18, 2008~~ ^{SEPTEMBER 10}, 2008, the payment of rent and performance of all duties and obligations as set forth in the Lease, and release Neighborhood House Association, Lessee and Assignor, from all duties and obligations under the Lease, including the payment of rent, after ~~August 18, 2008~~ ^{SEPTEMBER 10}, 2008, and accept Assignee as lessee in the place of Neighborhood House Association, Lessee and Assignor.

LESSOR

City of San Diego

By

Its:

Date:

Chairperson
W. Harold Tuck



President and CEO
Rudolph A. Johnson, III

The Neighborhood House Association

5660 Copley Drive • San Diego, CA 92111 • Voice (858) 715-2642 • Fax (858) 715-2670

HEAD START SERVICES AGREEMENT Contract No. 09-001768COTR

This Head Start Services Agreement ("Agreement") is entered into effective July 1, 2009, by and between The Neighborhood House Association, ("NHA") a California non-profit public benefit corporation with primary offices located at 5660 Copley Drive, San Diego, CA 92111, and Children of The Rainbow Head Start LLC., ("COTR") a California Limited Liability Company with primary offices located at 3078 L. Street, San Diego, CA 92102. NHA and COTR are collectively referred to herein as the ("Parties").

RECITALS

WHEREAS, NHA is contracted through the Federal Department of Health & Human Services to provide Head Start services including comprehensive health and social services and child care services to children in communities located throughout San Diego County;

WHEREAS, COTR is a for profit childcare and development organization registered with the State of California and City of San Diego to provide professional development in the area of early literacy, family literacy and cultural competency to children 18 months to 5 years of age and their families, at certain childcare preschool centers identified on Exhibit A (the "Sites");

WHEREAS, the parties share a common vision for the education and well-being of families and communities and desire to establish a collaborative working relationship to provide health and social services to Head Start eligible children and their families, while maximizing identified funding sources to provide additional services at the Sites; and

NOW THEREFORE, in consideration of the mutual covenants and conditions herein, and including the Recitals which are incorporated herein, the parties agree as follows:

- 1.0 TERM.** This Agreement shall be effective on July 1, 2009 ("Effective Date") and automatically expire on June 30, 2010, unless terminated earlier in accordance with the terms and provisions set forth herein ("Term"). Provided COTR fully performs as required herein, it is the intent of the Parties to consider extension of this Agreement

beyond the initial Term.

- 2.0 SCOPE OF WORK.** COTR agrees to operate a full day/part day, full year/school year comprehensive early childhood care and education services program for children (hereinafter the "Services") whose families meet the Federal Income guidelines and other eligibility requirements of the Federal Head Start programs as outlined in the Head Start Act, as amended, 42 USC 9801 et seq. (the "Head Start Act") and applicable provisions of the Federal Head Start Performance Standards contained in 45 CFR 1301 through 1311 and 2 CFR 215; in addition to applicable provisions of the California Child Care Licensing regulations, (hereinafter collectively referred to as "Regulations") as such Regulations may be amended from time to time. In addition, COTR agrees to perform the following Services:

2.1 Program Services. COTR shall:

- A. Provide Head Start services to Nine Hundred Sixty-six (966) children and their families to ensure that no less than 3.5 hours of center-based services are provided for a minimum of 37 weeks per year, as set forth in Exhibit A, attached hereto and made a part hereof.
- B. Provide Early Head Start services to Eighty-Nine (89) children and their families to ensure at least 48 weeks center-based and/or home-based services.
- C. Comply with necessary and reasonable special safety and health protocols adopted by NHA, as may be modified from time to time, including:
 - Use of safety vests for all children during outdoor activities
 - Raising of gates and latches to appropriate heights as approved by NHA
 - Use of safety ropes during outdoor transition activities
 - Use of door dingers
 - Other outdoor and classroom transition protocols
- D. Utilize Creative Curriculum for center set-up and instruction.

2.2 Facilities Services. COTR shall:

- A. Only provide Program Services in facilities that have a current license from the State of California, Department of Social Services, Community Care Licensing Division ("CDSS/CCL").
- B. Provide NHA with copies of appropriate licenses prior to commencement of Program Service.
- C. Notify NHA in writing of any changes in license status of any facility used for Program Services in the performance of this Agreement within 48 hours of such occurrence.
- D. Notify NHA of any reportable licensing incidents/ accidents that occur at COTR facilities within 48 hours and provide NHA a copy of the incident report that is filed with CDSS/CCL.

- E. Maintain for the term of this Agreement a current Child Care license for each Site issued by the California Department of Social Services, Community Care Licensing and shall provide NHA with a copy of the license and shall notify NHA in writing of any changes in the status of license. COTR shall provide NHA with a copy of all CCL site visit reports within 48 hours after receipt from CCL.

2.3 Additional Performance Services. COTR shall complete each of the following within the time schedule established by NHA:

- A. Provide a child development education program not to exceed 20 Head Start eligible children per classroom (average age of 4 years old otherwise not to exceed 17 children whose average age is 3 years old) that meets the Federal Head Start Performance Standards and related regulations.
- B. Use NHA's ERSEA eligibility criteria data to determine which families will be enrolled; recruit and enroll Federal Head Start income eligible children; design services for children and families.
- C. Ensure COTR staff attend NHA scheduled pre-service conference, in services conferences, staff development days and monthly site supervisor's meetings, in addition to sponsored training on State licensing regulations and mandates (including, but not limited to CPR/First Aid, Food Handlers), and Head Start mandated training (including, but not limited to suspected child abuse reporting, transition, team building, curriculum development) mutually coordinated by NHA and other parties.
- D. Refer Head Start eligible children to NHA when slots are not available in COTR Sites. In addition, COTR shall maintain a waiting list throughout the year.
- E. Ensure at least 10% of children enrolled in the program are identified as special needs as per Head Start Performance Standards.
- F. Not enroll children whose family income exceeds Federal Head Start guidelines without prior written approval from NHA. COTR must submit a Request for Advance Approval (RAA) for special consideration to NHA.
- G. Conduct ongoing Child Assessments with the following additional assessments: DRDP-R---three times per year.
- H. Follow NHA child outcomes, format and timelines.
- I. Designate one representative to serve on NHA Policy Council (PC) monthly meetings. Representative must be elected in accordance with PC By-Laws at a local parent meeting.

- J. Obtain all food/meal requirements for Program Services needs from NHA in accordance with Section 4, below.
- K. Permit NHA to deduct from this Agreement all costs related to payroll, health, and welfare benefits NHA encumbers on behalf of COTR employees.

2.4 Additional Reporting Services. COTR shall complete each of the following procedures within the mandated time schedule specified:

- A. Procedures to ensure that children receive the following services in a timely manner:
 - Developmental and speech screenings/examinations
 - Physical screenings/examinations
 - Dental Examination
 - Measurements, height and weight
 - Nutritional Assessments
 - Sensory, vision and hearing screenings
 - Behavioral/Social-Emotional screenings
 - Family Partnership Agreement
 - Support Services based on student's need Assessment.
- B. Screening and follow-up for any services when deemed necessary as part of the required health/nutrition/mental health, etc. services.
- C. Documentation of Non-Federal share to NHA monthly. The ongoing percentage of Non-federal share should be at a minimum 80/20 proportion of expenditures.
- D. Documentation of the reasons and provide correction plan for any vacancies exceeding 30 calendar days.
- E. Submit monthly report on COTR's attendance (Head Start eligible children), including the reasons for less than 85 percent attendance in any given month:
 - Corrective measures taken with those families whose children's attendance cause the problem.
 - How parents will be assisted with issues that impact the child's attendance.
- F. Documentation of conducting annual performance evaluations for employees and identifying individual and group training needs.
- G. Provide reports according to NHA mandates.

- H. Monthly reports on issues related to the Program Information Report (PIR) with a final report provided no later than June 30, 2010.
- I. Accurate input of attendance, medical, dental screenings, immunizations, 45/90 day screenings, nutritional assessments, and all other requesting and mandated reporting into PROMIS Data Tracking System for the purpose of data collection and reporting program information to NHA.
- J. Participate in NHA's Annual Self Assessment.
- K. Perform ongoing monitoring of program operations and report observations to NHA.

3.0 NHA SUPPORT. NHA agrees to:

- 3.1 Perform the administrative services required of a grantee that are designed to maintain compliance with the requirements outlined in the Grantee Administrative Component Plan, incorporated herein by reference, which was included in the grant application for the 2009-10 program year Head Start funding submitted to U.S. Department of Health and Human Services, Administration for Children and Families.
- 3.2 Conduct fiscal and programmatic reviews during its on-going monitoring process as required by the Administration for Children and Families.
- 3.3 Provide administrative resources for payroll services (until December 31, 2009), IT PROMIS Data Tracking System services and other services as negotiated with COTR and NHA. The services referenced in this Section 3.3 shall be subject to additional fees payable to NHA as provided in Section 2.3 K. above, and to be determined in accordance with Section 4 below.
- 3.4 Provide technical assistance, as needed, upon written request and availability of funds from the COTR and as determined by NHA as part of its NHA's responsibilities referenced in this Agreement.
- 3.5 Provide Community Assessment data indicating strengths, needs and recruitment areas for COTR. Service area boundaries that include sufficient numbers of eligible families to meet targeted enrollment. Assistance in identifying eligible families.
- 3.6 Provide access to updates on Federal Head Start regulations, performance standards, and mandates.
- 3.7 Refer Federal Head Start eligible children to COTR to assist in meeting funded enrollment.

- 3.8 Provide technical assistance with Local Education Agencies to establish IEP's and services for children with special needs.
- 3.9 Provide content expectations for home visits and parent conferences to assure uniformity across all programs.
- 3.10 Training and schedule for completing and submitting results on the following:
 - Desired Results Developmental Profile+ (DRDP-R)
 - Early Childhood Environmental Rating Scale (ECERS)
- 3.11 Provide training and technical assistance to COTR staff to assure records are maintained and that follow-up services are provided as required
- 3.12 Provide support for developmental screenings, portfolios and lesson planning, onsite monitoring, coaching on the implementation of Creative Curriculum, family case management and family partnership agreements.
- 3.13 Provide support, training and technical assistance when indicated and/or requested by COTR in revising policies and procedures to assure compliance with Regulations.
- 3.14 Perform ongoing Quality Assurance monitoring of enrollment which is designed to ensure that all vacancies are filled timely.
- 3.15 Provide technical assistance and strategies to improve attendance problems and assure children are receiving services.
- 3.16 Monitor implementation and provide assistance and training. COTR staff shall participate in all scheduled NHA training as appropriate.
- 3.17 Provide feedback on reports and assist with any needed corrective action.
- 3.18 Conduct ongoing monitoring of COTR operations and provide feedback and identify non-compliance deficiencies.
- 3.19 Provide specific requirements for reporting on issues related to Program Information Report (PIR) content.
- 3.20 Provide funding guidance that describes requirements for COTR's request for funds.
- 3.21 Provide an opportunity for COTR to request additional funds for Program Improvement, when available.
- 3.22 Provide training and technical assistance on the use of PROMIS Data Tracking System.
- 3.23 Provide Payroll Services for COTR's employees until December 31, 2009.
- 3.24 Provide all food/meal requirements for Program Services needs from NHA's Central Kitchen, in accordance with Section 4 below.
- 3.25 Provide IT PROMIS Data Tracking System services.

4.0 NHA ADDITIONAL SERVICES. All food and meal services referenced in Sections 2.3 J. and 3.24 shall be subject to the additional terms set forth in Exhibit B, attached hereto and made a part hereof. Further, in the event NHA performs the requested services referenced in Sections 3.23 and 3.25, or any services not specified in this Agreement, which NHA shall not be obligated to do, an additional fee payable to NHA shall be negotiated in good faith between the Parties. Any additional services to be added to this Agreement shall be set forth in a written addendum and executed by the Parties. The fees payable to obtain any Additional Services, shall be based on NHA's then current rates, to be determined in its sole discretion. To the extent services provided by NHA add operating expenses that, when multiplied by the applicable overhead factor, result in that site's costs exceeding the revenues provided by NHA pursuant to this Agreement, NHA shall in its sole discretion perform those services at no cost to COTR. Each Site shall be evaluated by COTR as a separate cost center. Notwithstanding any other provision of this Agreement, COTR shall be responsible to pay only necessary and reasonable costs. The determination of reasonableness shall include but not be limited to the cost of such services in the local market.

5.0 MAXIMUM PAYMENT TO COTR. NHA's total payments (as may be prorated or otherwise amended) to COTR under this Agreement shall be allocated as specified in Exhibit "C" attached hereto and hereby incorporated by reference into this Agreement.

5.1 Payment Basis. Not to exceed the Maximum Payment Limit referenced in Section 5 above, any amount payable to COTR for Services it provides under this Agreement shall only be for costs that are allowable and actually incurred, including an allocation of administrative costs to be no more than ten percent (10%) of expenses related to the performance of COTR's Services under this Agreement.

5.2 Allowable Costs. COTR's allowable costs are only those which are determined in accordance with subparagraphs "A" and "B" of this Section 5.2, and no more than 10% overhead ("Reasonable and Allowable Costs").

A. Department of Health and Human Services Administration of Grants Federal Regulations 45 CFR Part 92 including any amendments thereto and the applicable Subpart listed hereunder; and other documents regarding principles for determining and allocating the allowable costs of providing the services; and any standards set forth for determining the allowability of selected items of costs of providing the services.

B. Federal Management Title 2, Subtitle A, Chapter II, Part 225, including any amendments to the circular published in the Federal Register by OMB is to be used for determining allowable costs of activities conducted by state and local governmental agencies.

5.3 Payment Demands. COTR shall submit written demands. Said demands shall be made on Claim for Reimbursement for Services

furnished and in the manner and form prescribed by NHA. COTR shall submit said requests for payment no later than 30 days from the end of the month in which the Agreement services upon which such request is based were actually rendered.

- 5.4 **Right to Withhold.** NHA has the right to withhold payment to COTR when, in the reasonable opinion of NHA expressed in writing to COTR, (a) COTR's performance, in whole or in part, either has not been carried out or is insufficiently documented, or (b) COTR has failed to sufficiently itemize or document its request(s) for payment as outlined in the Service Plan. COTR's submission of the PIR information referenced in Section 2.4 H, above, shall be required before NHA is required to make the final payment required under this Agreement. Notwithstanding any other provision of this Agreement, NHA shall not withhold more than 15% of any payment. NHA may pursue disputed amounts only after 85% of such amounts have been paid to COTR.

- 5.5 **Cost Report and Settlement.** No later than thirty (30) days following the termination of this Agreement, COTR shall submit to NHA a cost report in the form reasonably required by NHA, showing the Reasonable and Allowable costs that have actually been incurred by COTR under this Agreement. If said cost report shows that the Reasonable and Allowable costs that have actually been incurred by COTR under this Agreement exceed the payments made by NHA, subject nevertheless to the payment limit of this Agreement NHA will remit any such excess amount to COTR, provided that the payments made, together with any such excess amount, may not exceed the Agreement payment limit, as it may be increased from time to time. If said cost report shows that the payments made by NHA exceed the Reasonable and Allowable costs that have actually been incurred by COTR under this Agreement, COTR shall remit any such excess amount to NHA.

- 5.6 **Unit of Services.** For the purposes of payment, one unit of service is defined as one month of full-day/part day/homebase Federal Head Start/Early Head Start services for one child slot, during the term of this Agreement. The dollar amount specified as compensation for a unit of service shall be determined from Reasonable and Allowable Costs as defined in Section 5.2 above.

- 5.7 **Separate Accounting.** COTR shall keep a separate accounting for the funds provided under this Agreement, and no part of any funds advanced shall be inappropriately commingled with other funds of COTR. All Head Start funds must be deposited in a FDIC bank account.

- 5.8 **Advances.** COTR shall receive an advance of ~~\$703,150~~ (equal to approximately one-twelfth of the annual operating expenses) to be paid in two installments. An initial advance of ~~\$500,000~~ will be paid to COTR within ten (10) days after full execution of this Agreement. By November 1, 2009, COTR shall receive the second installment of the advance equal to ~~\$203,150~~. These calculations are approximated from the expenditures that are

Handwritten notes and signatures:
\$ 210,000 R.B.
\$ 60,000
[Signature]

anticipated to be incurred over the initial Term of this Agreement. The advance is solely intended and shall only be expended toward Head Start operating expenses. Any misuse of the Head Start advance will be deemed a material breach of this Agreement and as a result, NHA may proceed with termination of this Agreement. These advances shall be offset against COTR's submitted reimbursement claims beginning May 15, 2010 with the final offset made on June 30, 2010.

- 6.0 **INDEMNIFICATION.** COTR shall indemnify, hold harmless and defend NHA and its officers, directors, agents and employees from and against any and all liabilities, obligations, damages, costs, losses, and expenses (including reasonable attorneys' fees), in litigation commenced by or against COTR and all claims, demands, actions or judgments of every nature whatsoever in favor of any person on account of personal injury or death, or damages to or loss of property or profits resulting in whole or in part from any act, omission, negligence, fault or violation of law or ordinance, associated with COTR's operation of the Sites and any transactions arising out of or related to this Agreement. Such indemnification by COTR shall apply unless such damage or injury results from the negligence, gross negligence or willful misconduct of NHA its officers, directors, agents or employees.

NHA shall indemnify, hold harmless and defend COTR and its officers, directors, agents and employees from and against any and all liabilities, obligations, damages, costs, losses, and expenses (including reasonable attorneys' fees), in litigation commenced by or against COTR and all claims, demands, actions or judgments of every nature whatsoever in favor of any person on account of personal injury or death, or damages to or loss of property or profits resulting solely from any act, omission, negligence, fault or violation of law or ordinance, associated with NHA's obligations arising out of or related to this Agreement. Such indemnification by NHA shall apply unless such damage or injury results from the negligence, gross negligence or willful misconduct of COTR its officers, directors, agents or employees.

- 7.0 **INSURANCE.** COTR shall, at its sole cost and expense, procure and maintain throughout the term of this Agreement, **in addition** to the insurance COTR deems proper to operate its own business, the insurance set forth herein. All insurance policies shall be issued by an insurance company authorized by law to conduct business in the State of California, subject to NHA's approval. Prior to commencement of this Agreement, COTR shall provide NHA original insurance certificates evidencing the required coverage as follows:

- 7.1 **Liability Insurance.** COTR shall provide comprehensive liability insurance with minimum combined single limit coverage of \$2,000,000 for all damages, including consequential damages, due to bodily injury, sickness or disease, or death to any person or damage to or destruction of property, including the loss of use thereof, arising from each occurrence. Deductible shall be subject to approval by NHA. COTR shall name NHA and its officers and employees as additional insureds on an endorsement as to all service performed by COTR under this agreement. Said policies shall constitute primary insurance as to NHA, the State and Federal Governments, and their

officers, agents, and employees, so that other insurance policies held by them or their self-insurance program(s) shall not be required to contribute to any loss covered under the COTR's insurance policy or policies.

7.2 Workers' Compensation. COTR shall provide workers' compensation insurance coverage for its employees.

7.3 Certificate of Insurance. COTR shall provide NHA with (a) certificate(s) of insurance and endorsement (s) evidencing liability, worker's compensation, and student accident insurances as a pre-requisite to signing this Agreement. If the COTR should renew the insurance policy(ies) or acquire either a new insurance policy(ies) or amend the coverage afforded through an endorsement to the policy at any time during the term of this Agreement, then the COTR shall provide (a) current certificate(s) of insurance.

The insurance policies provided by the COTR shall include a provision for thirty (30) days written notice to NHA before cancellation or material changes of the above specific coverage.

7.4 Employee Dishonesty Bond. COTR shall provide an Employee Dishonesty Bond with a minimum limit of \$500,000.

7.5 Student Accident Insurance. COTR shall maintain for the term of this Agreement, student accident insurance in the amount of not less than:

Accidental Medical Expense - \$50,000.

Accidental Dental Expense - \$1,000.

Accidental Dismemberment - \$10,000.

Expense Accidental Death - \$5,000.

7.6 NHA Insurance. NHA shall, at its sole cost and expense, procure and maintain throughout the term of this Agreement the insurance NHA deems proper to operate its own business, the insurance set forth herein. All insurance policies shall be issued by an insurance company authorized by law to conduct business in the State of California. Prior to commencement of this Agreement, NHA shall provide COTR original insurance certificates.

8.0 PROJECT MANAGERS. The Parties' respective designated representatives shall be the day-to-day contact persons during the performance of services provided under this Agreement. COTR's Project Manager shall be its President. NHA's Project Manager shall be its VP, CYFS. All submittals required of COTR shall be delivered to NHA's Project Manager. NHA's Project Manager may not: (a) award, renew, terminate or cancel this Agreement; (b) agree to, or sign any modifications to this Agreement; (c) obligate NHA for work or services outside the scope of this Agreement; or (d) negotiate changes in price or cost of Services provided by NHA.

9.0 TERMINATION. This Agreement shall automatically expire on June 30, 2010, unless terminated earlier as provided herein.

9.1 Written Notice. This Agreement may be terminated by either party, at

their sole discretion, upon written notice upon 90-day prior written notification, thereof other, and may be canceled immediately by written mutual consent. NHA retains the right to terminate this Agreement immediately upon COTR's failure to safeguard the health and safety of children, parents and staff; to safeguard Federal assets; knowingly violates laws or regulations of the Head Start program; or in any other way jeopardizes the welfare of the Head Start program.

- 9.2 **Failure to Perform.** NHA, upon written notice to COTR, may immediately terminate this Agreement should the COTR fail to perform properly any of its obligations hereunder. In the event of such termination, NHA may proceed with the work in any reasonable manner it chooses. The cost to NHA of completing COTR's performance shall be deducted from any sum due the COTR under this Agreement, without prejudice to NHA's rights otherwise to recover its damages.
- 9.3. **Cessation of Funding.** Notwithstanding the above, in the event that Federal, State, or other non-NHA funding for this Agreement ceases, NHA will notify COTR of the date of the termination of this Agreement.
- 9.4 **Rights and Obligations of the Parties Upon Termination.** On the effective date of termination of this Agreement, COTR shall surrender possession of any property or premises belonging to NHA that is in COTR's possession or control. COTR shall, at its sole expense, move out and remove all of its property from any NHA premises. Any property remaining on any NHA premises for more than ten (10) business days following the effective termination date will be deemed abandoned and NHA may dispose of it by any means it deems reasonable. In addition, if COTR ceases to operate the program under this Agreement, COTR agrees to return to NHA within thirty (30) days after the termination of this Agreement all equipment and supplies purchased with Federal Head Start funds and all records pertaining to this program, including, but not limited to the following documents: enrollment/registration forms, health histories, family needs assessments, Individual Education Plans (IEP's), developmental histories, child observations, and assessments.

SECTION 10. GENERAL PROVISIONS

- 10.1 **Independent Contractor Status; No Agency Relationship.** NHA and COTR are and shall remain independent entities. Neither COTR nor its agents or employees shall act as officers, agents, or employees of NHA. COTR has no authority to assume or create any commitment or obligation on behalf of NHA or, to bind NHA in any manner. The Parties intend that NHA, in performing the services specified in this Agreement, shall act as an independent contractor and shall have control of its work and the manner in which it is performed. Nothing contained herein shall be construed to prohibit COTR from contracting with any other person, firm or entity to perform services similar to or the same as those referenced in this Agreement. Further, nothing contained herein shall be construed to prohibit or restrict COTR from obtaining services from other parties that may be required in the operation of its own business.

10.2 Force Majeure. The obligation of any Party to perform any acts herein shall be suspended during the period such performance is prevented by acts of God; war; riot; invasion; fire; accident; strike or walkout; government interference, regulation, appropriation, or rationing; or by inability to secure goods because of the foregoing conditions. The obligation to perform shall resume immediately upon cessation of the force majeure condition(s).

10.3 Notices. Any notice required by this Agreement shall be deemed to have been sufficiently communicated when (1) personally delivered or (2) on the second (2nd) business day after mailing by overnight delivery, postage prepaid:

to NHA addressed:

President & CEO
Neighborhood House Association
5660 Copley Drive
San Diego, California 92111

with copy to:

Legal Department
Neighborhood House Association
5660 Copley Drive
San Diego, California 92111

or to COTR addressed:

Gale Walker, President
Children of the Rainbow Head Start, LLC
3078 L. Street
San Diego, California 92102

with copy to:

10.4 Confidential Information. All information furnished or disclosed to COTR by NHA in connection with this Agreement which is identified as confidential is received in confidence, shall remain the property of NHA and shall not be disclosed to any third-party without NHA's prior written consent. COTR shall not use any such information for any purpose other than to perform this Agreement.

10.5 Compliance with Law. COTR shall be subject to and comply with all Federal, State and local laws and regulations applicable with respect to its performance under this Agreement, including but not limited to, licensing, employment and purchasing practices, and wages, hours and conditions of employment, including nondiscrimination.

10.6 Inspection. COTR's performance, place of business and records pertaining to this Agreement are subject to monitoring, inspection, review and audit by authorized representatives of NHA, the State of California, and the United States Government.

10.7 Records. COTR shall keep and make available for inspection and copying by authorized representatives of the NHA, the State of California, and the United States Government, the COTR's regular business records and such additional records pertaining to this Agreement as may be required by NHA.

A. Retention of Records. The COTR shall retain all documents pertaining to this Agreement for five years from the date of

submission of COTR's final payment demand of final Cost Report; for any further period that is required by law; and until all Federal/State audits are complete and exceptions resolved for this Agreement's funding period. Upon request, COTR shall make these records available to authorized representatives of NHA, the State of California, and the United States Government.

B. Access to Books and Records of COTR. Subcontractor. Pursuant to Section 1861(v)(l) of the Social Security Act, and any regulations promulgated thereunder, COTR shall, upon written request and until the expiration of four years after the furnishing of services pursuant to this Agreement, make available to the Secretary of Health and Human Services or to the Comptroller General, or any of their duly authorized representatives, this Agreement and books, documents, and records of COTR that are necessary to certify the nature and extent of all costs and charges here under.

Further, if COTR carries out any of the duties of this Agreement through a subcontract with a value or cost of \$10,000 or more over a twelve-month period, such subcontract shall contain a clause to the effect that upon written request and until the expiration of the four years after the furnishing of services pursuant to such subcontract, the subcontractor shall make available, to NHA, to the Secretary or to the Comptroller General, or any of their duly authorized representatives, the subcontract and books, documents, and records of the subcontractor that are necessary to verify the nature and extent of all costs and charges thereunder.

This requirement is in addition to any and all other terms regarding the maintenance or retention of records under this Agreement and is binding on the heirs, successors, assigns and representatives of COTR.

10.8 Reporting Requirements. Pursuant to Government Code Section 7550, COTR shall include in all documents or written reports completed and submitted to NHA in accordance with this Agreement, a separate section listing the numbers and dollar amounts of all Agreements and sub Agreements relating to the preparation of each such document or written report. This section shall apply only if the payment limit under this Agreement exceeds \$5,000.

10.9 Required Audit. If COTR is funded by \$500,000 or more in federal grant funds in any fiscal year from any source, COTR shall provide to NHA upon request, a copy of the yearly audit, which conforms to the requirements, set forth in the most current version of Office of Management and Budget Circular A-133. COTR will report any audit findings immediately to NHA's VP, CFO.

10.10 ERPA/HIPPA Confidentiality Certification. COTR certifies the following:

- A. COTR is familiar with the Family Educational Rights and Privacy Act.
- B. COTR is familiar with Health Insurance Portability and Accountability Act.
- C. COTR is solely responsible for complying with the above laws.
- D. COTR is solely responsible for ensuring that all COTR employees and subcontractors comply with the above laws.

10.11 Fingerprint/TB Clearance Annual Certification. COTR certifies that during the entire term of this Agreement that:

- A. COTR is familiar with California Education Code requirements regarding fingerprint (Ed. Code §45122.1 et seq.) and tuberculosis (Ed. Code §49406 et seq.)
- B. Neither COTR nor any of its employees have been convicted of a felony as defined in the Education Code Section 45122.1.
- C. Neither COTR nor any of its employees have active tuberculosis.

10.12 Binding on Successors and Assigns. The provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and each of their respective successors and assigns, subject to the limitations on assignment and subcontracting set forth herein.

10.13 Assignment and Subcontracting. Except for assignment to an entity controlled by COTR, COTR shall not assign or transfer any interest in this Agreement, whether by assignment or novation, without the prior written consent of NHA; and any purported assignment by COTR, without prior written consent, shall be null and void and constitute a material breach.

10.14 Modifications and Amendments. No amendment or modification of this Agreement shall be valid or binding unless made in writing and signed on behalf of each party by a duly authorized representative.

10.15 Headings. All section and paragraph headings are for reference and convenience only and do not alter, amend, explain, interpret or otherwise affect the terms and conditions of this Agreement.

10.16 Applicable Law. This Agreement is made and entered into in the State of California and its interpretation and enforcement and the construction of its terms shall be governed by California law.

10.17 Attorneys' Fees. If legal action, including arbitration or action for declaratory relief, is brought by either party to interpret or enforce any provisions of this Agreement, the prevailing party shall be entitled to an award of reasonable attorneys' fees and other costs incurred, the award of which may be determined in

the same action or a separate action brought for that purpose.

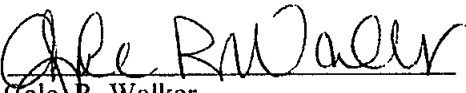
10.18 Additional Assurances. Attached hereto as **EXHIBIT "D"** and incorporated herein by reference are additional Assurances governing this Agreement between NHA and COTR for Head Start Services rendered to NHA. The Parties to this Agreement shall abide by all of the terms and conditions set forth in the Assurances. Additionally, each provision and clause required by law to be inserted in this Agreement shall be deemed to have been so inserted and this Agreement shall be read and enforced as though each such provision were included. If through mistake or otherwise any such provision is not inserted or is not correctly inserted, this Agreement shall be amended to make such insertion upon the application of either party.

10.19 Entire Agreement. This Agreement represents the sole and entire agreement between NHA and COTR, and supersedes all prior negotiations, representations, agreements, arrangements or understandings, either oral or written, between or among the parties hereto, relating to the subject matter of this Agreement.

10.20 Partial Invalidity. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed in their names and on their behalf by the duly authorized representatives, effective the date first above written.

Children of the Rainbow Head Start LLC

By 
Gale R. Walker
Its: President
Date:

The Neighborhood House Association

By 
Rudolph A. Johnson, III
Its: President and CEO
Date:

Approved as to form and legality:

Dwight D. Smith
Executive Vice President, General Counsel
The Neighborhood House Association

EXHIBIT "A"

COTR Partner Operations Proposed FY44 Funded Enrollment/Staffing

COTR Head Start

	Total	FD	FD/CDD	FCC	PD	EPD	HB
Darnall	146	20			102		24
Encanto	100	20			80		
Inner City	77	35			30		12
Joan Kroc	80	40			40		
Johnson	92	56			36		
Logan	140	60			68		12
Rolando	92				68		24
San Martin	30	18					12
Sherman	89	47			30		12
UVI	120	40			80		
COTR HS Total	966	336			534		96

COTR Early Head Start

	Total	FD	FD/CDD	FCC	PD	EPD	HB
Joan Kroc	53	8				21	24
Encanto	12						12
San Martin	24	8				16	
COTR EHS Total	89	16				37	36
COTR Grand Total:	1,055						

Key:

FD - Full Day
 FD/CDD - State Collaboration
 Full Day
 PD - Part Day
 EPD- Extended Part Day
 FCC - Family Child Care
 HB - Home Base
 SPW-Services to Pregnant Women

EXHIBIT "B" (pg. 1 of 7)

FOOD AND MEAL SERVICES TERMS AND CONDITIONS

PROPOSED CONTRACT TERMS:

Term of Agreement: August 1, 2009 to June 30, 2010

Holdover: For 60 Days Only, Same Rates as Below for July or August 2010

Extension: No Option to Extend; Must negotiate a new agreement annually

COTR HEAD START/EARLY HEAD START SITES SERVICED:

- Darnall Head Start – 6020 Hughes Street, San Diego
- Encanto - 6785 Imperial Avenue, San Diego
- Inner City - 2918/2920 Imperial Avenue, San Diego
- Joan Kroc - 6845 University Avenue, San Diego
- Johnson - 5760 Luber Street, San Diego
- Logan - 4890 Logan Avenue, San Diego
- Rolando - 6620 Marlowe Drive, San Diego
- San Martin de Porres - 9119 Jamacha Boulevard, Spring Valley
- Sherman - 2258 Island Avenue, San Diego
- Urban Village I - 3795-C Fairmount Avenue, San Diego

NHA requires at least ten (10) business days notice to initiate meal service. During the term of this agreement and after approval by NHA, COTR may commence Head Start meal service at sites other than those listed above. Other terms as outlined below will be applied to the new site.

MEAL SERVICE:

The following are NHA responsibilities. NHA will:

- ◆ Prepare and transport meals daily, Monday through Friday on recognized school days. Breakfast will be delivered one school day prior to actual meal service. Lunch and Snack (Supplement) will be delivered the same school day as meal service. Meals will be delivered no later than 10:30 a.m.
- ◆ Provide meals in bulk quantities for family-style meal service.
- ◆ Provide all paper goods and products required for meal service, including disposable plates, cups, napkins and utensils. The amount of paper products will be determined by the number of meals ordered.
- ◆ Provide a special order form that should be utilized for temporary meal service changes such as field trips, special events, etc. These meals must be ordered by COTR with ten (10) school days advance notice.
- ◆ Utilize a cycle menu of at least four (4) weeks. Menus will be distributed to COTR at the beginning of this agreement. Thereafter, menus will be distributed at least thirty (30) days in advance.

EXHIBIT "B Cont." (pg. 2 of 7)

- ◆ Comply with appropriate food storage, handling, preparation, packing, transporting and holding temperature requirements as prescribed by local, county, state and federal guidelines.
- ◆ Provide each Center with a daily transport record documenting the meal totals for that day's delivery.
- ◆ Provide a food warmer/thermometer, serving bowls and serving utensils once per year at the beginning of the contract period. These items will be kept at each Center.

The following are COTR responsibilities. COTR will:

- ◆ Be responsible for all food storage and handling to ensure food safety and sanitation from the time of meal acceptance.
- ◆ Provide a staff person that will receive and sign for each daily meal delivery and all milk deliveries.
- ◆ Provide personnel to serve the food, clean the serving areas, and stack rinsed pans and lids for pick-up by NHA on the next business day.
- ◆ Maintain the food warmer, serving bowls and serving utensils in a sanitary condition, and replace/repair as required.
- ◆ Provide projected enrollment figures and class options to NHA, and/or other data that NHA may use to calculate meal production figures at least ten (10) business days prior to the start of this agreement.
- ◆ Provide completed Medical Statements to Request Special Meals for each child who requires special meal accommodations. This information must be submitted to NHA's Director of Nutrition Services at least five (5) business days prior to the start of this agreement. Meal service for children who require special diets can **not** commence until confirmation has been received from NHA's Director of Nutrition Services.
- ◆ Submit to NHA's Director of Nutrition Services a calendar of scheduled holidays, staff development days and other days when meal service is not required. This information must be submitted at least five (5) business days prior to the start of this agreement.
- ◆ Submit meal orders on a monthly basis. Meal orders must include the total number of meals desired, including both children and adult meals. Changes to the monthly meal order numbers require at least five (5) working days notice, and meal order changes are limited to three (3) changes per month. Exceptions for advance notice requirements will be made to accommodate special diet requests and emergencies such as fire, flood damage, insect infestation, etc.
- ◆ Submit meal orders for "Slow Start" at least ten (10) business days in advance. These meals will be billed at the rates as described below.
- ◆ Designate a staff person that will function as COTR's project manager for this food service agreement. This designee will serve as NHA's primary contact person to resolve issues that may arise related to meal service, meal counts and invoices.

EXHIBIT "B Cont." (pg. 3 of 7)

CHILD CARE FOOD PROGRAM (CCFP) REQUIREMENTS:

- ◆ All meals produced and delivered by NHA will comply with Head Start Performance Standards and CCFP meal pattern guidelines. The CCFP meal pattern guidelines are included as pages 5, 6 and 7 in this agreement.
- ◆ NHA will remove all of the above referenced sites from its current CCFP Schedule A, effective July 31, 2009. COTR will add the above-listed sites to their CCFP Schedule A, effective August 1, 2009.
- ◆ COTR must apply for CCFP sponsorship and is responsible for complying with all USDA, CDE and CCFP requirements including meal counts, meal temperature at time of service, attendance, enrollment, monthly claims, monitoring, training, updating of Schedule A, October Study, CCFP Management Plan, application materials, etc.
- ◆ NHA will be responsible for complying with meal pattern guidelines and maintaining meal transport records, meal production records, and special diet information.

MEAL COSTS: (for each meal ordered and delivered to COTR, including paper products and milk)

MEAL TYPE	MEAL RATE	FUEL SURCHARGE	MEAL TOTAL
Breakfast	\$ 1.55	N/A	\$ 1.55/meal
Lunch/Supper	\$ 2.82	\$ 0.05/meal	\$ 2.87/meal
Supplement	\$ 0.84	N/A	\$ 0.84/snack

Every meal order must include lunch. If no lunch is ordered, the fuel surcharge will be applied to breakfast or supplement, whichever is ordered. Emergency Food will be supplied by NHA upon request and billed cost. It is the responsibility of COTR to ensure that there is enough emergency food on hand in their facilities.

Infant formula, cereal, and other infant meals will be provided by COTR and are not included in the meal costs above.

If milk or fuel prices increase by greater than 15% during the course of this agreement, COTR agrees to re-open negotiations for meal prices.

MILK PRODUCTS:

Milk will be delivered as required per the CCFP Meal Pattern guidelines. Milk delivery amounts will be based on meals ordered in conjunction with the published menu. Extra milk will be billed at cost. The milk will be shelf-stable. It is the responsibility of COTR to ensure proper serving temperatures.

EXHIBIT "B Cont." (pg. 4 of 7)

PAPER PRODUCTS:

All paper products are included in meal prices. NHA will provide paper products commensurate with the number of meals ordered. Extra products that are needed beyond those supplied by NHA will be provided by COTR. If extra paper products are supplied by NHA, they will be billed at cost.

BILLING:

- ◆ NHA will provide a detailed invoice for all meals ordered and delivered by the 10th of the following month.
- ◆ NHA will provide invoice information by site, and then meals count totals for that site. Each meal type (i.e. breakfast, lunch, supplement and supper) will be tabulated separately.
- ◆ Payment will be due within 30 days of date of invoice. A late fee of one hundred dollars (\$100) will be assessed for payment that is received past the due date.

NHA CONTACT PERSONS:

Marcia K. Samuels, Executive Vice President at 858-244-8144
Kristine Smith, R.D., Director of Nutrition Services at 619-683-7453

**EXHIBIT "B Cont."
(pg. 5 of 7)**

**Child Care Food Program
Meal Pattern Guidelines**

Breakfast

Milk

Type	Ages 1 to 2 years	Ages 3 to 5 years	Ages 6 to 12 years
Fluid Milk	1/2 cup	3/4 cup	1 cup

Vegetables, Fruit

Type	Ages 1 to 2 years	Ages 3 to 5 years	Ages 6 to 12 years
Vegetable, Fruit, or Full-Strength (100%) Juice	1/4 cup	1/2 cup	1/2 cup

Grains/Breads (whole grain or enriched)

Type	Ages 1 to 2 years	Ages 3 to 5 years	Ages 6 to 12 years
Bread	1/2 slice	1/2 slice	1 slice
OR Rolls, Muffins, etc.	1/2 serving	1/2 serving	1 serving
OR Cold Dry Cereal (volume or weight, whichever is less)	1/4 cup or 1/3 oz.	1/3 cup or 1/2 oz.	3/4 cup or 1 oz.
OR Cooked Cereal, Pasta, Noodle Products, or Cereal Grains	1/4 cup	1/4 cup	1/2 cup

**EXHIBIT "B Cont."
(pg. 6 of 7)**

Lunch or Supper

Milk

Type	Ages 1 to 2 years	Ages 3 to 5 years	Ages 6 to 12 years
Fluid Milk	1/2 cup	3/4 cup	1 cup

Vegetables, Fruits

Type	Ages 1 to 2 years	Ages 3 to 5 years	Ages 6 to 12 years
Vegetable and/or Fruit (two or more kinds)	1/4 cup total	1/2 cup total	3/4 cup total

Grains/Breads (whole grain or enriched)

Type	Ages 1 to 2 years	Ages 3 to 5 years	Ages 6 to 12 years
Bread	1/2 slice	1/2 slice	1 slice
OR Rolls, Muffins, etc	1/2 serving	1/2 serving	1 serving
OR Cooked Cereal, Pasta, Noodle Products, or Cereal Grains	1/4 cup	1/4 cup	1/2 cup

Meat/Meat Alternatives

Type	Ages 1 to 2 years	Ages 3 to 5 years	Ages 6 to 12 years
Lean Meat, Fish, or Poultry (edible portion as served)	1 oz.	1.5 oz.	2 oz.
OR Cheese (natural or processed)	1 oz.	1.5 oz.	2 oz.
OR Cottage Cheese, Cheese Food/Cheese Spread Substitute	1/4 cup or 2 oz.	3/8 cup or 3 oz.	1/2 cup or 4 oz.
OR Egg (large)	1/2 egg	3/4 egg	1 egg
OR Cooked Dried Beans or Dried Peas,	1/4 cup	3/8 cup	1/2 cup
OR Peanut Butter, Reduced- Fat Peanut Butter, Soy Nut Butter, or Other Nut or Seed Butters	2 Tbsp.	3 Tbsp.	4 Tbsp.
OR Peanuts, Soy Nuts, Tree Nuts, Roasted Peas, or Seeds,	1/2 oz. ²	3/4 oz. ²	1 oz. ²
OR yogurt (plain or flavored, unsweetened or sweetened)	1/2 cup	3/4 cup	1 cup
OR An Equivalent Quantity of Any Combination of the Above Meat/Meat Alternatives	N/A	N/A	N/A

EXHIBIT "B Cont." (pg. 7 of 7)
Snack (Select 2 of these 4 components)

Milk

Type	Ages 1 to 2 years	Ages 3 to 5 years	Ages 6 to 12 years
Fluid Milk	1/2 cup	1/2 cup	1 cup

Vegetables, Fruits

Type	Ages 1 to 2 years	Ages 3 to 5 years	Ages 6 to 12 years
Vegetable, Fruit, or Full-Strength (100%) Juice	1/2 cup	1/2 cup	3/4 cup

Grains/Breads
(whole grain or enriched)

Type	Ages 1 to 2 years	Ages 3 to 5 years	Ages 6 to 12 years
Bread	1/2 slice	1/2 slice	1 slice
OR Rolls, Muffins, etc.	1/2 serving	1/2 serving	1 serving
OR Cold Dry Cereal (volume or weight, whichever is less)	1/4 cup or 1/3 oz.	1/3 cup or 1/2 oz.	3/4 cup or 1 oz.
OR Cooked Cereal, Pasta, Noodle Products, or Cereal Grains.	1/4 cup	1/4 cup	1/2 cup

Meat/Meat Alternatives

Type	Ages 1 to 2 years	Ages 3 to 5 years	Ages 6 to 12 years
Lean Meat, Fish, or Poultry (edible portion as served)	1/2 oz.	1/2 oz.	1 oz.
OR Cheese (natural or processed)	1/2 oz.	1/2 oz.	1 oz.
OR Cottage Cheese, Cheese Food/Cheese Spread Substitute	1/8 cup or 1 oz.	1/8 cup or 1 oz.	1/4 cup or 2 oz.
OR Egg (large)	1/2 egg	1/2 egg	1/2 egg
OR Yogurt (plain or flavored, unsweetened or sweetened*)	1/4 cup	1/4 cup	1/2 cup
OR Cooked Dried Beans or Dried Peas*	1/8 cup	1/8 cup	1/4 cup
OR Peanut Butter, Reduced-Fat Peanut Butter, Soy Nut Butter, or Other Nut or Seed Butters	1 Tbsp.	1 Tbsp.	2 Tbsp.
OR Peanuts, Soy Nuts, Tree Nuts, Roasted Peas, or Seeds	1/2 oz	1/2 oz.	1 oz.
OR An Equivalent Quantity of Any Combination of the Above Meat/Meat Alternatives	N/A	N/A	N/A

EXHIBIT "C"

MAXIMUM PAYMENT TO COTR

NHA agrees to provide an annual allocation as follows:

A) Head Start

966 Funded Enrollment @ 7,400 = \$7,148,400

B) Early Head Start

89 Funded Enrollment @ 9,000 = \$801,000

TOTAL ANNUAL (PY 44) ALLOCATION: \$7,949,400

TOTAL SLOTS: 1055

EXHIBIT "D" ASSURANCES

COTR hereby assures and certifies that it shall comply with the regulations, policies, guidelines and requirements, including OMB Circulars No. A-87, A-102, and E.O. 12372 as they relate to the application, acceptance and use of federal funds for this federally assisted project. To the extent applicable, COTR assures and certifies to NHA that:

1. COTR possesses legal authority to enter into this Agreement; that a resolution, motion, or similar action has been duly adopted or passes as an official act of the applicant's governing body, authorizing the execution of this Agreement, including all understandings and assurances contained herein, and directing and authorizing the person identified as the official representative of the COTR to act in connection with the Agreement and to provide such additional information as may be required.
2. COTR, and any subcontractor hired to perform hereunder, will comply with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246, relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
3. COTR, and any subcontractor hired to perform hereunder, will comply with the provisions of the Hatch Act (5 U.S.C. §§ 1501 – 1508; and 7324 – 7328), which limits the political activity of the employee.
4. COTR, and any subcontractor hired to perform hereunder, will establish safeguards to prohibit employees from using their positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
5. COTR, and any subcontractor hired to perform hereunder, will comply with the Copeland "Anti-Kickback" Act (18 U.S.C. § 874), as supplemented by the Department of Labor Regulations (29 C.F.R. Part 3, "Contractors and subcontractors on public building or public work financed in whole or in part by loans or grants from the United States").
6. COTR, and any subcontractor hired to perform hereunder, will fully comply with all Federal statutes relating to the prohibition against forced child labor and severe forms of trafficking in persons. These include but are not limited to the Trafficking Victims Protection Act of 2000 (22 U.S.C. §§ 7104, et seq.) which authorizes the termination of grants, contracts and/or cooperative agreements, without penalty to the Federal awarding agency/department, if COTR or any of its subcontractors (i) engages in severe forms of trafficking in persons; (ii) has procured a commercial sex act during the effective period of the contract; and/or (iii) uses forced labor in its performance of this Agreement.
7. COTR, and any subcontractor hired to perform hereunder, will fully comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) which prohibits discrimination on the bases of race, color or national origin; Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment Practices Act; and any other Federal and State law and regulations hereinafter enacted which may apply to the application.
8. To the extent applicable, if COTR, including any subcontractor COTR hires to perform hereunder, is awarded construction contracts of more than \$2,000, COTR agrees to comply with the Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7) as supplemented by Department of Labor Regulations (29 CFR Part 5,

"Labor standards provisions applicable to contracts governing federally financed and assisted construction").

9. Regarding all negotiated contracts, excluding those for less than \$2,500, NHA, the Federal Awarding Agency, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.

10. COTR, and any subcontractor hired to perform hereunder, will comply with all applicable requirements of all other Federal laws, executive orders, regulations and policies governing this program.