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1. Additional Incorporated Documents

A. The following documents and any subsequent updates are not attached, but are incorporated herein and made a part hereof by this reference. CDPH will maintain on file, all documents referenced herein and any subsequent updates, as required by program directives. CDPH shall provide the Contractor with copies of said documents and any periodic updates thereto, under separate cover.

B. The Manuals referenced below are located in Online Tobacco Information System (OTIS) under the Training Menu and User Manuals. The latest version of these manuals can be downloaded as a PDF file.

1) California Tobacco Control Program Policy Manual. View document at: website.

2) California Tobacco Control Program Administrative Manual. View document at: website.

2. Cancellation / Termination

A. This Grant may be cancelled by CDPH without cause upon thirty (30) calendar days advance written notice to the Grantee.

B. CDPH reserves the right to cancel or terminate this Grant immediately for cause. The Grantee may submit a written request to terminate this Grant only if CDPH substantially fails to perform its responsibilities as provided herein.

C. The term "for cause" shall mean that the Grantee fails to meet the terms, conditions, and/or responsibilities of this agreement. Causes for termination include, but are not limited to the following occurrences:

1) If the Grantee knowingly furnishes any statement, representation, warranty, or certification in connection with the agreement, which representation is materially false, deceptive, incorrect, or incomplete.

2) If the Grantee fails to perform any material requirement of this Grant or defaults in performance of this agreement.

3) If the Grantee files for bankruptcy, or if CDPH determines that the Grantee becomes financially incapable of completing this agreement.

D. Grant termination or cancellation shall be effective as of the date indicated in CDPH's notification to the Grantee. The notice shall stipulate any final performance, invoicing or payment requirements.

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E. In the event of early termination or cancellation, the Grantee shall be entitled to compensation for services performed satisfactorily under this agreement and expenses incurred up to the date of cancellation and any non-cancelable obligations incurred in support of this Grant.

F. In the event of termination, and at the request of CDPH, the Grantee shall furnish copies of all proposals, specifications, designs, procedures, layouts, copy, and other materials related to the services or deliverables provided under this Grant, whether finished or in progress on the termination date.

G. The Grantee will not be entitled to reimbursement for any expenses incurred for services and deliverables pursuant to this agreement after the effective date of termination.

H. Upon receipt of notification of termination of this Grant, and except as otherwise specified by CDPH, the Grantee shall:

1) Place no further order or subgrants for materials, services, or facilities.

2) Settle all outstanding liabilities and all claims arising out of such termination of orders and subgrants.

3) Upon the effective date of termination of the Grant and the payment by CDPH of all items properly changeable to CDPH hereunder, Grantee shall transfer, assign and make available to CDPH all property and materials belonging to CDPH, all rights and claims to any and all reservations, grants, and arrangements with owners of media/PR materials, or others, and shall make available to CDPH all written information regarding CDPH's media/PR materials, and no extra compensation is to be paid to Grantee for its services.

4) Take such action as may be necessary, or as CDPH may specify, to protect and preserve any property related to this agreement which is in the possession of the Grantee and in which CDPH has or may acquire an interest.

I. CDPH may, at its discretion, require the Grantee to cease performance of certain components of the Scope of Work as designated by CDPH and complete performance of other components prior to the termination date of the Grant.

3. Avoidance of Conflicts of Interest by Grantee

A. CDPH intends to avoid any real or apparent conflict of interest on the part of the Grantee, subgrants, or employees, officers and directors of the Grantee or subgrants. Thus, CDPH reserves the right to determine, at its sole discretion, whether any information, assertion or claim received from any source indicates the existence of a real or apparent conflict of interest; and, if a conflict is found to exist,

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to require the Grantee to submit additional information or a plan for resolving the conflict, subject to CDPH review and prior approval.

B. Conflicts of interest include, but are not limited to:

1) An instance where the Grantee or any of its subgrants, or any employee, officer, or director of the Grantee or any subgrant or has an interest, financial or otherwise, whereby the use or disclosure of information obtained while performing services under the grant would allow for private or personal benefit or for any purpose that is contrary to the goals and objectives of the grant.

2) An instance where the Grantee's or any subgrant's employees, officers, or directors use their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others, such as those with whom they have family, business or other ties.

C. If CDPH is or becomes aware of a known or suspected conflict of interest, the Grantee will be given an opportunity to submit additional information or to resolve the conflict. A Grantee with a suspected conflict of interest will have five (5) working days from the date of notification of the conflict by CDPH to provide complete information regarding the suspected conflict. If a conflict of interest is determined to exist by CDPH and cannot be resolved to the satisfaction of CDPH, the conflict will be grounds for terminating the grant. CDPH may, at its discretion upon receipt of a written request from the Grantee, authorize an extension of the timeline indicated herein.

4. Dispute Resolution Process

A. A Grantee grievance exists whenever there is a dispute arising from CDPH's action in the administration of an agreement. If there is a dispute or grievance between the Grantee and CDPH, the Grantee must seek resolution using the procedure outlined below.

1) The Grantee should first informally discuss the problem with the CDPH Program Grant Manager. If the problem cannot be resolved informally, the Grantee shall direct its grievance together with any evidence, in writing, to the program Branch Chief. The grievance shall state the issues in dispute, the legal authority or other basis for the Grantee's position and the remedy sought. The Branch Chief shall render a decision within ten (10) working days after receipt of the written grievance from the Grantee. The Branch Chief shall respond in writing to the Grantee indicating the decision and reasons therefore. If the Grantee disagrees with the Branch Chief's decision, the Grantee may appeal to the second level.

2) When appealing to the second level, the Grantee must prepare an appeal indicating the reasons for disagreement with Branch Chief's decision. The

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Grantee shall include with the appeal a copy of the Grantee's original statement of dispute along with any supporting evidence and a copy of the Branch Chief's decision. The appeal shall be addressed to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's decision. The Deputy Director of the division in which the branch is organized or his/her designee shall meet with the Grantee to review the issues raised. A written decision signed by the Deputy Director of the division in which the branch is organized or his/her designee shall be directed to the Grantee within twenty (20) working days of receipt of the Grantee's second level appeal.

B. If the Grantee wishes to appeal the decision of the Deputy Director of the division in which the branch is organized or his/her designee, the Grantee shall follow the procedures set forth in Division 25.1 (commencing with Section 38050) of the Health and Safety Code and the regulations adopted thereunder. (Title 1, Division 2, Chapter 2, Article 3 (commencing with Section 1140) of the California Code of Regulations).

C. Disputes arising out of an audit, examination of an agreement or other action not covered by subdivision (a) of Section 20204, of Chapter 2.1, Title 22, of the California Code of Regulations, and for which no procedures for appeal are provided in statute, regulation or the Agreement, shall be handled in accordance with the procedures identified in Sections 51016 through 51047, Title 22, California Code of Regulations.

D. Unless otherwise stipulated in writing by CDPH, all dispute, grievance and/or appeal correspondence shall be directed to the CDPH Grant Manager.

E. There are organizational differences within CDPH's funding programs and the management levels identified in this dispute resolution provision may not apply in every contractual situation. When a grievance is received and organizational differences exist, the Grantee shall be notified in writing by the CDPH Grant Manager of the level, name, and/or title of the appropriate management official that is responsible for issuing a decision at a given level.

5. <u>Executive Order N-6-22 - Economic Sanctions</u>

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Grantee is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State shall provide

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Grantee advance written notice of such termination, allowing Grantee at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

Prior to awarding and executing grant, the State shall conduct its due diligence to determine if the proposed awardee is a named individual or entity on federal and any state Economic Sanctions lists. If the proposed awardee is listed, the State shall refrain from entering into the Grant. Resources for locating names of sanctioned individuals and entities are available on the DGS Office of Legal Services' webpage: Ukraine-Russia (ca.gov).

If this Agreement is valued at $5 million or more, upon execution the State will send a separate notification outlining additional requirements specified under the EO. Compliance with this Economic Sanctions imposed in response to Russia's actions in Ukraine is required, including with respect to, but not limited to, the federal executive orders identified in the EO and the sanctions identified on the U.S. Department of the Treasury website (https://home.treasury.gov/policy-issues/financial-sanctions/sanctionsprograms-and-country-information/ukraine-russia-related-sanctions). Failure to comply may result in the termination of this Agreement.