

**MEMORANDUM OF UNDERSTANDING  
BY AND BETWEEN  
COUNTY OF HUMBOLDT  
AND  
SORREL LEAF HEALING CENTER, INC.  
FOR FISCAL YEAR 2025-2026**

This Memorandum of Understanding ("MOU"), entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2026, by and between the County of Humboldt, a political subdivision of the State of California, hereinafter referred to as "COUNTY," and Sorrel Leaf Healing Center, Inc., a California nonprofit corporation, hereinafter referred to as "SORREL LEAF," is made upon the following considerations:

WHEREAS, COUNTY has received, on behalf of SORREL LEAF, Seven Hundred Fifty Thousand Dollars (\$750,000.00) in one-time funding made available through California State Senate Bill 105 for the purpose of supporting the completion of the Sorrel Leaf Children's Crisis Residential Treatment Center Project; and

WHEREAS, COUNTY and SORREL LEAF desire to enter into an agreement which sets forth each party's rights and responsibilities regarding the transfer of funding intended to support completion of the Sorrel Leaf Children's Crisis Residential Treatment Center Project.

NOW THEREFORE, COUNTY and SORREL LEAF hereby mutually agree as follows:

1. RIGHTS AND RESPONSIBILITIES OF COUNTY:

COUNTY shall transfer Six-Hundred Seventy-Five Thousand Dollars (\$675,000.00) of the funding made available through California Senate Bill 105 to SORREL LEAF, within thirty (30) days after the effective date of this MOU. COUNTY shall retain Seventy-Five Thousand Dollars (\$75,000.00) of the funding made available through California Senate Bill 105 in order to cover any and all administrative expenses incurred pursuant to the terms and conditions of this MOU.

2. RIGHTS AND RESPONSIBILITIES OF SORREL LEAF:

SORREL LEAF shall use the funding transferred pursuant to the terms and conditions of this MOU to complete the Sorrel Leaf Children's Crisis Residential Treatment Center Project, including, without limitation, the construction of an Arts and Administration building on the real property located at 124 Indianola Road, Eureka, California, in accordance with any and all applicable local, state and federal laws, regulations, policies, procedures, standards and contractual requirements.

3. TERM:

This MOU shall begin upon execution by both parties and shall remain in full force and effect until June 30, 2026, unless extended by a valid amendment hereto or sooner terminated as set forth herein.

4. TERMINATION:

A. Termination for Cause. Either party may terminate this MOU in the event that the other party materially defaults in performing any obligation set forth herein, or violates any local, state or federal laws, regulations, policies, standards or contractual requirements applicable to its performance hereunder, and such default or violation continues for a period of thirty (30) days following written notice thereof.

- B. Termination without Cause. COUNTY may terminate this MOU without cause upon thirty (30) days advance written notice which states the effective date of the termination.
- C. Termination due to Insufficient Funding. COUNTY's obligations under this MOU are contingent upon the availability of local, state and/or federal funds. In the event such funding is reduced or eliminated, either party may terminate this MOU upon seven (7) days advance written notice which states the effective date of the termination.

5. NOTICES:

Any and all notices required to be given pursuant to the terms and conditions of this MOU shall be in writing and either served personally or sent by certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing:

COUNTY: Humboldt County Department of Health and Human Services Behavioral Health  
Attention: Nilsen, Jeremy P., Deputy Branch Director  
2440 Sixth Street  
Eureka, California 95501

SORREL LEAF: Sorrel Leaf Healing Center, Inc.  
Attention: Shireen Varga, Executive Director,  
Meghan Gallagher, Head of Operations  
124 Indianola Road  
Eureka, California 95503

6. REPORTING REQUIREMENTS:

Each party hereby agrees to prepare and submit any and all reports that may be required by any local, state and/or federal agencies for compliance with this MOU. Each party shall submit one (1) hard copy and one (1) electronic copy of any and all reports required pursuant to the terms and conditions of this MOU in a format that complies with the Americans with Disabilities Act, and any other applicable local, state and federal accessibility laws, regulations and standards. Any and all reports required pursuant to the terms and conditions of this MOU shall be submitted in accordance with any and all applicable timeframes using the format required by the State of California, as appropriate.

7. RECORD RETENTION AND INSPECTION:

- A. Maintenance and Preservation of Records. Each party hereby agrees to timely prepare accurate and complete records, documents and other evidence relating to its performance hereunder, and to maintain and preserve said records for a period of three (3) years after the expiration or termination of this MOU, or as otherwise required by any and all applicable local, state and federal laws, regulations, policies, procedures, standards and contractual requirements, except that if any litigation, claim, negotiation, audit or other action is pending, such records shall be retained until completion and resolution of all issues arising therefrom.
- B. Inspection of Records. Pursuant to California Government Code Section 8546.7, any and all records, documents and other evidence relating to each party's performance hereunder, shall be subject to the examination and audit of the California State Auditor and any other duly authorized agents of the State of California for a period of three (3) years after the date of final payment hereunder. Each party hereby agrees to make all such records, documents

and other evidence relating to its performance hereunder available during normal business hours to inspection, audit and reproduction by any duly authorized local, state and/or federal agencies for a period of three (3) years after expiration or termination of the MOU, or as otherwise required by any and all local, state and federal laws, regulations, policies, procedures, standards, or contractual requirements. Each party further agrees to allow interviews of any of its employees who might reasonably have information related to such records by any duly authorized local, state and/or federal agencies. Any and all examinations and audits conducted pursuant to the terms and conditions set forth herein shall be strictly confined to those matters connected with the performance of this MOU, including, without limitation, the costs associated with the administration of this MOU.

- C. Audit Costs. In the event of an audit exception or exceptions related to the performance of this MOU, the party responsible for not meeting the requirements set forth herein shall be responsible for the cost of the audit.

8. CONFIDENTIAL INFORMATION:

- A. Disclosure of confidential information. In the performance of this MOU, each party may receive information that is confidential under local, state or federal law. Each party hereby agrees to protect any and all confidential information in accordance with any and all applicable local, state and federal laws, regulations, policies, procedures and standards, including, without limitation: Division 19 of the California Department of Social Services Manual of Policies and Procedures – Confidentiality of Information; California Welfare and Institutions Code Sections 827, 5328, 10850 and 14100.2; California Health and Safety Code Sections 1280.15 and 1280.18; the California Information practices Act of 1977; the California Confidentiality of Medical Information Act (“CMIA”); the United States Health Information Technology for Economic and Clinical Health Act (“HITECH ACT”); the United States Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and any current and future implementing regulations promulgated thereunder, including, but not limited to, the Federal Privacy regulations contained in Title 45 of the Code of Federal Regulations (“C.F.R.”) Parts 160 and 164, the Federal Security Standards contained in 45 C.F.R. Parts 160, 162 and 164 and the Federal Standards for Electronic Transactions contained in 45 C.F.R. Parts 160 and 162, all as may be amended from time to time.
- B. Continuing Compliance with Confidentiality Requirements. Each party hereby acknowledges that local, state and federal laws, regulations and standards pertaining to confidentiality, electronic data security and privacy are rapidly evolving and that amendment of this MOU may be required to ensure compliance with such developments. Each party hereby agrees to promptly enter into negotiations concerning an amendment to this MOU embodying written assurances consistent with the requirements of HIPAA, the HITECH Act, the CMIA and any other applicable local, state and federal laws, regulations or standards.

9. NON-DISCRIMINATION COMPLIANCE:

- A. Nondiscriminatory Delivery of Professional Services and Employment. In connection with the execution of this MOU, neither party shall unlawfully discriminate in the provision of professional services or against any employee or applicant for employment because of: race; religious or religious creed; color; age, over forty (40) years of age; sex, including, without limitation, gender identity and expression, pregnancy, childbirth and related medical conditions; sexual orientation, including, without limitation, heterosexuality, homosexuality and bisexuality; national origin; ancestry; marital status; medical condition, including, without limitation, HIV status and AIDS; political affiliation; military service; denial of family care leave;

or any other classifications protected by any and all applicable local, state or federal laws, regulations or standards, all as may be amended from time to time. Nothing herein shall be construed to require employment of unqualified persons.

- B. Compliance with Anti-Discrimination Laws. Each party further assures that it will abide by the applicable provisions of; Title VI and Title VII of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; the Food Stamp Act of 1977; Title II of the Americans with Disabilities Act of 1990; the California Fair Employment and Housing Act; California Civil Code Sections 51, *et seq.*; California Government Code Sections 4450, *et seq.*; California Welfare and Institutions Code Section 10000; Division 21 of the California Department of Social Services Manual of Policies and Procedures; United States Executive Order 11246, as amended and supplemented by United States Executive Order 11375 and 41 C.F.R. Part 60; and any other applicable local, state or federal laws, regulations or standards, all as may be amended from time to time. The applicable regulations of the California Fair Employment and Housing commission implementing California Government Code Section 12990, set forth in Sections 8101, *et seq.* of Title 2 of the California Code of Regulations are incorporated into this MOU by reference as if set forth in full.

10. NUCLEAR-FREE HUMBOLDT COUNTY ORDINANCE COMPLIANCE:

By executing this MOU, SORREL LEAF certifies that it is not a Nuclear Weapons Contractor, in that SORREL LEAF is not knowingly or intentionally engaged in the research, development, production or testing of nuclear warheads, nuclear weapons systems or nuclear weapons components as defined by the Nuclear Free Humboldt County Ordinance. SORREL LEAF hereby agrees to notify COUNTY immediately if it becomes a Nuclear Weapons Contractor, as defined above. COUNTY may immediately terminate this MOU if it determines that the foregoing certification is false or if SORREL LEAF subsequently becomes a Nuclear Weapons Contractor.

11. DRUG-FREE WORKPLACE CERTIFICATION:

By executing this MOU, each party certifies that it will provide a drug-free workplace in accordance with the requirements of the Drug-Free Workplace Act of 1990 (California Government Code Sections 8350, *et seq.*) by doing all of the following:

- A. Drug-Free Policy Statement. Publish, as required by California Government Code Section 8355(a)(1), a Drug-Free Policy Statement which notifies employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited, and specifies the actions to be taken against employees for violations.
- B. Drug-Free Awareness Program. Establish, as required by California Government Code Section 8355(a)(2), a Drug-Free Awareness Program which informs employees about the following:
1. The dangers of drug abuse in the workplace;
  2. The party's policy of maintaining a drug-free workplace;
  3. Any available counseling, rehabilitation and employee assistance programs; and
  4. Penalties that may be imposed upon employees for drug abuse violations.

- C. Drug-Free Employment Agreement. Ensure, as required by California Government Code Section 8355(a)(3) that each employee responsible for carrying out the parties' duties and obligations set forth herein shall:
  - 1. Receive a copy of the party's Drug-Free Policy Statement; and
  - 2. Agree to abide by the party's Drug-Free Policy as a condition of employment.
- D. Effect of Non-Compliance. Failure to comply with the requirements set forth herein may result in termination of this MOU and/or ineligibility for award of future contracts.

12. INDEMNIFICATION:

- A. Hold Harmless, Defense and Indemnification. SORREL LEAF shall hold harmless, defend and indemnify COUNTY and its agents, officers, officials, employees and volunteers from and against any and all claims, demands, losses, damages, liabilities, costs and expenses of any kind or nature, including, without limitation, attorney's fees and other costs of litigation, arising out of, or in connection with, SORREL LEAF's negligent performance of, or failure to comply with, any of the duties and/or obligations contained herein, except such loss or damage which was caused by the sole negligence or willful misconduct of COUNTY.
- B. Effect of Insurance. Acceptance of the insurance required by this MOU shall not relieve either party from liability under this provision. This provision shall apply to any and all claims for damages related to either party's performance hereunder, regardless of whether any insurance is applicable or not. The insurance policy limits set forth herein shall not act as a limitation upon the amount of indemnification or defense to be provided hereunder.

13. INSURANCE REQUIREMENTS:

- A. General Insurance Requirements. Without limiting the parties' indemnification obligations set forth herein, each party shall maintain in full force and effect, at its own expense, any and all appropriate comprehensive general liability, comprehensive automobile, workers' compensation and professional liability insurance policies.
- B. Insurance Notices. Any and all notices regarding the insurance required pursuant to the terms and conditions of this MOU shall be sent to the addresses set forth below in accordance with the notice requirements contained herein.

COUNTY: County of Humboldt  
Attention: Risk Management  
825 Fifth Street, Room 131  
Eureka, California 95501

SORREL LEAF: Sorrel Leaf Healing Center, Inc.  
Attention: Shireen Varga, Executive Director  
124 Indianola Road  
Eureka, California 95503  
[svarga@sorrelleaf.org](mailto:svarga@sorrelleaf.org)

AND

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Sorrel Leaf Healing Center, Inc.  
Attention: Meghan Gallagher, Head of Operations  
124 Indianola Road  
Eureka, California 95503  
[mgallagher@sorrelleaf.org](mailto:mgallagher@sorrelleaf.org)

14. RELATIONSHIP OF PARTIES:

It is understood that this MOU is by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or any other similar association. Each party shall be solely responsible for the acts and omissions of its agents, officers, officials, employees, volunteers, licensees, invitees, assignees and subcontractors.

15. COMPLIANCE WITH APPLICABLE LAWS, REGULATIONS AND STANDARDS:

- A. General Legal Requirements. Each party hereby agrees to comply with any and all local, state and federal laws, regulations, policies, procedures, standards and contractual requirements applicable to its performance hereunder.
- B. License Requirements. Each party hereby agrees to comply with any and all local, state and federal licensure, certification and accreditation requirements, applicable to its performance hereunder, including, without limitation, the business licensure requirements set forth in Section 811-6(b) of the Humboldt County Code.
- C. Accessibility Requirements. Each party hereto agrees to comply with any and all applicable accessibility requirements set forth in the Americans with Disabilities Act, Section 508 of the Rehabilitation Act of 1973, as amended, California Government Code Section 11135 and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, including, without limitation, the federal accessibility standards set forth in 36 C.F.R. Section 1194.1, all as may be amended from time to time.
- D. Conflict of Interest Requirements. Each party hereto agrees to comply with any and all applicable conflict of interest requirements set forth in the California Political Reform Act and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, including, without limitation, COUNTY's Conflict of Interest Code, all as may be amended from time to time.
- E. Prevailing Wage Requirements. Each party hereby agrees to comply with any and all applicable prevailing wage requirements set forth in California Labor Code Section 1770, *et seq.* and any current and future implementing regulations, policies, procedures and standards promulgated thereunder.
- F. Competitive Bidding and Procurement Requirements. Each party hereby agrees to comply with any and all applicable competitive bidding and procurement requirements set forth in the California Public Contract Code and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, including, without limitation, the California Department of General Services' State Contracting Manual, all as may be amended from time to time. Current information regarding California's public bidding and procurement requirements can be obtained online at: <http://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-ServicesResources-List-Folder/State-Contracting>.

- G. Environmental Quality Requirements. Each party hereby agrees to comply with any and all applicable environmental quality requirements set forth in the California Environmental Quality Act and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, including, without limitation, the environmental quality guidelines set forth in 14 C.C.R. Sections 15000, *et seq.*, all as may be amended from time to time.
- H. Union Organizing Requirements. Each party hereby agrees to comply with any and all applicable local, state and federal laws, regulations and standards relating to union organizing, including, without limitation, California Government Code Sections 16645, *et seq.* and any current and future implementing regulations, policies, procedures and standards promulgated thereunder, all as may be amended from time to time. If either party incurs any costs or makes any expenditure to assist, promote or deter union organizing, such party shall maintain, and provide to the California Attorney General upon request, records sufficient to show that no reimbursement from local, state or federal funds has been sought for such costs.

16. PROVISIONS REQUIRED BY LAW:

This MOU is subject to any additional local, state and federal restrictions, limitations or conditions that may affect the terms, conditions or funding of this MOU. This MOU shall be read and enforced as though all legally required provisions are included herein, and if for any reason any such provision is not included, or incorrectly stated, the parties agree to amend the pertinent section to make such insertion or correction.

17. REFERENCE TO LAWS, REGULATIONS AND STANDARDS:

In the event any law, regulation, policy, procedure, standard or contractual requirement referred to herein is amended during the term of this MOU, the parties hereby agree to comply with the amended provision as of the effective date of such amendment.

18. PROTOCOLS:

Each party hereby agrees that the inclusion of additional protocols may be required to make this MOU specific. All such protocols shall be negotiated, determined and agreed upon by each of the parties hereto.

19. SEVERABILITY:

If any provision of this MOU, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this MOU.

20. ASSIGNMENT:

Neither party shall delegate its duties nor assign its rights hereunder, either in whole or in part, without the other party's prior written consent. Any assignment in violation of this provision shall be void, and shall be cause for immediate termination of this MOU. This provision shall not be applicable to service agreements or other arrangements usually or customarily entered into by either party to obtain supplies, technical support or professional services.

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21. AGREEMENT SHALL BIND SUCCESSORS:

All provisions of this MOU shall be fully binding upon, and shall inure to the benefit of, the parties and to each of their heirs, executors, administrators, successors and permitted assigns.

22. WAIVER OF DEFAULT:

The waiver by either party of any breach of this MOU shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this MOU. In no event shall any payment made by COUNTY constitute a waiver of any breach of this MOU which may then exist on the part of SORREL LEAF. Nor shall such payment impair or prejudice any remedy available to COUNTY with respect to any breach or default.

23. NON-LIABILITY OF OFFICIALS AND EMPLOYEES:

No official or employee of either party shall be personally liable for any default or liability under this MOU.

24. AMENDMENT:

This MOU may be amended at any time during the term hereof upon the mutual consent of both parties. No addition to, or alteration of, the terms of this MOU shall be valid unless made in writing and signed by an authorized representative of each party hereto.

25. STANDARD OF PRACTICE:

Each party hereby warrants that it has the degree of learning and skill ordinarily possessed by reputable professionals practicing in similar localities in the same profession and under similar circumstances. Each party's duty is to exercise such care, skill and diligence as professionals engaged in the same profession ordinarily exercise under like circumstances.

26. DISPUTE RESOLUTION:

If a dispute arises involving the interpretation, implementation or enforcement of this MOU, the parties shall make every reasonable attempt to resolve the problem within thirty (30) days of becoming aware of the dispute. Each party hereby agrees to cooperate with the other party in trying to reasonably resolve all disputes, including, if requested by either party, appointing senior representatives to meet and engage in good faith negotiations regarding resolution of the dispute. Senior representatives of the parties shall meet in person, at a mutually agreeable location in Humboldt County, within thirty (30) days of receiving written notice of a dispute, unless otherwise agreed upon by the parties. All meetings and discussions not subject to disclosure under Federal Rule of Evidence 408 or any similar local, state law, regulation or rule of court. Each party further agrees that informal dispute resolution, including, without limitation, mediation, should an in-person meeting prove unsuccessful, shall be attempted prior to seeking recourse from the courts.

27. JURISDICTION AND VENUE:

This MOU shall be construed in accordance with the laws of the State of California. Any dispute arising hereunder, or relating hereto, shall be litigated in the State of California and venue shall lie in the County of Humboldt unless transferred by court order pursuant to California Code of Civil Procedure Sections 394 or 395.

28. SURVIVAL OF PROVISIONS:

The duties and obligations of the parties set forth in Section 7 – Record Retention and Inspection, Section 8 – Confidential Information and Section 12 – Indemnification shall survive the expiration or termination of this MOU.

29. CONFLICTING TERMS OR CONDITIONS:

In the event of any conflict in the terms or conditions set forth in any other agreements in place between the parties hereto and the terms and conditions set forth in this MOU, the terms and conditions set forth herein shall have priority.

30. INTERPRETATION:

This MOU, as well as its individual provisions, shall be deemed to have been prepared equally each of the parties hereto, and shall not be construed or interpreted more favorably for one (1) party on the basis that the other party prepared it.

31. INDEPENDENT CONSTRUCTION:

The titles of the sections, subsections, paragraphs and clauses set forth herein are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions of this MOU.

32. FORCE MAJEURE:

No party hereto shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control, and without the fault or negligence, of such party. Such events shall include, without limitation, acts of God, strikes, lockouts, riots, acts of war, epidemics, pandemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism or other disasters, whether or not similar to the foregoing.

33. ENTIRE AGREEMENT:

This MOU contains all of the terms and conditions agreed upon by the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this MOU shall be deemed to exist or to bind any of the parties hereto. In addition, this MOU shall supersede in their entirety any and all prior agreements, promises, representations, understandings and negotiations of the parties, whether oral or written, concerning the same subject matter. Any and all acts which may have already been consummated pursuant to the terms and conditions of this MOU are hereby ratified.

34. COUNTERPART EXECUTION:

This MOU, and any amendments hereto, may be executed in one (1) or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one (1) and the same agreement. This MOU, and any amendments hereto, may be signed by manual or electronic signatures in accordance with any and all applicable local, state and federal laws, regulations and standards, and such signatures shall constitute original signatures for all purposes. A signed copy of this MOU, and any amendments hereto, transmitted by email or by other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this MOU and any amendments hereto.

35. AUTHORITY TO EXECUTE:

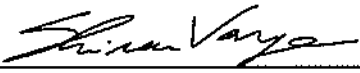
Each person executing this MOU represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this MOU. Each party represents and warrants to the other that the execution and delivery of this MOU and the performance of such party's obligations hereunder have been duly authorized.

IN WITNESS WHEREOF, the parties have entered into this MOU as of the first date written above.

TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
- (2) SECRETARY, CHIEF FINANCIAL OFFICER OR TREASURER.

SORREL LEAF HEALING CENTER, INC.:

By: 

Date: 03/24/26

Name: Shireen Varga, LMFT

Title: Executive Director

By: 

Date: 3/24/26

Name: Matt Rees

Title: Board Chair

COUNTY OF HUMBOLDT:

By: \_\_\_\_\_  
Emi Botzler-Rodgers, Behavioral Health Director  
(Pursuant to the Authority delegated by the  
Humboldt County Board of Supervisors on  
\_\_\_\_\_, 2026 [Item \_-\_\_])

Date: \_\_\_\_\_

INSURANCE AND INDEMNIFICATION REQUIREMENTS APPROVED:

By: \_\_\_\_\_  
Risk Management

Date: \_\_\_\_\_