

BHD-27-06 GRANT AGREEMENT

CRIMINAL JUSTICE COMMISSION

BEHAVIORAL HEALTH DEFLECTION PROGRAM

Agreement Number: BHD-27-06

This grant agreement (“Agreement”), dated as of the date the Agreement is fully executed, is between the State of Oregon, acting through its Oregon Criminal Justice Commission (“CJC” or “State”), and **Deschutes County** (“Recipient”). This Agreement becomes effective only when fully signed and approved as required by applicable law (“Effective Date”). Unless extended or terminated earlier in accordance with its terms, this Agreement shall expire **November 30, 2027**.

This Agreement consists of this document and the following documents, all of which are attached hereto and incorporated herein by reference:

Exhibit A: Contact Information, Project Description and Reporting Requirements

In the event of a conflict between two or more of the documents comprising this Agreement, the language in the document with the highest precedent shall control. The precedence each of the following documents comprising this Agreement is as follows, listed from highest precedence to lowest precedence: this Agreement without Exhibits; Exhibit A.

SECTION 1: KEY GRANT TERMS

The following capitalized terms have the meanings assigned below.

Grant Amount: \$311,908.00

Completion Deadline: August 31, 2027

SECTION 2: FINANCIAL ASSISTANCE

CJC shall provide Recipient, and Recipient shall accept from CJC, a grant (the “Grant”) in an aggregate amount not to exceed the Grant Amount.

CJC’s obligations are subject to the receipt of the following items, in form and substance satisfactory to CJC and its Counsel:

- (1) This Agreement duly signed by an authorized officer of Recipient; and
- (2) Such other certificates, documents, and information as CJC may reasonably require.

SECTION 3: DISBURSEMENT

A. Disbursement. Upon execution of this Agreement and satisfaction of all conditions precedent, CJC shall disburse Grant funds to Recipient in installments as listed:

- (1) \$311,908.00 by October 31, 2025.

B. Conditions to Disbursements.

- (1) CJC has no obligation to disburse Grant funds unless:

- i. CJC has sufficient funds currently available for this Agreement;
 - ii. CJC has received appropriations, limitations, allotments or other expenditure authority sufficient to allow CJC, in the exercise of its reasonable administrative discretion, to make payment. Notwithstanding any other provision of this Agreement, CJC's determination not to disburse funds due to lack of appropriations, allotments, or expenditure authority will not constitute an Event of Default; and
 - iii. Recipient is in compliance with the terms of this Agreement.
- (2) CJC may amend this Agreement to remove the final disbursement of Grant funds in subsection A of this section if Recipient has not expended at least 60 percent of the Grant Amount by December 31, 2026. Notwithstanding any other provision of this Agreement, CJC's determination not to disburse funds under this subsection will not constitute an Event of Default.

SECTION 4: USE OF GRANT

As more particularly described in Exhibit A, Recipient will use the Grant to fund Behavioral Health Deflection programs (the "Project"). Recipient may only use Grant funds to cover reasonable and necessary Project costs incurred by Recipient during the period beginning July 1, 2025, and ending on the Completion Deadline, and that are allocable thereto and that are not excluded by CJC as set forth in the *Grant Administration Guide* published by CJC ("Eligible Costs"). Recipient must expend the entire Grant Amount on Eligible Costs. Such expenditure must occur no later than the Completion Deadline.

SECTION 5: REPRESENTATIONS AND WARRANTIES OF RECIPIENT

Recipient represents and warrants to CJC as follows:

A. Organization and Authority.

- (1) Recipient is validly organized and existing under the laws of the State of Oregon.
- (2) Recipient has all necessary right, power and authority under its organizational documents and applicable Oregon law to execute and deliver this Agreement and incur and perform its obligations under this Agreement.
- (3) This Agreement has been authorized by an ordinance, order or resolution of Recipient's governing body if required by its organizational documents or applicable law.
- (4) This Agreement has been duly executed by Recipient, and when executed by CJC, is legal, valid and binding, and enforceable in accordance with this Agreement's terms.

B. Full Disclosure. Recipient has disclosed in writing to CJC all facts that materially adversely affect the Grant, or the ability of Recipient to perform all obligations required by this Agreement. Recipient has made no false statements of fact, nor omitted information necessary to prevent any statements from being misleading. The information contained in this Agreement, including Exhibit A, is true and accurate in all respects.

C. Pending Litigation. Recipient has disclosed in writing to CJC all proceedings pending (or to the knowledge of Recipient, threatened) against or affecting Recipient, in any court or before any governmental authority or arbitration board or tribunal, that, if adversely determined, would

materially adversely affect the Grant or the ability of Recipient to perform all obligations required by this Agreement.

SECTION 6: COVENANTS OF RECIPIENT

Recipient covenants as follows:

- A. Notice of Adverse Change. Recipient shall promptly notify CJC of any adverse change in the activities, prospects or condition (financial or otherwise) of Recipient related to the ability of Recipient to perform all obligations required by this Agreement.
- B. Compliance with Laws.
 - (1) Recipient will comply with the requirements of all applicable federal, state and local laws, rules, regulations, and orders of any governmental authority, except to the extent an order of a governmental authority is contested in good faith and by proper proceedings.
 - (2) Recipient is responsible for all federal or state tax laws applicable to its implementation of the Project and its use of the Grant or compensation or payments paid with the Grant.
- C. Worker's Compensation Insurance. All employers, including Recipient, that employ subject workers who provide services in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless such employers are exempt under ORS 656.126. Employer's liability insurance with coverage limits of not less than \$500,000 must be included. Recipient shall ensure that each of its subcontractors and subrecipients complies with these requirements.
- D. Return of Unexpended Grant Funds. Any Grant funds disbursed to Recipient under this Agreement that remain unexpended on the earlier of termination of this Agreement, completion of the Project, or the Completion Deadline, must be returned to CJC. Recipient shall return all unexpended Grant funds to CJC within 30 days after the earlier of termination of this Agreement, completion of the Project, or the Completion Deadline.
- E. Financial Records. Recipient will cooperate with CJC to provide all necessary financial information and records to comply with reporting required in Exhibit A. Recipient will keep proper books of account and records on all activities associated with the Grant, including, but not limited to, invoices, cancelled checks, payroll records, instruments, agreements and other supporting financial records documenting the use of the Grant. Recipient will maintain these books of account and records in accordance with generally accepted accounting principles. Recipient will retain these books of account and records until six years after the Completion Deadline or the date that all disputes, if any, arising under this Agreement have been resolved, whichever is later.
- F. Inspection. Recipient shall permit CJC, and any party designated by CJC, the Oregon Secretary of State's Office, and their duly authorized representatives, at any reasonable time, to inspect and make copies of any accounts, books and records related to the administration of this Agreement. Recipient shall supply any Agreement-related information as CJC may reasonably require, with the exception of materials protected by attorney-client privilege or the attorney work product doctrine. Further, Recipient shall neither supply, nor permit inspection of, (1) any information protected by HIPAA, ORS 192.553, or related regulations or rules, or (2) the

personnel files of Recipient's employees, absent appropriate confidentiality protections, including exemption from disclosure under the Public Records Law, ORS ch. 192.

G. Notice of Event of Default. Recipient shall give CJC prompt written notice of any Event of Default, or any circumstance that with notice or the lapse of time, or both, may become an Event of Default, as soon as Recipient becomes aware of its existence or reasonably believes an Event of Default is likely.

H. Recipient Subagreements, Insurance and Procurements.

(1) Subagreements. Recipient may enter into agreements with subcontractors and subrecipients ("Subagreements") for implementation of portions of the Project. Recipient shall notify CJC of each Subagreement and provide CJC with a copy of a Subagreement upon request by CJC. Any material breach of a term or condition of a Subagreement relating to Grant funds provided under this Agreement must be reported by Recipient to CJC within ten (10) days of its discovery.

(2) Subagreement indemnity.

Each Recipient Subagreement shall require each other party to such Subagreement, that is not a unit of local government as defined in ORS 190.003, or a unit of state government as defined in ORS 174.111, to indemnify, defend, save and hold harmless the CJC and its officers, employees and agents from and against any and all claims, actions, liabilities, damages, losses, or expenses, including attorneys' fees, arising from a tort, as now or hereafter defined in ORS 30.260, caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of the other party to the Subagreement or any of such party's officers, agents, employees or contractors ("Claims"). It is the specific intention of the Parties that CJC shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the CJC, be indemnified by the other party to the Subagreement from and against any and all Claims.

Any such indemnification shall also provide that neither the other party to such Subagreement nor any attorney engaged by such party shall defend a Claim in the name of the State of Oregon or an agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the prior written consent of the Oregon Attorney General. The State may, at any time at its election, assume its own defense and settlement in the event that it determines that the other party to such Subagreement is prohibited from defending State or that such other party is not adequately defending State's interests, or that an important governmental principle is at issue or that it is in the best interests of State to do so. State reserves all rights to pursue claims it may have against the other party to such Subagreement if State elects to assume its own defense.

(3) Insurance.

Recipient shall maintain, or cause to be maintained, 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 similar entities engaged in similar activities. Upon request, Recipient shall provide to CJC a Certificate(s) of Insurance required under this Agreement

or, as applicable, require each subrecipient to, upon request, provide to CJC a Certificate(s) of Insurance required under this Agreement. Nothing in this provision precludes Recipient from exerting a defense against any party other than CJC, including a defense of immunity.

(4) Procurements.

Recipient shall make purchases of any equipment, materials, or services for the Project under procedures that comply with Oregon law, including all applicable provisions of the Oregon Public Contracting Code, ORS chapters 279A, 279B and 279C.

SECTION 7: DEFAULT

A. Recipient Default. Any of the following constitutes an “Event of Default” of Recipient:

- (1) Misleading Statement. Any materially false or misleading representation is made by Recipient or a person authorized to speak on its behalf, in this Agreement or in any document provided by Recipient related to this Grant.
- (2) Failure to Perform. Recipient fails to perform, observe or discharge any of its covenants, agreements, or obligations under this Agreement, other than those referred to in subsection (1) of this section, and that failure continues for a period of 30 calendar days after written notice specifying such failure is given to Recipient by CJC. CJC may agree in writing to an extension of time if it determines Recipient instituted and has diligently pursued corrective action. Acts or omissions of subgrantees shall not constitute an Event of Default unless ratified or knowingly induced by Recipient.

B. CJC Default. CJC will be in default under this Agreement if it fails to perform, observe or discharge any of its covenants, agreements, or obligations under this Agreement.

SECTION 8: REMEDIES

A. CJC Remedies. Upon the occurrence of an Event of Default, CJC may pursue any remedies available under this Agreement, at law or in equity. Such remedies include, but are not limited to, termination of CJC’s obligations to provide Grant funds or further disbursements, return of all or a portion of the Grant Amount, payment of interest earned on the Grant Amount, and declaration of ineligibility for the receipt of future awards from CJC. If, because of an Event of Default, CJC demands return of all or a portion of the Grant Amount or payment of interest earned on the Grant Amount, Recipient shall pay the amount upon CJC’s demand.

CJC may also recover all or a portion of any amount due from Recipient by deducting that amount from any payment due to Recipient from the State of Oregon under any other contract or agreement, present or future, unless prohibited by state or federal law.

CJC reserves the right to turn over any unpaid debt under this Section 8 to the Oregon Department of Revenue or a collection agency and may publicly report any delinquency or default. These remedies are cumulative and not exclusive of any other remedies provided by law.

B. Recipient Remedies. In the event of default by CJC, Recipient’s sole remedy will be for disbursement of Grant funds for Eligible Costs of the Project, not to exceed the total Grant Amount, less any claims CJC has against Recipient.

SECTION 9: TERMINATION

- A. Mutual Termination. This Agreement may be terminated at any time by mutual written consent of the parties.
- B. Termination by CJC. In addition to terminating this Agreement upon an Event of Default as provided in Section 8, CJC may terminate this Agreement with notice to Recipient under any of the following circumstances:
- (1) If CJC anticipates a shortfall in applicable revenues or CJC fails to receive sufficient funding, appropriations or other expenditure authorizations to allow CJC, in its reasonable discretion, to continue making payments under this Agreement.
 - (2) There is a change in federal or state laws, rules, regulations or guidelines so that the uses of the Grant are no longer eligible for funding.
- C. Termination by Recipient. Recipient may terminate this Agreement with notice to CJC under any of the following circumstances:
- (1) After conferring with CJC, Recipient has determined that the requisite local funding to continue the Project is unavailable to Recipient or Recipient is unable to continue implementation of the Project as a result of circumstances not reasonably anticipated by Recipient at the time it executed this Agreement and that are beyond Recipient's reasonable control.
 - (2) There is a change in federal or state laws, rules, regulations or guidelines so that the uses of the Grant are no longer eligible for funding.

SECTION 10: MISCELLANEOUS

- A. Contribution.
- (1) If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 ("Third Party Claim") against CJC or Recipient relating to this Agreement or the Project and with respect to which the other Party may have liability, the notified Party must promptly notify the other Party in writing of the Third Party Claim and deliver to the other Party a copy of the claim, process, and all legal pleadings with respect to the Third Party Claim. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by a Party of the notice and copies required in this paragraph and meaningful opportunity for the Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to that Party's contribution obligation with respect to the Third Party Claim.
 - (2) With respect to a Third Party Claim for which CJC is jointly liable with Recipient (or would be if joined in the Third Party Claim), CJC shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Recipient in such proportion as is appropriate to reflect the relative fault of the CJC on the one hand and of Recipient on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative

fault of CJC on the one hand and of Recipient on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. CJC's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if CJC had sole liability in the proceeding.

- (3) With respect to a Third Party Claim for which Recipient is jointly liable with CJC (or would be if joined in the Third Party Claim), Recipient shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by CJC in such proportion as is appropriate to reflect the relative fault of Recipient on the one hand and of CJC on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Recipient on the one hand and of CJC on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. Recipient's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if it had sole liability in the proceeding.

- B. No Implied Waiver. No failure or delay on the part of CJC to exercise any right, power, or privilege under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right, power, or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege.
- C. Choice of Law; Designation of Forum; Federal Forum. The laws of the State of Oregon (without giving effect to its conflicts of law principles) govern all matters arising out of or relating to this Agreement, including, without limitation, its validity, interpretation, construction, performance, and enforcement.

Any party bringing a legal action or proceeding against any other party arising out of or relating to this Agreement shall bring the legal action or proceeding in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in another county). Each party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

Notwithstanding the prior paragraph, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This paragraph applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This paragraph is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

- D. Notices and Communication. Except as otherwise expressly provided in this Agreement, any communication between the parties or notices required or permitted must be given in writing

by personal delivery, email, or by mailing the same, postage prepaid, to Recipient or CJC at the addresses listed in Exhibit A, or to such other persons or addresses that either party may subsequently indicate pursuant to this Section.

Any communication or notice by personal delivery will be deemed effective when actually delivered to the addressee. Any communication or notice so addressed and mailed will be deemed to be received and effective five days after mailing. Any communication or notice given by email becomes effective 1) upon the sender's receipt of confirmation generated by the recipient's email system that the notice has been received by the recipient's email system or 2) the recipient's confirmation of receipt, whichever is earlier. Notwithstanding this provision, the following notices may not be given by email: notice of default or notice of termination.

- E. Amendments. This Agreement may not be altered, modified, supplemented, or amended in any manner except by written instrument signed by both parties.
- F. Work Product. To the extent it has the necessary rights, Recipient hereby grants to CJC a non-exclusive, irrevocable, perpetual, royalty-free, license to use, reproduce, prepare derivative works based upon, distribute copies of, perform and display for governmental purposes, all documents, reports and works of authorship created, produced or obtained as part of or in connection with the Project ("Work Product"). Recipient shall deliver copies of Work Product to CJC upon request. In addition, if applicable law requires that CJC own such intellectual property, then Recipient shall execute such further documents and instruments as CJC may reasonably request in order to assign ownership in the intellectual property to CJC.
- G. Independent Contractor. Recipient shall implement the Project as an independent contractor and not as an agent or employee of CJC. Recipient has no right or authority to incur or create any obligation for or legally bind CJC in any way. CJC cannot and will not control the means or manner by which Recipient implements the Project, except as specifically set forth in this Agreement. Recipient is responsible for determining the appropriate means and manner of implementing the Project. Recipient acknowledges and agrees that Recipient is not an "officer", "employee", or "agent" of CJC, as those terms are used in ORS 30.265, and shall not make representations to third parties to the contrary.
- H. Severability. If any provision of this Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision.
- I. Successors and Assigns. This Agreement will be binding upon and inure to the benefit of CJC, Recipient, and their respective successors and assigns, except that Recipient may not assign or transfer its rights, obligations or any interest without the prior written consent of CJC.
- J. Counterparts. This Agreement may be signed in several counterparts, each of which is an original and all of which constitute one and the same instrument.
- K. Integration. This Agreement (including all exhibits, schedules or attachments) constitutes the entire agreement between the parties on the subject matter. There are no unspecified understandings, agreements or representations, oral or written, regarding this Agreement.
- L. No Third-Party Beneficiaries. CJC and Recipient are the only parties to this Agreement and are the only parties entitled to enforce the terms of this Agreement. Nothing in this Agreement gives or provides, or is intended to give or provide, to third persons any benefit or right not held by or made generally available to the public, whether directly, indirectly or otherwise, unless such

third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement. Notwithstanding the foregoing, CJC acknowledges, agrees, and intends that Recipient will expend the Grant consistent with the Project.

- M. Survival. The following provisions, including this one, survive expiration or termination of this Agreement: Sections 6.D through 6.F, 7, 8, 10.A, 10.C, 10.D, and 10.O.
- N. Time is of the Essence. The parties agree that time is of the essence under this Agreement.
- O. Public Records. CJC's obligations under this Agreement are subject to the Oregon Public Records Laws.

The signatures of the parties follow on the next page.

Recipient, by its signature below, acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms and conditions.



STATE OF OREGON
acting by and through its
Criminal Justice Commission

DESCHUTES COUNTY

By: Ryan Keck
Ryan Keck, Interim Executive Director

By: _____

Date: 9/30/2025

Date: _____

Approved as to Legal Sufficiency in accordance with ORS 291.047:

Approved by email dated 9/25/2025
Nina Englander, Senior Assistant Attorney General

<p align="center">EXHIBIT A:</p> <p align="center">CONTACT INFORMATION, PROJECT DESCRIPTION AND REPORTING REQUIREMENTS</p>
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Contact Information:

CJC

State of Oregon, acting by and through
its Criminal Justice Commission

Grant Administrator: Kaysea Beck

Telephone: (503) 602-0640

Email: kaysea.beck@cjcc.oregon.gov

Recipient

Deschutes County
63333 West Hwy 20
Bend, OR 97703

Contact: Michael Shults

Telephone: (541) 617-3387

Email: michael.shults@deschutes.org

Project Description:

Pursuant to House Bill 3069 (2025), the Oregon Behavioral Health Deflection Program supports Oregon’s federally recognized tribal governments and counties in the operation of “deflection programs,” defined as **a collaborative program between law enforcement agencies and behavioral health entities or community-based social services organizations** that assist individuals who may have substance use disorder, another behavioral health disorder or co-occurring disorders, and who often have other service needs, **to create community-based pathways to treatment, recovery support services, housing, case management or other services.**

The purposes of CJC’s Behavioral Health Deflection Program include:

- Addressing the need for more deflection programs to assist individuals whose behavioral health conditions, including substance use disorder, and other service needs lead to a heightened likelihood of interactions with law enforcement, incarceration, conviction and other engagement with the criminal justice system; and
- Tracking and reporting data concerning deflection program outcomes in order to determine the best practices for deflection programs in Oregon.

The Grant requires the Recipient to:

- Have a program coordinator responsible for the duties outlined in HB 3069 (2025), Section 8(5)(b);
- Involve the partners described in HB 3069 (2025), Section 8(4)(c); and
- Comply with the CJC’s data tracking and reporting requirements.

Recipient shall use Grant funds to create community-based pathways to treatment or other services, adhere to the requirements set forth in HB 3069, and work toward the purposes stated above. Specifically, Recipient shall use Grant funds to operate the following deflection referral pathways to client assessment and case management: Self-Referral, Active Outreach, Naloxone Plus, Officer Prevention, Officer Intervention, and Community Response.

Project Period:

Start Date: July 1, 2025

End Date: August 31, 2027

Reporting Requirements:Schedule

Recipient must submit to CJC quarterly expenditure reports beginning January 25, 2026, until the earlier of thirty (30) days after Grant funds are fully expended or thirty (30) days after the Completion Deadline.

Recipient must submit to CJC semi-annual progress reports on January 25 and July 25 of each year of the Project Period.

Recipient must submit to CJC's research partners data reports on a monthly, rolling basis, beginning July 1, 2025, until the earlier of thirty (30) days after Grant funds are fully expended or thirty (30) days after the Completion Deadline.

Recipient must receive prior approval from CJC to submit any required report after its due date.

Report Contents

Required reports must be submitted through CJC's grant administration system and the Research Electronic Data Capture (REDCap) data collection portal, respectively, and contain all the requested information.

1. CJC Quarterly Expenditure Report (<https://cjc-grants.smapply.io>)
 - a. Grant Funds spent during the prior calendar quarter, with brief description; and
 - b. Any quarterly information on the Project as CJC may reasonably request.
2. CJC Semi-Annual Progress Report (<https://cjc-grants.smapply.io>)
 - a. In a narrative fashion, Recipient's progress in meeting the Project's objectives during the six-month period preceding the report date, and remedial actions necessary if those objectives have not been met in any respect.
3. REDCap Monthly Data Report
 - a. Deidentified data on program participants enrolled, engaged, or served during the prior calendar month; and
 - b. Any monthly information on the Project as CJC may reasonably request.