

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF REDONDO BEACH AND CLEAR RECOVERY CENTER, LLC**

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made between the City of Redondo Beach, a chartered municipal corporation ("City") and Clear Recovery Center, LLC, a California limited liability company ("CLEAR").

WHEREAS, the City and CLEAR are each referred to herein as a "Party" and collectively as the "Parties";

WHEREAS, CLEAR provides professional clinical services for substance abuse and mental health counseling, including crisis stabilization, care coordination, counseling, case management, and referrals for ongoing treatment and community based recovery resources;

WHEREAS, CLEAR desires to partner with the City to support the creation and implementation of an Alternative Crisis Response ("ACR") team to enhance community safety and well-being by ensuring that behavioral health professionals are embedded in the City's crisis response framework, with the goal of delivering timely, compassionate, and clinically informed care that diverts individuals from unnecessary emergency room visits or law enforcement encounters.

WHEREAS, acceptance for program admission will be at the discretion of CLEAR clinical staff based on a clinical assessment and appropriateness of fit; and

WHEREAS, CLEAR desires to provide these services.

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, and intending to be legally bound, the Parties hereby agree to the following:

A. SERVICES.

1. CLEAR shall provide:

- a. Dedicated clinical and counseling staff to collaborate with the City's designated first responders and public safety personnel, ensuring the ACR team responds to mental health and substance use crises with the goal of delivering timely, compassionate, and clinically informed care that diverts individuals from unnecessary emergency room visits or law enforcement encounters.
- b. The following personnel to the program:
 - i. One full-time employee Therapist who shall:
 - a. Be scheduled from Monday–Friday, 9:00 AM – 5:00 PM; and
 - b. Provide crisis stabilization, care coordination, and referrals for ongoing treatment.
 - ii. One full-time employee Drug and Alcohol Counselor who shall:
 - a. Be scheduled from Monday–Friday, 9:00 AM – 5:00 PM, and
 - b. Provide counseling, case management, and linkage to community-based recovery resources.
 - iii. Administrative oversight by a full-time employee Program Director who shall:
 - a. Be available from Monday–Friday, 9:00 AM – 5:00 PM, providing up to 5 hours a week of administrative support

- b. Provide oversight, supervision and project management coordination.

These staff members shall function as part of the ACR team in close coordination with the City's designated first responders, and community partners and will be accompanied by the City's designated responders when responding to designated events. These staff members may concurrently participate in asynchronous CLEAR related activities provided such activities do not impact their ability to respond effectively as part of the ACR team.

- c. Recruitment, onboarding, and management of the assigned therapist and counselor.
- d. Ongoing maintenance of staff's current licensure, certifications, and professional development throughout the duration of this MOU.
- e. Collaboration with City officials and other ACR partners in continuous improvement.

2. City will:

- a. Integrate the ACR team into the city's crisis response workflows.
- b. Provide operational support, safety protocols, and coordination with public safety agencies.
- c. Facilitate data sharing and collaboration to measure program outcomes.

B. **TERM.** This MOU shall commence on September 10, 2025 and continue until September 9, 2026. This MOU may be renewed by a subsequent written amendment signed by authorized representatives of both Parties.

C. **COMPENSATION.** The City will pay CLEAR an amount not to exceed \$379,000 for the Services provided hereunder. This compensation is fully burdened and inclusive of all direct and indirect costs associated with the Services, including but not limited to staffing, overhead, administration, and any other expenses incurred by CLEAR in performing its obligations under this MOU. The payment shall be allocated as follows:

1. Therapist: \$220,000 annually; and
2. Drug & Alcohol Counselor: \$120,000 annually
3. Program Director: \$39,000 annually

City will pay compensation in monthly installments in arrears for Services performed, within thirty (30) days of the City's receipt of a detailed invoice from CLEAR itemizing the Services performed during the preceding month, including staff hours worked, description of work performed, and any supporting documentation requested by the City, provided that the Services have been completed to the city's full satisfaction. In the event of any prorated period (e.g., due to commencement, termination, or renewal), compensation shall be prorated on a daily basis based on the actual number of days in the applicable month. The total compensation under this MOU shall not exceed \$379,000, and CLEAR shall not be

entitled to any additional reimbursement or payment unless otherwise agreed in a written amendment to this MOU.

- D. **PROFESSIONAL ABILITY.** CLEAR acknowledges, represents and warrants that CLEAR is skilled and able to competently provide the services hereunder, and possesses all professional licenses, certifications, and approvals necessary to engage in its occupation. City has relied upon the professional ability and training of CLEAR as a material inducement to enter into this MOU. CLEAR shall perform in accordance with generally accepted professional practices and standards of its profession.
- E. **BUSINESS LICENSE.** CLEAR shall obtain a Redondo Beach Business License before performing any services required under this MOU. The failure to so obtain such license shall be a material breach of this MOU and grounds for immediate termination by City; provided, however, that City may waive the business license requirement in writing under unusual circumstances without necessitating any modification of this MOU to reflect such waiver.
- F. **RECORDS.** CLEAR, including any of its subcontractors, shall maintain full and complete documents and records, including accounting records, employee time sheets, work papers, and correspondence pertaining to the project or services set forth herein. CLEAR, including any of its subcontractors, shall make such documents and records available for City review or audit upon request and reasonable notice, and shall keep such documents and records, for at least four (4) years after CLEAR's completion of performance of this MOU. Copies of all pertinent reports and correspondence shall be furnished to the City for its files.
- G. **INDEMNITY.**
 - 1. **CLEAR'S INDEMNITY.** To the maximum extent permitted by law, CLEAR hereby agrees, at its sole cost and expense, to defend protect, indemnify, and hold harmless the City, its elected and appointed officials, officers, employees, volunteers, attorneys, and agents (collectively "City Indemnitees") from and against any and all claims, including, without limitation, claims for bodily injury, death or damage to property, demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, costs and expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or arising from any act, failure to act, error or omission of CLEAR's negligence, gross negligence, or willful misconduct of CLEAR's performance or work hereunder (including any of its officers, agents, employees, Subcontractors), except to the extent such loss or damage is caused by the sole negligence or willful misconduct of the City.
 - 2. **CITY'S INDEMNITY.** To the maximum extent permitted by law, the City hereby agrees, at its sole cost and expense, to defend, protect, indemnify, and hold harmless CLEAR, its officers, employees, volunteers, attorneys, and agents (collectively "CLEAR Indemnitees") from and against any and all claims, including, without limitation, claims for bodily injury, death or damage to property, demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, costs and expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or arising from any act, failure to act, error or omission of City's gross negligence, or willful misconduct of City's performance or work hereunder (including any of its officers, agents, employees, Subcontractors).

Both CLEAR's and the City's indemnification obligations shall survive this MOU and shall not be limited by any term of any insurance policy required under this MOU, except as each Party's obligation to indemnify shall be limited to the limits of its insurance policies.

- a. Nonwaiver of Rights. The City Indemnitees and CLEAR Indemnitees do not and shall not waive any rights that they may possess against the other Party because of the acceptance by the City or CLEAR, or the deposit with the City or CLEAR, of any insurance policy or certificate required pursuant to this MOU.
- b. Waiver of Right of Subrogation. Each Party, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the other Party's Indemnitees (i.e., the City Indemnitees or CLEAR Indemnitees, as applicable).

H. **INSURANCE**. CLEAR shall comply with the requirements set forth in Exhibit "A". Insurance requirements that are waived by the City's Risk Manager do not require amendments or revisions to this MOU.

I. **NON-LIABILITY OF OFFICIALS AND EMPLOYEES OF THE CITY**. No official or employee of the City shall be personally liable for any default or liability under this MOU.

J. **COMPLIANCE WITH LAWS**. CLEAR shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals, with respect to this MOU, including without limitation all environmental laws, and employment laws.

K. **NON-DISCRIMINATION**. CLEAR shall comply with all applicable federal, state, and local laws, ordinances, regulations, and codes prohibiting discrimination, including but not limited to the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and the California Fair Employment and Housing Act. CLEAR shall not discriminate against any employee or applicant for employment on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, military and veteran status, or any other legally protected characteristic. CLEAR shall ensure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment. CLEAR shall include a similar non-discrimination provision in all subcontracts related to the performance of this MOU.

L. **LIMITATIONS UPON SUBCONTRACTING AND ASSIGNMENT**. CLEAR acknowledges that the services which CLEAR shall provide under this MOU are unique, personal services which, except as otherwise provided herein, CLEAR shall not assign or sublet to any other party without the prior written approval of City, which approval may not be unreasonably withheld, except in the event of a Change of Control, upon which CLEAR will provide prior written notice to the City. In the event that the City, in writing, approves any assignment or subletting of this MOU or the retention of subcontractors by CLEAR, CLEAR shall provide to the City upon request copies of each and every subcontract prior to the execution thereof by CLEAR and subcontractor. Any attempt by CLEAR to assign any or all of its rights under this MOU without first obtaining the City's prior written consent, except in the event of a Change of Control, shall constitute a material default under this MOU.

The sale, assignment, transfer or other disposition, on a cumulative basis, of more than fifty percent (50%) of the ownership interest in CLEAR or more than 50% (50%) or more the voting control of CLEAR (whether CLEAR is a corporation, limited liability company, partnership, joint venture or otherwise) shall constitute a Change of Control for purposes of this MOU.

Subject to the limitations set forth in this section, this MOU shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. Any permitted assignee must expressly assume all of CLEAR's rights and obligations under this MOU and perform them as if it were an original party. CLEAR shall remain jointly and severally liable for all obligations hereunder notwithstanding any assignment or transfer.

- M. **SUBCONTRACTORS.** CLEAR shall provide properly skilled professional and technical personnel to perform any approved subcontracting duties. CLEAR shall not engage the services of any person or persons now employed by the City without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion.
- N. **NOTICE.** Written notices to City and CLEAR shall be given by registered or certified mail, postage prepaid, email, or personally served, and addressed to the following Parties.

CLEAR. Clear Behavioral Health
c/o Your Behavioral Health
1983 West 190th, Suite 200
Torrance, CA 90504
Attn: CBH Executive Director, Sara Ghassemy
Email: Sara@clearbehavioralhealth.com

City. City of Redondo Beach
City Attorney's Office
415 Diamond Street
Redondo Beach, CA 90277
Attn: Joy A. Ford, City Attorney
Email: joy.ford@redondo.org

All notices, including notices of address changes, provided under this Agreement are deemed received as follows: (1) on the second business day after emailing, provided that no "bounce-back" or similar message indicating non-delivery is received; (2) on the third day after mailing if sent by registered or certified mail; or (3) upon personal delivery. Changes in the respective address set forth above may be made from time to time by any Party upon written notice to the other Party in accordance with this section.

- O. **TERMINATION.** Either Party may terminate this MOU at any time upon providing thirty (30) days prior written notice to the other Party.
- P. **AMENDMENTS.** No modification, amendment, or addendum to this MOU shall be valid unless it is set forth in writing and is signed by the Parties.
- Q. **CONFIDENTIALITY AND DATA PROTECTION.** CLEAR shall comply with all applicable federal and state privacy laws, including but not limited to the Health Insurance Portability and Accountability Act (HIPAA), the California Confidentiality of Medical Information Act

(CMIA), and California's Data Breach Notification Law (Cal. Civ. Code § 1798.80 et seq.), in handling protected health information (PHI) and personally identifiable information (PII) (collectively, "Sensitive Data") related to services provided under this MOU. CLEAR is expressly prohibited from sharing any identifiable Sensitive Data with the City, except as required by law. All data provided to the City for reporting purposes shall be de-identified in accordance with HIPAA standards (45 CFR § 164.514(b)). In the event CLEAR inadvertently shares identifiable Sensitive Data with the City, CLEAR shall promptly notify the City and, at its own expense, retrieve or destroy such data to ensure the City does not retain it. All client records generated under this MOU shall remain the property of CLEAR, subject to the City's right to access de-identified data. CLEAR's obligations under this section shall survive the termination or expiration of this MOU.

- R. **ASSIGNMENT AND SUBCONTRACTING.** CLEAR shall not assign, transfer, or subcontract any portion of this MOU without the prior written consent of the City. Any approved subcontractors shall comply with all terms of this MOU, including insurance requirements.
- S. **SEVERANCE.** Any provision of this Agreement that is found invalid or unenforceable shall be deemed severed and all remaining provisions of this Agreement shall remain enforceable to the fullest extent permitted by law.
- T. **AUTHORITY.** City warrants and represents that upon City Council approval, the Mayor of the City of Redondo Beach is duly authorized to enter into and execute this Agreement on behalf of City. The Party signing on behalf of CLEAR warrants and represents that he or she is duly authorized to enter into and execute this Agreement on behalf of CLEAR, and shall be personally liable to City if he or she is not duly authorized to enter into and execute this Agreement on behalf of CLEAR.
- U. **GOVERNING LAW AND VENUE.** This MOU shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law. Venue for any litigation or other action arising hereunder shall reside exclusively in the Superior Court of the County of Los Angeles, Southwest Judicial District.
- V. **WAIVER.** The waiver by the City of any breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.
- W. **ENTIRE AGREEMENT.** This MOU, including Exhibit A, and any Additional Duties Addendum incorporated pursuant to Section X constitutes the entire agreement between the Parties and supersedes any previous oral or written agreements with respect to the subject matter hereof.
- X. **ADDITIONAL DUTIES ADDENDUM.** The Parties acknowledge that additional duties and responsibilities of the City and/or CLEAR may be set forth in a separate written instrument (the "Additional Duties Addendum"). The Additional Duties Addendum shall be negotiated and executed by the City Attorney, on behalf of the City, and by an authorized representative of CLEAR. Any such Additional Duties Addendum, once fully executed by both authorized Parties, and expressly titled as an "Additional Duties Addendum" pursuant to this section, shall be deemed automatically incorporated into and made part of this MOU by this reference, as though fully set forth herein without need for amendment of this MOU. Any such additional duties, whether applicable to one Party or both Parties, shall be binding

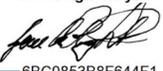
upon and enforceable against the Party or Parties to whom they are assigned, with the same force and effect as if originally included in this MOU.

Approval of this MOU by the City Council shall constitute approval of the incorporation of any Additional Duties Addendum executed in accordance with this section, without need for further Council action, provided that no Additional Duties Addendum shall obligate the City to expend additional funds, assume new indemnity or insurance obligations, or otherwise shift risk to the City beyond the administrative and operational obligations contemplated by this MOU, unless expressly approved by the City Council.

IN WITNESS WHEREOF, the Parties have executed this MOU in Redondo Beach, California, as of this 9th day of September, 2025.

CITY OF REDONDO BEACH,
a chartered municipal corporation

CLEAR RECOVERY CENTER, LLC,
a California limited liability company

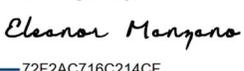
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James A. Light, Mayor

Signed by:

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By: Sara Ghassemy
Name: Sara Ghassemy
Title: Executive Director of Operations

ATTEST:

APPROVED:

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Eleanor Manzano, City Clerk

Signed by:

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Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

Signed by:

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Joy A. Ford, City Attorney

EXHIBIT "A"

INSURANCE REQUIREMENTS FOR CLEAR

Without limiting CLEAR's indemnification obligations under this MOU, CLEAR shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the CLEAR, its agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).

Workers' Compensation insurance as required by the State of California.

Employer's Liability Insurance.

Umbrella/Excess Liability Insurance providing coverage in excess of the underlying General Liability, Automobile Liability, and Employer's Liability policies.

Minimum Limits of Insurance

CLEAR shall maintain limits no less than:

General Liability: \$5,000,000 per occurrence for bodily injury, personal injury and property damage. The general aggregate limit shall apply separately to this project.

Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

Umbrella/Excess Liability: \$5,000,000 per occurrence and in the aggregate.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers or (2) the CLEAR shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Endorsement:

General Liability: The City, its officers, elected and appointed officials, employees, and volunteers shall be covered as insureds with respect to liability arising out of work performed by or on behalf of the CLEAR. General liability coverage can be provided in the form of an endorsement to the CLEAR's insurance, or as a separate owner's policy.

Automobile Liability: The City, its officers, elected and appointed officials, employees, and volunteers shall be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the CLEAR.

Umbrella/Excess Liability: The City, its officers, elected and appointed officials, employees, and volunteers shall be covered as insureds under the Umbrella/Excess Liability policy to the same extent as under the underlying policies.

For any claims related to this project, the CLEAR's insurance coverage shall be primary insurance as respects the City, its officers, elected and appointed officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the CLEAR's insurance and shall not contribute with it.

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either Party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

Each insurance policy shall be endorsed to state that the inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverages afforded shall apply as though separate policies had been issued to each insured.

Each insurance policy shall be in effect prior to awarding the contract and each insurance policy or a successor policy shall be in effect for the duration of the project. The maintenance of proper insurance coverage is a material element of the contract and failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract on the CLEAR's part.

Acceptability of Insurers

Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A:VII and which are authorized to transact insurance business in the State of California by the Department of Insurance.

Verification of Coverage

CLEAR shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on the City authorized forms

provided with the contract specifications. Standard ISO forms which shall be subject to City approval and amended to conform to the City's requirements may be acceptable in lieu of City authorized forms. All certificates and endorsements shall be received and approved by the City before the contract is awarded. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

Subcontractors

CLEAR shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

Risk Management

CLEAR acknowledges that insurance underwriting standards and practices are subject to change, and the City reserves the right to make changes to these provisions in the reasonable discretion of its Risk Manager.

