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(213) 202-2633 FAX (213) 202-2614

October 21, 2021

Honorable Eric Garcetti, Mayor
City of Los Angeles
Room 303, City Hall

Honorable City Council
City of Los Angeles
c/o: Office of the City Clerk
City Hall, Room 395

Honorable Mayor and Members of the City Council:

Subject:

Proposition 68 Per Capita Program Grant – Authority to Apply and Submit Application, Resolution; Acceptance of Grant Funds for Normandale Recreation Center – Playground Replacement

Recommendation for Council Action:

The Board of Recreation and Park Commissioners (Board) respectfully requests City Council and Mayor approval for the Department of Recreation and Parks (RAP) to (i) Authorize the application of additional funding for the Normandale Recreation Center Playground Replacement (ii) Authorize RAP's General Manager to accept and receive the Prop 68 PC Grant funds. As further detailed in attached Report No. 21-173

Background:

Prop 68 is intended to fund state and local parks, beaches, environmental protection and restoration, water infrastructure, and flood protection projects. An estimated \$185 million dollars has been dedicated to the Proposition 68 Per Capita Program Grant

Fiscal Impact Statement:

Acceptance of this Grant will have no impact to RAP's General Fund and will instead provide essential funding to further enhance upgrades to the facility.

If you have any questions with regard to this matter, please contact Ms. Kai Wong, Sr Project Coordinator, Department of Recreation and Parks, at (213) 202-5650.



Honorable Mayor Garcetti and Honorable City Council

October 21, 2021

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Very truly yours,

BOARD OF RECREATION AND
PARK COMMISSIONERS

A handwritten signature in blue ink that reads "Takisha Sardin". The signature is written in a cursive style with a large initial 'S'.

Takisha Sardin
Acting Commission Executive
Assistant II

Attachments: Board Report No. 21-173

cc: Kai Wong, Sr. Project Coordinator, Department of Recreation and Parks

APPROVED

OCT 21 2021

BOARD OF RECREATION AND PARK COMMISSIONERS

BOARD REPORT

NO. 21-173

DATE October 21, 2021

C.D. 15

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PROPOSITION 68 PER CAPITA PROGRAM GRANT – AUTHORITY TO APPLY AND SUBMIT APPLICATION, RESOLUTION; ACCEPTANCE OF GRANT FUNDS FOR NORMANDEALE RECREATION CENTER – PLAYGROUND REPLACEMENT (PRJ21458)

| | | | |
|-----------|-------|------------------|------------|
| AP Diaz | _____ | M. Rudnick | _____ |
| H. Fujita | _____ | C. Santo Domingo | _____ |
| J. Kim | _____ | *N. Williams | <u>NWD</u> |

M. Slue

General Manager

Approved X Disapproved _____ Withdrawn _____

If Approved: Board President *Jeffrey Patacas* Board Secretary *Sakiko Sarden*

RECOMMENDATIONS

1. Authorize the application of additional funding for the Normandale Recreation Center – Playground Replacement (PRJ21458) (Project) in the amount of \$177,952 (One Hundred Seventy-seven Thousand, Nine Hundred Fifty-two Dollars) submitted by the Department of Recreation and Parks (RAP) to the State of California, Department of Parks and Recreation (State) under Proposition 68 Per Capita Program Grant (Prop 68 PC), subject to the approval of the Mayor and City Council;
2. Approve the Resolution attached as Attachment No. 1 to this Report (Resolution), and recommend City Council adopt such Resolution, approving the application of Prop 68 PC Grant funds for the Project and designating RAP’s General Manager, Executive Officer, Assistant General Manager, or Chief Financial Officer, as the agent to conduct all negotiations, execute and submit all grant documents, including, but not limited to the grant application, agreement, amendments, payment requests and all other required grant documents necessary for the completion of the Grant project scope;
3. Direct RAP staff to transmit a copy of this report to the Mayor, Office of the City Administrative Officer (CAO), Office of the Chief Legislative Analyst (CLA), and to the City Clerk for committee and City Council for approval of accepting the Prop 68 PC Grant funds, pursuant to the Los Angeles Administrative Code Section 14.6 et seq.; and

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4. Authorize RAP’s General Manager to accept and receive the Prop 68 PC Grant funds, if awarded, subject to the approval of the Mayor and City Council, and to execute a grant agreement with the State for use of the Prop 68 PC Grant funds in connection with the Project in the scope and amount as more fully set forth in this Report, and with terms substantially similar to those set forth in the sample grant agreement attached to this Report as Attachment No. 2, subject to the approval of the City Council and Mayor, and City Attorney approval as to form;
5. Authorize RAP’s Chief Accounting Employee to establish the necessary account(s), and/or to appropriate funding received within “Recreation and Parks Grant” Fund 205 to accept the Prop 68 PC Grant funds upon acceptance of Prop 68 PC Grant award funds by RAP after obtaining all necessary approvals; and
6. Authorize RAP staff to make necessary technical corrections to carry out the intent of this Report.

SUMMARY

On June 5, 2018, Proposition 68 was passed by California state voters to fund a \$4.1 billion “California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor for All Act of 2018.” Prop 68 is intended to fund state and local parks, beaches, environmental protection and restoration, water infrastructure, and flood protection projects. An estimated \$185 million dollars has been dedicated to the Proposition 68 Per Capita Program Grant (Prop 68 PC).

In June 2020, the State released the Prop 68 PC allocations awarded to 643 urbanized cities and districts. The Department of Recreation and Parks (RAP) is awarded \$177,952. The breakdown of the available \$185 million dollars of Prop 68 PC award is in three categories as followed:

| Categories | Rate of Allocations | Minimum | Maximum |
|---|---------------------|-----------|--------------|
| County and Regional Park District Allocations | \$1.64 Per Capita | \$400,000 | \$16,859,000 |
| City and District Allocations | ---- | \$177,952 | \$177,952 |
| Heavily Urbanized Counties | \$0.61 Per Capita | \$128 | \$108,954 |

The Prop 68 PC funds are available for local park rehabilitation, creation, and improvement. Grant recipients are encouraged to use the grant award to rehabilitate existing infrastructure especially in severely disadvantaged communities. The Prop 68 PC grant of \$177,952 may be allocated to one or more projects. The project(s) must be completed by December 2023.

There is a 20% match requirement of the total project cost for the Prop 68 PC grant. The 20% match requirement can be waived if the grant is used on a project that serves a severely disadvantaged community.

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RAP staff has reviewed and discussed possible projects that might require additional funding and presently meet the Prop 68 PC requirements. RAP staff has determined that the Normandale Recreation Center – Playground Replacement (Project) meets the requirement of Prop 68 PC and is in need of additional funding. The scope of work for the Project has been previously approved by the Board of Recreation and Park Commissioners (Board) (Report No. 20-246) and a California Environmental Quality Act (CEQA) Notice of Exemption (NOE) has been filed with the Los Angeles County Clerk (Board Report No. 20-246), making this Project as “project ready”. The proposed scope of work for the Normandale Recreation Center – Playground Replacement (PRJ21458) Project is the replacement of the existing playground and has not been modified since last approved by the Board. Project can begin upon the execution of the Prop 68 PC Grant Contract. The 20% match requirement is waived for the Project since the Project is located in a severely disadvantaged community.

In order to receive the Prop 68 PC Grant Contract, an application package and approved Resolution has to be received by the State by December 1, 2021. The State will send the Prop 68 PC Grant Contract which will need to be returned within 30 days.

TREES AND SHADES

The proposed Normandale Recreation Center – Playground Replacement (PRJ21458) Project will not have any impact on the existing trees and shade at Normandale Recreation Center.

ENVIRONMENTAL IMPACT

The proposed Normandale Recreation Center – Playground Replacement (PRJ21458) Project consists of replacement of existing structures where the new structure will be located on the same site and will have substantially the same purpose and capacity as the structure replaced. As such, the Board of Recreation and Park Commissioners (Board) already determined that the project is categorically exempt from the provisions of the CEQA pursuant to Article III, Section 1, Class 2 of City CEQA Guidelines and Article 19, Section 15302 of California CEQA Guidelines. A CEQA (NOE) was filed with the Los Angeles County Clerk on January 19, 2021 (Report No. 20-246).

FISCAL IMPACT

There is no expected fiscal impact to RAP’s General Fund in applying for the Prop 68 PC fund. The maintenance of the proposed park improvements can be performed by current staff with no overall impact to existing maintenance service at this facility.

STRATEGIC PLAN INITIATIVES AND GOALS

Approval of this Board Report advances RAP’s Strategic Plan by supporting:

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Goal No. 1: Provide Safe and Accessible Parks
Outcome No. 1: Every Angeleno has walkable access to a park in their neighborhood.
Key Metric: Percentage of Angelenos with park access within a ½ mile radius of their home.
Target: 60% by 2022.
Result: The replacement of the playground will enhance the park users' experience.

This Report was prepared by Kai Wong, Senior Project Coordinator, Grants Administration, Finance Division and reviewed by Bill Jones, Chief Management Analyst, Grants Administration, Finance Division.

LIST OF ATTACHMENTS

1. Proposition 68 Per Capita Resolution
2. State Parks, Proposition 68 Per Capita Sample Grant Contract

Council File Number: _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES
APPROVING APPLICATION(S) FOR PER CAPITA GRANT FUNDS

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Per Capita Grant Program, setting up necessary procedures governing application(s); and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the grantee's Governing Body to certify by resolution the approval of project application(s) before submission of said applications to the State; and

WHEREAS, the grantee will enter into a contract(s) with the State of California to complete project(s);

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Los Angeles hereby:

1. Approves the filing of project application(s) for Per Capita program grant project(s); and
2. Certifies that said grantee has or will have available, prior to commencement of project work utilizing Per Capita funding, sufficient funds to complete the project(s); and
3. Certifies that the grantee has or will have sufficient funds to operate and maintain the project(s), and
4. Certifies that all projects proposed will be consistent with the park and recreation element of the City of Los Angeles' general or recreation plan (PRC §80063(a)), and
5. Certifies that these funds will be used to supplement, not supplant, local revenues in existence as of June 5, 2018 (PRC §80062(d)), and
6. Certifies that it will comply with the provisions of §1771.5 of the State Labor Code, and
7. (PRC §80001(b)(8)(A-G)) To the extent practicable, as identified in the "Presidential Memorandum--Promoting Diversity and Inclusion in Our National Parks, National Forests, and Other Public Lands and Waters," dated January 12, 2017, the City of Los Angeles will consider a range of actions that include, but are not limited to, the following:
 - (A) Conducting active outreach to diverse populations, particularly minority, low-income, and disabled populations and tribal communities, to increase awareness within those communities and the public generally about specific programs and opportunities.
 - (B) Mentoring new environmental, outdoor recreation, and conservation leaders to increase diverse representation across these areas.
 - (C) Creating new partnerships with state, local, tribal, private, and nonprofit organizations to expand access for diverse populations.
 - (D) Identifying and implementing improvements to existing programs to increase visitation and access by diverse populations, particularly minority, low-income, and disabled populations and tribal communities.

- (E) Expanding the use of multilingual and culturally appropriate materials in public communications and educational strategies, including through social media strategies, as appropriate, that target diverse populations.
 - (F) Developing or expanding coordinated efforts to promote youth engagement and empowerment, including fostering new partnerships with diversity-serving and youth-serving organizations, urban areas, and programs.
 - (G) Identifying possible staff liaisons to diverse populations.
8. Agrees that to the extent practicable, the project(s) will provide workforce education and training, contractor and job opportunities for disadvantaged communities (PRC §80001(b)(5)).
 9. Certifies that the grantee shall not reduce the amount of funding otherwise available to be spent on parks or other projects eligible for funds under this division in its jurisdiction. A one-time allocation of other funding that has been expended for parks or other projects, but which is not available on an ongoing basis, shall not be considered when calculating a recipient's annual expenditures. (PRC §80062(d)).
 10. Certifies that the grantee has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Procedural Guide; and
 11. Delegates the authority to the Department of Recreation and Parks General Manager, Executive Officer, Assistant General Manager and Chief Financial Officer to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the grant scope(s); and
 12. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.

Approved and adopted the _____ day of _____, 20_____

The undersigned City Clerk of the Applicant here before named does hereby attest and certify that the forgoing is a true and full copy of a Resolution of the City Council of the City of Los Angeles adopted at a duly convened meeting on the date above-mentioned, which has not been altered, amended or repealed.

HOLLY L. WOLCOTT, City Clerk

By: _____

Per Capita Contract



State of California – The Natural Resources Agency
DEPARTMENT OF PARKS AND RECREATION

Sample Grant Contract Per Capita Grant Program

GRANTEE: Grantee Name

GRANT PERFORMANCE PERIOD is from July 1, 2018 through June 30, 2024

CONTRACT PERFORMANCE PERIOD is from July 1, 2018 through June 30, 2048

The GRANTEE agrees to the terms and conditions of this contract (CONTRACT), and the State of California, acting through its Director of the Department of Parks and Recreation, pursuant to the State of California, agrees to fund the total State grant amount indicated below.

The GRANTEE agrees to complete the PROJECT SCOPE(s) as defined in the Development PROJECT SCOPE/Cost Estimate Form or acquisition documentation for the application(s) filed with the State of California.

The General and Special Provisions attached are made a part of and incorporated into the Contract.

Total State grant amount not to exceed \$ [GRANT amount]

GRANTEE

AUTHORIZED REPRESENTATIVE Signature

Date

Print Name and Title

STATE OF CALIFORNIA
DEPARTMENT OF PARKS AND RECREATION

AUTHORIZED REPRESENTATIVE Signature

Date

Print Name and Title

| CERTIFICATION OF FUNDING (FOR STATE USE ONLY) | | | | |
|---|----------|---------------------|----------------|-------------|
| AMOUNT OF ESTIMATE \$ | | CONTRACT NUMBER | FUND | |
| ADJ. INCREASING ENCUMBRANCE \$ | | APPROPRIATION | | |
| ADJ. DECREASING ENCUMBRANCE \$ | | ITEM VENDOR NUMBER | | |
| UNENCUMBERED BALANCE \$ | | LINE ITEM ALLOTMENT | CHAPTER | STATUTE |
| T.B.A. NO. | B.R. NO. | INDEX | Funding Source | OBJ. EXPEND |
| I hereby certify upon my personal knowledge that budgeted funds are available for this encumbrance. | | | | |
| SIGNATURE OF ACCOUNTING OFFICER | | | DATE | |

I. RECITALS

This CONTRACT is entered into between the California Department of Parks and Recreation (hereinafter referred to as "GRANTOR," "DEPARTMENT" or "STATE") and [grantee name] (hereinafter referred to as "GRANTEE").

The DEPARTMENT hereby grants to GRANTEE a sum (also referred to as "GRANT MONIES") not to exceed \$grant amount, subject to the terms and conditions of this CONTRACT and the 20xx/xx California State Budget, Chapter xx, statutes of 20xx, Item number – 3790-xxx-xxxx (appropriation chapter and budget item number hereinafter referred to as "PER CAPITA GRANT"). These funds shall be used for completion of the GRANT SCOPE(S).

The Grant Performance Period is from July 1, 20xx to June 30, 20xx.

II. GENERAL PROVISIONS

A. Definitions

As used in this CONTRACT, the following words shall have the following meanings:

1. The term "ACT" means the California Drought, Water, Parks Climate, Coastal Protection, and Outdoor Access for All Act of 2018, as referred to in section I of this CONTRACT.
2. The term "APPLICATION" means the individual project APPLICATION packet for a project pursuant to the enabling legislation and/or grant program process guide requirements.
3. The term "DEPARTMENT" or "STATE" means the California Department of Parks and Recreation.
4. The term "DEVELOPMENT" means capital improvements to real property by means of, but not limited to, construction, expansion, and/or renovation, of permanent or fixed features of the property.
5. The term "GRANTEE" means the party described as the GRANTEE in Section I of this CONTRACT.
6. The term "GRANT SCOPE" means the items listed in the GRANT SCOPE/Cost Estimate Form or acquisition documentation found in each of the APPLICATIONS submitted pursuant to this grant.
7. The term "PROCEDURAL GUIDE" means the document identified as the "Procedural Guide for California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 Per Capita Program." The PROCEDURAL GUIDE provides the procedures and policies controlling the administration of the grant.

B. Project Execution

1. Subject to the availability of GRANT MONIES in the act, the STATE hereby grants to the GRANTEE a sum of money not to exceed the amount stated in Section I of this CONTRACT, in consideration of, and on condition that, the sum be expended in carrying out the purposes as set forth in the enabling legislation and referenced in the APPLICATION, Section I of this CONTRACT, and under the terms and conditions set forth in this CONTRACT.

The GRANTEE shall assume any obligation to furnish any additional funds that may be necessary to complete the GRANT SCOPE(S).

The GRANTEE agrees to submit any change or alteration from the original GRANT SCOPE(S) in writing to the STATE for prior approval. This applies to any and all changes that occur after

STATE has approved the APPLICATION. Changes in the GRANT SCOPE(S) must be approved in writing by the STATE.

2. The GRANTEE shall complete the GRANT SCOPE(S) in accordance with the time of the Grant Performance Period set forth in Section I of this CONTRACT, and under the terms and conditions of this CONTRACT.
3. The GRANTEE shall comply with the California Environmental Quality Act (Public Resources Code, §21000, et seq., Title 14, California Code of Regulations, §15000 et seq.).
4. The GRANTEE shall comply with all applicable current laws and regulations affecting DEVELOPMENT projects, including, but not limited to, legal requirements for construction contracts, building codes, health and safety codes, and laws and codes pertaining to individuals with disabilities, including but not limited to the Americans With Disabilities Act of 1990 (42 U.S.C. §12101 et seq.) and the California Unruh Act (California Civil Code §51 et seq.).

C. Procedural Guide

1. GRANTEE agrees to abide by the PROCEDURAL GUIDE.
2. GRANTEE acknowledges that STATE may make reasonable changes to its procedures as set forth in the PROCEDURAL GUIDE. If STATE makes any changes to its procedures and guidelines, STATE agrees to notify GRANTEE within a reasonable time.

D. Project Administration

1. If GRANT MONIES are advanced for DEVELOPMENT projects, the advanced funds shall be placed in an interest bearing account until expended. Interest earned on the advanced funds shall be used on the project as approved by the STATE. If grant monies are advanced and not expended, the unused portion of the grant and any interest earned shall be returned to the STATE within 60 days after project completion or end of the Grant Performance Period, whichever is earlier.
2. The GRANTEE shall submit written project status reports within 30 calendar days after the STATE has made such a request. In any event, the GRANTEE shall provide the STATE a report showing total final project expenditures within 60 days of project completion or the end of the grant performance period, whichever is earlier. The Grant Performance Period is identified in Section I of this CONTRACT.
3. The GRANTEE shall make property or facilities acquired and/or developed pursuant to this contract available for inspection upon request by the STATE.

E. Project Termination

1. Project Termination refers to the non-completion of a GRANT SCOPE. Any grant funds that have not been expended by the GRANTEE shall revert to the STATE.
2. The GRANTEE may unilaterally rescind this CONTRACT at any time prior to the commencement of the project. The commencement of the project means the date of the letter notifying GRANTEE of the award or when the funds are appropriated, whichever is later. After project commencement, this CONTRACT may be rescinded, modified or amended only by mutual agreement in writing between the GRANTEE and the STATE, unless the provisions of this CONTRACT provide that mutual agreement is not required.
3. Failure by the GRANTEE to comply with the terms of the (a) PROCEDURAL GUIDE, (b) any legislation applicable to the ACT, (c) this CONTRACT as well as any other grant contracts, specified or general, that GRANTEE has entered into with STATE, may be cause for suspension of all obligations of the STATE unless the STATE determines that such failure was due to no fault of the GRANTEE. In such case, STATE may reimburse GRANTEE for eligible costs properly incurred in performance of this CONTRACT despite non-performance of the GRANTEE. To qualify for such reimbursement, GRANTEE agrees to mitigate its losses to the best of its ability.
4. Any breach of any term, provision, obligation or requirement of this CONTRACT by the GRANTEE shall be a default of this CONTRACT. In the case of any default by GRANTEE, STATE shall be entitled to all remedies available under law and equity, including but not limited to: a) Specific Performance; b) Return of all GRANT MONIES; c) Payment to the STATE of the fair market value of the project property or the actual sales price, whichever is higher; and d) Payment to the STATE of the costs of enforcement of this CONTRACT, including but not limited to court and arbitration costs, fees, expenses of litigation, and reasonable attorney fees.
5. The GRANTEE and the STATE agree that if the GRANT SCOPE includes DEVELOPMENT, final payment may not be made until the work described in the GRANT SCOPE is complete and the GRANT PROJECT is open to the public.

F. Budget Contingency Clause

If funding for any fiscal year is reduced or deleted by the budget act for purposes of this program, the STATE shall have the option to either cancel this contract with no liability occurring to the STATE, or offer a CONTRACT amendment to GRANTEE to reflect the reduced grant amount. This Paragraph shall not require the mutual agreement as addressed in Paragraph E, provision 2, of this CONTRACT.

G. Hold Harmless

1. The GRANTEE shall waive all claims and recourse against the STATE including the right to contribution for loss or damage to persons or property arising from, growing out of or in any way connected with or incident to this CONTRACT except claims arising from the concurrent or sole negligence of the STATE, its officers, agents, and employees.
2. The GRANTEE shall indemnify, hold harmless and defend the STATE, its officers, agents and employees against any and all claims, demands, damages, costs, expenses or liability costs arising out of the ACQUISITION, DEVELOPMENT, construction, operation or maintenance of the property described as the project which claims, demands or causes of action arise under California Government Code Section 895.2 or otherwise except for liability arising out of the concurrent or sole negligence of the STATE, its officers, agents, or employees.

3. The GRANTEE agrees that in the event the STATE is named as codefendant under the provisions of California Government Code Section 895 et seq., the GRANTEE shall notify the STATE of such fact and shall represent the STATE in the legal action unless the STATE undertakes to represent itself as codefendant in such legal action in which event the GRANTEE agrees to pay the STATE's litigation costs, expenses, and reasonable attorney fees.
4. The GRANTEE and the STATE agree that in the event of judgment entered against the STATE and the GRANTEE because of the concurrent negligence of the STATE and the GRANTEE, their officers, agents, or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither party shall request a jury apportionment.
5. The GRANTEE shall indemnify, hold harmless and defend the STATE, its officers, agents and employees against any and all claims, demands, costs, expenses or liability costs arising out of legal actions pursuant to items to which the GRANTEE has certified. The GRANTEE acknowledges that it is solely responsible for compliance with items to which it has certified.

H. Financial Records

1. The GRANTEE shall maintain satisfactory financial accounts, documents, including loan documents, and all other records for the project and to make them available to the STATE for auditing at reasonable times. The GRANTEE also agrees to retain such financial accounts, documents and records for five years following project termination or issuance of final payment, whichever is later.
The GRANTEE shall keep such records as the STATE shall prescribe, including records which fully disclose (a) the disposition of the proceeds of STATE funding assistance, (b) the total cost of the project in connection with such assistance that is given or used, (c) the amount and nature of that portion of the project cost supplied by other sources, and (d) any other such records that will facilitate an effective audit.
3. The GRANTEE agrees that the STATE shall have the right to inspect and make copies of any books, records or reports pertaining to this contract or matters related thereto during regular office hours. The GRANTEE shall maintain and make available for inspection by the STATE accurate records of all of its costs, disbursements and receipts with respect to its activities under this contract. Such accounts, documents, and records shall be retained by the GRANTEE for at least five years following project termination or issuance of final payment, whichever is later.
4. The GRANTEE shall use a generally accepted accounting system.

I. Use of Facilities

1. The GRANTEE agrees that the GRANTEE shall operate and maintain the property acquired or developed with the GRANT MONIES, for the duration of the Contract Performance Period.
2. The GRANTEE agrees that, during the Contract Performance Period, the GRANTEE shall use the property acquired or developed with GRANT MONIES under this contract only for the purposes of this grant and no other use, sale, or other disposition or change of the use of the property to one not consistent with its purpose shall be permitted except as authorized by the STATE and the property shall be replaced with property of equivalent value and usefulness as determined by the STATE.
3. The property acquired or developed may be transferred to another entity if the successor entity assumes the obligations imposed under this CONTRACT and with the approval of STATE.

4. Any real Property (including any portion of it or any interest in it) may not be used as security for any debt or mitigation, without the written approval of the STATE provided that such approval shall not be unreasonably withheld as long as the purposes for which the Grant was awarded are maintained. Any such permission that is granted does not make the STATE a guarantor or a surety for any debt or mitigation, nor does it waive the STATE'S rights to enforce performance under the Grant CONTRACT.
5. All real property, or rights thereto, acquired with GRANT MONIES shall be subject to an appropriate form of restrictive title, rights, or covenants approved by the STATE. If the project property is taken by use of eminent domain, GRANTEE shall reimburse STATE an amount at least equal to the amount of GRANT MONIES received from STATE or the pro-rated full market value of the real property, including improvements, at the time of sale, whichever is higher.
6. If eminent domain proceedings are initiated against GRANTEE, GRANTEE shall notify STATE within 10 days of receiving the complaint.

J. Nondiscrimination

1. The GRANTEE shall not discriminate against any person on the basis of sex, race, color, national origin, age, religion, ancestry, sexual orientation, or disability in the use of any property or facility developed pursuant to this contract.
2. The GRANTEE shall not discriminate against any person on the basis of residence except to the extent that reasonable differences in admission or other fees may be maintained on the basis of residence and pursuant to law.
3. All facilities shall be open to members of the public generally, except as noted under the special provisions of this project contract or under provisions of the enabling legislation and/or grant program.

K. Severability

If any provision of this CONTRACT or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of the CONTRACT which can be given effect without the invalid provision or application, and to this end the provisions of this CONTRACT are severable.

L. Liability

1. STATE assumes no responsibility for assuring the safety or standards of construction, site improvements or programs related to the GRANT SCOPE. The STATE'S rights under this CONTRACT to review, inspect and approve the GRANT SCOPE and any final plans of implementation shall not give rise to any warranty or representation that the GRANT SCOPE and any plans or improvements are free from hazards or defects.
2. GRANTEE will secure adequate liability insurance, performance bond, and/or other security necessary to protect the GRANTEE'S and STATE'S interest against poor workmanship, fraud, or other potential loss associated with completion of the grant project.

M. Assignability

Without the written consent of the STATE, the GRANTEE'S interest in and responsibilities under this CONTRACT shall not be assignable by the GRANTEE either in whole or in part.

N. Use of Grant Monies

GRANTEE shall not use any grant funds (including any portion thereof) for the purpose of making any leverage loan, pledge, promissory note or similar financial device or transaction, without: 1) the prior written approval of the STATE; and 2) any financial or legal interests created by any such leverage loan, pledge, promissory note or similar financial device or transaction in the project property shall be completely subordinated to this CONTRACT through a Subordination Agreement provided and approved by the STATE, signed by all parties involved in the transaction, and recorded in the County Records against the fee title of the project property.

N. Section Headings

The headings and captions of the various sections of this CONTRACT have been inserted only for the purpose of convenience and are not a part of this CONTRACT and shall not be deemed in any manner to modify, explain, or restrict any of the provisions of this CONTRACT.

O. Waiver

Any failure by a party to enforce its rights under this CONTRACT, in the event of a breach, shall *not* be construed as a waiver of said rights; and the waiver of any breach under this CONTRACT shall *not* be construed as a waiver of any subsequent breach.

GRANTEE

AUTHORIZED REPRESENTATIVE Signature Date

Print Name and Title

STATE OF CALIFORNIA DEPARTMENT OF PARKS AND RECREATION

AUTHORIZED REPRESENTATIVE Signature Date

Print Name and Title