

GRANT AGREEMENT

State of California - The Natural Resources Agency

GRANTEE NAME:

PROJECT TITLE:

AUTHORITY: Budget Act of 2022, Greenhouse Gas Reduction Fund

PROGRAM: Ocean Protection Council

AGREEMENT NUMBER:

Under the terms and conditions of this agreement, the applicant agrees to complete the Project Scope described in Exhibit A, and any subsequent amendments, and the State of California, acting through the Natural Resources Agency pursuant to the Budget Act of 2022, agrees to fund the project up to the total state grant amount indicated.

PROJECT DESCRIPTION

A detailed Project Scope and activities, project schedule and Project Budget are described and attached hereto as Exhibit A.

Grant Funds are to be used to provide local assistance for implementation of Chapter 236 of the Statutes of 2021 (SB 1) for the purposes of supporting local and regional governments, and for directly related investments to implement those plans, in accordance with the provisions contained in the Ocean Protection Council (OPC) Senate Bill 1 (SB 1) Grant Program Solicitation and this Agreement.

TERMS AND CONDITIONS OF GRANT

Special Provisions

1. All materials produced with grant funds shall include acknowledgement of grant funding. The Ocean Protection Council shall have the right to republish any material generated by this grant, unless otherwise specified.
2. Recipients of Grant Funds shall post signs acknowledging the source of the funds pursuant to the SB 1 Grant Program Solicitation and Application (Application Guidelines). Size, location and number of signs shall be determined by the State. Required signage must be in place before Grant Funds for construction will be released.
3. Upon completion of detailed Project design, plans and specifications, Grantee shall provide to the State for review and approval a revised detailed Project Budget, Project Scope and detailed site plan. If Project includes habitat restoration or landscaping, Grantee shall provide a planting palette demonstrating how native, low-water, drought-resistant vegetation will be used in the Project. Approval by the State of such plans and specifications, or any other approvals provided for in this Agreement, shall be for scope of work as described in Exhibit A and shall not relieve Grantee of the obligation

to construct and maintain the facilities, or carry out any other obligations required by this Agreement, in accordance with applicable law or any other standards ordinarily applied to such work or activity.

4. The Grantee may be required to record Deed Restrictions, incorporating by reference this Grant Agreement and giving public notice that the Grantee received Funds under this Agreement in order to assist Grantee in developing the real property and that, in consideration for the receipt of the Grant Funds, the Grantee has agreed to the terms of this Agreement.
5. As conditions precedent to the State's obligation to make any construction funding available pursuant to this Agreement, Grantee shall first provide evidence of compliance with CEQA. Grant Funds for planning and document preparation may be available sooner if included in the grant Project Scope (Exhibit A) and approved by the State. In such instances, CEQA compliance shall be completed within one (1) year from the Grant Agreement start date, unless an extension is granted by the State.
6. If the Grantee is a nonprofit organization and ceases to exist, all of its rights, title and interest in the real property shall vest in the State of California. The State may, at its discretion, identify an appropriate public or private entity to accept the right, title and interest in the real property in lieu of the State.
7. As conditions precedent to the State's obligation to make any funding available pursuant to this Agreement, Grantee shall first provide evidence of adequate land tenure and evidence that the project will be operated and maintained for a minimum of twenty (20) years satisfactory to the State for all land to be improved under this Agreement, unless otherwise specified in writing by the Executive Director.

General Provisions

A. Definitions

1. The term "Act" means Assembly Bill (AB) 32, the California Global Warming Solutions Act of 2006.
2. The term "Agreement" means this Grant Agreement.
3. The term "Application" means the individual application form, its required attachments for grants pursuant to the enabling legislation and/or program and any applicable materials supplied by applicant to the Natural Resources Agency prior to award.
4. The term "Application Guidelines" means the SB 1 Grant Program Solicitation and Application.
5. The term "Development" means improvement, rehabilitation, restoration, enhancement, preservation, protection and interpretation or other similar activities
6. The term "Fair Market Value" means the value placed upon the property as supported by an appraisal that has been reviewed and approved by the California Department of General Services (DGS).

7. The term "Grant" or "Grant Funds" means the money provided by the State to the Grantee in this Agreement.
8. The term "Grantee" means an applicant who has a signed agreement for Grant Funds.
9. The term "Interpretation" means visitor-serving amenities that communicate the significance and value of natural, historical and cultural resources in a manner that increases the understanding and enjoyment of these resources, or other similar activities.
10. The term "Other Sources of Funds" means cash or in-kind contributions that are required or used to complete the Project beyond the Grant Funds provided by this Agreement.
11. The term "Project" means the Development activity described in the application as modified by Exhibit A to be accomplished with Grant Funds.
12. The term "Project Budget" means the State approved cost estimate included as Exhibit A to this Agreement.
13. The term "Project Scope" means the description or activity for work to be accomplished by the Project.
14. The term "Public Agency" means any State of California department or agency, a county, city, public district or public agency formed under California law.
15. The term "State" means the Secretary for Natural Resources or his/her representatives, or other political subdivision of the State.

B. Project Execution

1. Subject to the availability of funds in the Act, the State hereby grants to the Grantee a sum of money (Grant Funds) not to exceed the amount stated on the signature page in consideration of and on condition that the sum be expended in carrying out the purposes as set forth in the description of Project in this Agreement and its attachments and under the Terms and Conditions set forth in this Agreement.
2. Grantee shall furnish any and all additional funds that may be necessary to complete the Project.
3. Grantee shall complete the Project in accordance with the Project Performance Period set forth on the signature page, unless an extension has been formally granted by the State and under the Terms and Conditions of this Agreement. Extensions may be requested in advance and will be considered by State, at its sole discretion, in the event of circumstances beyond the control of the Grantee, but in no event beyond **March 31, 2029**.
4. Grantee shall at all times ensure that Project complies with the California Environmental Quality Act (CEQA) (Public Resources Code, Division 13, commencing with section 21000, et. seq., Cal Code Regs tit. 14, section 15000 et.

seq.) and all other environmental laws, including but not limited to obtaining all necessary permits. Grant Funds will not be disbursed before the close of the period for legal challenge under CEQA.

Grant Funds for planning and document preparation may be available sooner if included in the grant Project Scope (Exhibit A) and approved by the State. CEQA compliance shall be completed within one (1) year from the Grant Agreement start date, unless an extension is granted by the State.

Changes to the scope resulting from CEQA compliance are permitted provided the State determines that the project continues to meet all objectives of the SB 1 Grant Program and is consistent with the intent cited in the original Application.

If a grantee's project is disapproved on grounds related to the Resource Agency's CEQA determination, the grantee shall have the option of either: (1) reimbursing the Resource Agency for all State-reimbursed preliminary costs (e.g., planning, design, etc.), or (2) relinquishing any planning/design documents, including all copies, reproductions, and variations resulting from said funding, without a license to use or otherwise retain in any form.

5. Projects must comply with any applicable laws pertaining to prevailing wage and labor compliance.
6. Grantee certifies that the Project does and will continue to comply with all current laws and regulations which apply to the Project, including, but not limited to, legal requirements for construction contracts, building codes, environmental laws, health and safety codes, and disabled access laws. Grantee certifies that, prior to commencement of construction, all applicable permits and licenses (e.g., state contractor's license) will have been obtained.
7. Grantee shall provide access by the State upon 24 hours' notice to determine if Project work is in accordance with the approved Project Scope, including a final inspection upon Project completion.
8. Prior to the commencement of any work, Grantee agrees to submit in writing to the State for prior approval any deviation from the original Project Scope per Exhibit A and the Application. Changes in Project Scope must continue to meet the need cited in the original application or they will not be approved. Any modification or alteration in the Project as set forth in the Application on file with the State must be submitted to the State for approval. Any modification or alteration in the Project must also comply with all current laws and regulations, including but not limited to CEQA.
9. For projects involving construction or implementation, Grantee shall provide for public access to the Project in accordance with the intent of the Act.
10. For projects involving construction or implementation, Grantee must have (1) fee title, (2) leasehold, or (3) other interest to Project lands and demonstrate to the satisfaction of the State that the proposed Project will provide public benefits that are commensurate with the type and duration of the interest in land. Any acquisition of Project lands by Grantee following award shall not involve eminent domain proceedings or threat of eminent domain proceedings.

11. For projects involving construction or implementation, Grantee shall promptly provide photographs of the site during and after implementation of Project at the request of the State.
12. Grantee shall provide status reports of the work performed pursuant this agreement at the request of the State.

C. Project Costs

1. Any Grant Funds provided to Grantee under this Agreement will be disbursed for eligible costs, on a reimbursement basis, as follows, but shall not exceed in any event the amount set forth on the signature page of this Agreement:
 - a. Up to ten percent (10%) of the reimbursement amount will be held back and issued as a final payment upon completion of the Project.
 - b. Remaining Grant Funds shall be paid up to the total amount of the Grant Funds or the actual Project cost, whichever is less, upon completion of the Project, receipt of a detailed summary of Project costs from the Grantee found to be satisfactory by the State, and as applicable, the satisfactory completion of a site inspection by the State.
 - c. Invoices must be submitted on a quarterly basis. If quarters are lumped into larger invoices, OPC reserves the right to reject the invoices until the Grantee resubmits quarterly invoices.

If all or any part of the project to be funded under this agreement will be performed by third parties under contract with the grantee, then the Grantee should, prior to executing an agreement for services, seek the approval of the Executive Director or his/her designee on the selection of the third party. The Grantee shall then comply with the above paragraph regarding submission and approval of a work program prior to project commencement.

2. Payment Documentation:
 - a. All payment requests must be submitted using a completed Request for Disbursement Form. This form must be accompanied by an itemized list of all expenditures that clearly documents the check numbers, dates, recipients, line-item description as described in the Project Budget approved by the State and amounts. Each payment request must also include proof of payment such as receipts, paid invoices, canceled checks or other forms of documentation demonstrating payment has been made. An authorized representative of the Grantee shall sign the form.
 - b. In connection with submission of each form, the Grantee shall also submit, unless the Executive Director makes a specific exemption, the following:
 1. An itemized ledger, in a form approved by an authorized representative, detailing all direct expenditures incurred by the grantee and any subgrantee.

2. Receipts, travel expense vouchers and claim forms for travel expenses incurred by the Grantee and any subgrantee. The State will reimburse the Grantee for expenses necessary to the project when documented by appropriate receipts. The State will reimburse travel and related expenses at actual costs not to exceed the rates provided in Title 2, Division 1, Chapter 3, Subchapter 1, Article 2 of the California Code of Regulations ("CCR"), except that reimbursement may be in excess of these rates upon documentation that these rates are not reasonably available to the Grantee. Reimbursement for the cost of operating a private vehicle shall not, under any circumstance, exceed the current rate specified by the State of California for unrepresented state employees as of the date the cost is incurred. The State will reimburse the Grantee for other necessary expenses if those expenses are reasonable in nature and amount taking into account the nature of the project, its location, and other relevant factors.
 3. Receipts or any other source documents for direct expenditures for any purchase of equipment or materials by the Grantee and any subgrantee.
 4. A supporting progress report from the grantee summarizing the work that was completed during the invoice period and the current status of the work for which disbursement is sought, including work by any subgrantee, and comparing it to the status required by the Work Program (budget, timeline, tasks, etc.).
- c. The Grantee's failure to fully execute and submit a Request for Disbursement form, including attachment of supporting documents, may relieve the State of its obligation to disburse funds to the Grantee unless and until the Grantee corrects all deficiencies.
 - d. Notwithstanding the foregoing, the Executive Director may request, and the Grantee shall provide, receipts or other source documents for any other direct expenditure or cost as described in the ledger, as and when necessary to resolve any substantial issue concerning reimbursement.
 - e. Any payment request that is submitted without the required itemization and documentation will not be authorized. If the payment request package is incomplete, inadequate or inaccurate, the State will inform the Grantee and hold the payment request until all required information is received or corrected. Any penalties imposed on the Grantee by a contractor, or other consequence, because of delays in payment will be paid by the Grantee and is not reimbursable under this Agreement.
3. Grant Funds in this award have a limited period in which they must be expended. Grantee expenditures funded by the State must occur within the time frame of the Project Performance Period as indicated in this Agreement.
 4. Except as otherwise provided herein, the Grantee shall expend Grant Funds in the manner described in the Exhibit A approved by the State. The total dollars of a category in the Project Budget may be increased by up to ten percent (10%) through a reallocation of funds from another category, without approval by the State.

However, the Grantee shall notify the State in writing when any such reallocation is made, and shall identify both the item(s) being increased and those being decreased. Any cumulative increase or decrease of more than ten percent (10%) from the original budget in the amount of a category must be approved by the State. In any event, the total amount of the Grant Funds may not be increased, nor may any adjustments exceed the limits for management costs as described in the Application Guidelines.

D. Project Administration

1. Grantee shall promptly submit written Project reports and/or photographs upon request by the State. In any event Grantee shall provide the State a report showing total final Project expenditures with the final Request for Disbursement and required closing documents.
2. Grantee shall make property and facilities acquired or developed pursuant to this Agreement available for inspection upon request by the State.
3. Grantee shall use any income earned by the Grantee from use of the Project to further Project purposes, or, if approved by the State, for related purposes within the jurisdiction.
4. Grantee shall submit all documentation for Project completion, including a notice of completion as applicable and final reimbursement within ninety (90) days of Project completion, but in no event any later than **April 20, 2029**.
5. Final payment is contingent upon State verification that Project is consistent with Project Scope as described in Exhibit A, together with any State approved amendments.
6. This Agreement may be amended by mutual agreement in writing between Grantee and State. Any request by the Grantee for amendments must be in writing stating the amendment request and reason for the request. The Grantee shall make requests in a timely manner and in no event less than sixty (60) days before the effective date of the proposed amendment.
7. Grantee must report to the State all sources of other funds for the Project.

E. Project Termination

1. Prior to the completion of Project construction, either party may terminate this Agreement by providing the other party with thirty (30) days' written notice of such termination. The State may also terminate this Grant Agreement for any reason at any time if it learns of or otherwise discovers that there is a violation of any state or federal law or policy by Grantee which affects performance of this or any other grant agreement or contract entered into with the State.
2. If the State terminates without cause the Agreement prior to the end of the Project Performance Period, the Grantee shall take all reasonable measures to prevent further costs to the State under this Agreement. The State shall be responsible for any reasonable and non-cancelable obligations incurred by the Grantee in the

performance of the Agreement prior to the date of the notice to terminate, but only up to the undisbursed balance of funding authorized in this Agreement.

3. If the Grantee fails to complete the Project in accordance with this Agreement, or fails to fulfill any other obligations of this Agreement prior to the termination date, the Grantee shall be liable for immediate repayment to the State of all amounts disbursed by the State under this Agreement, plus accrued interest and any further costs related to the Project. The State may, at its sole discretion, consider extenuating circumstances and not require repayment for work partially completed provided that the State determines it is in the State's best interest to do so. This paragraph shall not be deemed to limit any other remedies available to the State for breach of this Agreement.
4. Failure by the Grantee to comply with the terms of this Agreement or any other Agreement under the Act may be cause for suspension of all obligations of the State hereunder.
5. Failure of the Grantee to comply with the terms of this Agreement shall not be cause for suspending all obligations of the State hereunder if, in the judgment of the State, such failure was due to no fault of the Grantee. At the discretion of the State, any amount required to settle at minimum cost any irrevocable obligations properly incurred shall be eligible for reimbursement under this Agreement.
6. Because the benefit to be derived by the State, from the full compliance by the Grantee with the terms of this Agreement, includes developing sea level rise adaptation plans, and for directly related investments to implement those plans, because such benefit exceeds to an immeasurable and unascertainable extent the amount of money furnished by the State by way of Grant Funds under the provisions of this Agreement, the Grantee agrees that payment by the Grantee to the State of an amount equal to the amount of the Grant Funds disbursed under this Agreement by the State would be inadequate compensation to the State for any breach by the Grantee of this Agreement. The Grantee further agrees therefore, that the appropriate remedy in the event of a breach by the Grantee of this Agreement shall be the specific performance of this Agreement, unless otherwise agreed to by the State.

F. Hold Harmless

1. Grantee shall waive all claims and recourses 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 Agreement, except claims arising from the gross negligence of State, its officers, agents and employees.
2. Grantee shall indemnify, hold harmless and defend State, its officers, agents and employees in perpetuity against any and all claims, demands, damages, costs, expenses or liability costs arising out of the Project, including Development, construction, operation or maintenance of the property described in the Project description which claims, demands or causes of action arise under Government Code Section 895.2 or otherwise, including but not limited to items to which the Grantee has certified, except for liability arising out of the gross negligence of State,

its officers, agents or employees. Grantee acknowledges that it is solely responsible for compliance with items to which it has certified.

3. Grantee and State agree that in the event of judgment entered against the State and Grantee because of the gross negligence of the State and 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.

G. Audit Requirements and Financial Records

1. OPC projects are subject to audit by the State annually and for three (3) years following the payment of Grant Funds. Grantee shall maintain satisfactory financial accounts, documents, records, and supporting documentation consistent with the policies outlined in this Agreement and to make them available to the State for auditing at reasonable times. Grantee shall also retain such financial accounts, documents, records, and supporting documentation for three (3) years after final payment and one (1) year following an audit on site. OPC shall maintain all grant records for 35 years at the State Records Center and in perpetuity if funds are granted for acquisition of real property, in accordance with all applicable protocols as updated and required by the State Treasurer's Office.
2. Grantee agrees that during regular office hours, the State and its duly authorized representatives shall have the right to inspect and make copies of any books, records or reports of the Grantee pertaining to this Agreement or matters related thereto. 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 Agreement.
3. Grantee shall use applicable generally accepted accounting principles, unless otherwise agreed to by the State.
4. If Grantee stated in the Application for funding and/or Work Plan that other sources of funding will be used to complete the Project, the Grantee shall establish internal systems to track expenditures of matching or in-kind funds on a regular basis and will make the documentation available to the State upon request.

H. Use of Facilities

1. If the project involves real property, the property (including any portion of it or any interest in it) may not be sold or transferred without the written approval of the State of California, acting through the Natural Resources Agency, or its successor, provided that such approval shall not be unreasonably withheld as long as the purposes for which the Grant was awarded are maintained.
2. Grantee shall maintain, operate and use the Project in fulfillment of the purpose funded pursuant to this Grant for a minimum of **20 YEARS**, consistent with the Land Tenure/Site Control requirements included in the Application Guidelines. An alternate period may be considered and subject to approval by the Executive Director. The Grantee, or the Grantee's successor in interest in the property, may assign without novation the responsibility to maintain and operate the property in

accordance with this requirement only with the written approval of the State. Grantee may be excused from its obligations for operation and maintenance of the Project site only upon the written approval of the State for good cause. "Good cause" includes, but is not limited to, natural disasters that destroy the Project improvements and render the Project obsolete or impracticable to rebuild.

3. Grantee shall use the property for the purposes for which the Grant was made and shall make no other use or sale or other disposition of the property. This Agreement shall not prevent the transfer of the property from the Grantee to a Public Agency, if the successor Public Agency assumes the obligations imposed by this Agreement.
4. If the use of the property is changed to a use that is not permitted by the Agreement, or if the property is sold or otherwise disposed of, at the State's sole discretion, an amount equal to (1) the amount of the Grant (2) the Fair Market Value of the real property, or (3) the proceeds from the sale or other disposition, whichever is greater, may be reimbursed to the State. If the property sold or otherwise disposed of is less than the entire interest in the property funded in the Grant, an amount equal to either the proceeds from the sale or other disposition of the interest or the Fair Market Value of the interest sold or otherwise disposed of, whichever is greater, shall be reimbursed to the State.
5. The Grantee shall not use or allow the use of any portion of the real property for mitigation without the written permission of the State.
6. The Grantee shall not use or allow the use of any portion of the real property as security for any debt.

I. Nondiscrimination

1. During the performance of this grant, grantee and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any person because of sex, sexual orientation, race, color, religious creed, marital status, denial of family and medical care leave, ancestry, national origin, medical condition (cancer/genetic characteristics), age (40 and above), disability (mental and physical) including HIV and AIDS, denial of pregnancy disability leave or reasonable accommodation. Grantee and subcontractors shall ensure that the evaluation and treatment of all persons, and particularly their employees and applicants for employment are free from such discrimination and harassment. Grantee and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, §12900 et seq.) and the applicable regulations promulgated thereunder (Cal. Code Regs, tit. 2, §7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, §12990 (a)–(f), are incorporated into this grant by reference and made a part hereof as if set forth in full (Cal. Code Regs, tit. 2, §7285.0 et seq.). Grantee shall include this non-discrimination and compliance provisions of this clause in all subcontracts to perform work under the grant.
2. The Grantee shall not discriminate against any person on the basis of residence except to the extent that reasonable difference in admission or other fees may be maintained on the basis of residence and pursuant to law.

3. The completed Project and all related facilities shall be open to members of the public generally, except as noted under the special provisions of this Agreement or under provisions of the Act.

J. Application Incorporation

The Grant Guidelines and the Application and any subsequent changes or additions to the Application approved in writing by the State are hereby incorporated by reference into this Agreement as though set forth in full in this Agreement.

K. Severability

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

L. Waiver

No term or provision hereof will be considered waived by either party, and no breach excused by either party, unless such waiver or consent is in writing and signed on behalf of the party against whom the waiver is asserted. No consent by either party to, or waiver of, a breach by either party, whether expressed or implied, will constitute consent to, waiver of or excuse of any other, different or subsequent breach by either party.

M. Assignment

Except as expressly provided otherwise, this Agreement is not assignable by the Grantee either in whole or in part.

N. Disputes

If the Grantee believes that there is a dispute or grievance between Grantee and the State arising out of or relating to this Agreement, the Grantee shall first discuss and attempt to resolve the issue informally with the Project Manager. If the issue cannot be resolved at this level, the Grantee shall follow the following procedures:

1. If the issue cannot be resolved informally with the Project Manager, the Grantee shall submit, in writing, a grievance report together with any evidence to the Deputy Director of OPC. The grievance report must state the issues in the dispute, the legal authority, or other basis for the Grantee's position and the remedy sought. Within ten (10) working days of receipt of the written grievance report from the Grantee, the Deputy Director shall make a determination on the issue(s) and shall respond in writing to the Grantee indicating the decision and reasons therefore. Should the Grantee disagree with the Deputy Director's decision, the Grantee may appeal to the Executive Director of the OPC.
2. The Grantee must submit a letter of appeal to the Executive Director explaining why the Deputy Director's decision is unacceptable. The letter must include, as an attachment, copies of the Grantee's original grievance report, evidence originally submitted, and response from the Deputy Director. The Grantee's letter of appeal

must be submitted within ten (10) working days of the receipt of the Deputy Director's written decision. The Executive Director or designee shall, within twenty (20) working days of receipt of Grantee's letter of appeal, review the issues raised and shall render a written decision to the Grantee. The decision of the Executive Director or designee shall be final.

O. Insurance

Throughout the term of this agreement, for the life of any asset funded by the grant monies awarded pursuant to this agreement, or for any period of project implementation after the termination date of this agreement, the Grantee shall maintain self-insurance, as specified in this section, against claims for injuries to persons or damage to property that may arise from or in connection with any activities by the Grantee or its agents, representatives, employees, volunteers, or contractors associated with the project undertaken pursuant to this Agreement.

If the Grantee provides funds to any contractor to accomplish any of the work of this Agreement or provides funds to any subgrantee to carry out a project under this Agreement, the Grantee shall first enter into an agreement with each subgrantee or contractor requiring it to provide and maintain liability and property-damage insurance, as specified in this section, against claims for injuries to persons or damage to property that may arise from or in connection with any activities by the subgrantee or contractor, or its agents, representatives, employees, or volunteers, associated with the project undertaken pursuant to this Agreement. As an alternative, with the written approval of the Executive Director, the subgrantee or contractor may satisfy the coverage required by this section in whole or in part through: (a) its participation in a "risk management" plan, self-insurance program or insurance pooling arrangement, or any combination of these, if consistent with the coverage required by this section. Required insurance shall be maintained from the commencement date through the completion date of the work undertaken by the subgrantee or contractor under the approved Work Program.

1. Minimum Scope of Insurance. Coverage shall be at least as broad as:

- a. Insurance Services Office ("ISO") Commercial General Liability coverage (occurrence Form CG 0001) or ISO Comprehensive General Liability form (1973) or comparable with Broad Form Comprehensive General Liability endorsement.
- b. Automobile Liability coverage - ISO Form Number CA 0001, Code 1 (any auto).
- c. Workers' Compensation insurance as required by the Labor Code of the State of California.

2. Minimum Limits of Insurance. Grantee shall maintain coverage limits no less than:

- a. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the activities under this (Including operations, products and

completed operations, agreement or the general aggregate limit shall be twice
as applicable) the required occurrence limit.

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

3. Use of Watercraft. If the subgrantee or contractor is to engage in project work involving the use of watercraft, it shall provide and maintain insurance covering injury to person or property in connection with the use of watercraft, which may include, as appropriate, an endorsement to a Commercial General Liability policy covering non-owned watercraft liability or Protection and Indemnity Insurance or Jones Act coverage. Coverage shall be in a reasonable amount in light of the nature of the activity and shall be documented and approved by the Executive Director.
4. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the Executive Director.
5. Required Provisions. Each insurance policy required by this section shall be endorsed to state that coverage shall not be canceled by either party, except after thirty days' prior written notice by certified mail, return receipt requested, has been given to the OPC. The general liability and automobile liability policies are to contain, or to be endorsed to contain, the following provisions:
 - a. The State of California, its officers, agents, and employees are to be covered as insured with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Grantee; and with respect to liability arising out of work or operations performed by or on behalf of the Grantee including materials, parts or equipment furnished in connection with such work or operations.
 - b. For any claims related to this agreement, the Grantee's insurance coverage shall be primary insurance with respect to the State of California, its officers, agents and employees.
 - c. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.
6. Acceptability of Insurers. Insurance shall be placed with insurers admitted to transact business in the State of California and having a current Best's rating of "B+:VII" or better or, in the alternative, acceptable to the OPC and approved in writing by the Executive Director.
7. Verification of Coverage. The Grantee shall furnish the Executive Director with original certificates and amendatory endorsements effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Executive Director before work commences. The OPC reserves the right to

require complete, certified copies of all required insurance policies, including endorsements affecting the coverage, at any time.

8. Premiums and Assessments. The OPC is not responsible for premiums and assessments on any insurance policy.
9. Indemnity. The grantee shall agree to indemnify and hold harmless the State of California, acting by and through the OPC, and any employee or agent thereof harmless from any liability, loss or damage that may be suffered as a result of claims, demands, costs or judgments against them arising out of the activities to be carried out pursuant to the obligations of this Agreement, including, but not limited to, the use by Grantee of results obtained from the activities performed under this agreement; provided, however, that any such liability, loss or damage resulting from this agreement was not caused by the gross negligence or malfeasance of the OPC, its employees or agents.