

APPROVED

AUG 19 2021

BOARD OF RECREATION AND PARK COMMISSIONERS

BOARD REPORT

NO. 21-142

DATE August 19, 2021

C.D. 1

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: **LOCALLY-OPERATED STATE PARKS PROGRAM (LOSPP) – AUTHORITY TO APPLY AND SUBMIT APPLICATION, APPROVAL OF PROJECT SCOPE AND BUDGET, RESOLUTION; ACCEPTANCE OF GRANT FUNDS IF AWARDED**

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

M. Stuss
General Manager

Approved X Disapproved _____ Withdrawn _____

If Approved: Board President *Stepie Patanucas* Board Secretary *H. Amillo*

RECOMMENDATIONS

1. Approve the proposed project scope and budget, in the amount of \$1,500,000.00 (One Million, Five Hundred Thousand Dollars) submitted by the Department of Recreation and Parks (RAP) to the State of California, Department of Parks and Recreation (State) under Locally-Operated State Parks Program (LOSPP) Grant, for the Rio de Los Angeles State Park, as operated by RAP, 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, detailing at Rio de Los Angeles State Park Renovations for which Rap is the applicant of the LOSPP Grant funds, and designates RAP's General Manager, Executive Officer, or Assistant General Manager, 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 to apply for the LOSPP Grant funds, pursuant to the Los Angeles Administrative Code Section 14.6 et seq.;
4. Authorize RAP's General Manager to accept and receive the LOSPP Grant funds, if awarded and subsequent to Mayor and City Council approval of such acceptance, and to execute a grant agreement with the State for the RAP Projects for the scope and amount as more fully set forth in this Report and with terms substantially similar to those set forth in the sample

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grant agreement attached to this Report as Attachment No. 2, subject to the approval of the Mayor and City Council and City Attorney approval as to form;

5. Direct RAP staff to transmit a copy of the LOSPP Grant award, if and when awarded, to the Mayor, CAO, CLA, and to the City Clerk, pursuant to the Los Angeles Administrative Code Division 14, as may be amended;
6. 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 LOSPP Grant funds upon acceptance of LOSPP Grant award funds by RAP after obtaining all necessary approvals; and
7. Authorize RAP staff to make necessary technical corrections to carry out the intent of this Report.

SUMMARY

On June 5, 2018, Proposition 68 (Prop 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 \$4,625,000 has been dedicated to the Locally-Operated State Park Program (LOSPP) to be awarded on a competitive basis.

On June 7, 2021, the State released a LOSPP grant under the Prop 68 program and in the amount of \$4,625,000 to be awarded statewide. LOSPP awards grant funds for renovation of aging infrastructure in urgent need of repair within a locally-operated unit of the California State Park system. New recreational features are not eligible under the LOSPP grant. This grant is for the renovation/repairs of recreational features and major supporting amenities for the recreation features. The LOSPP applications are due August 30, 2021.

PROJECT ELIGIBILITY

LOSPP requires applicants to be a local public agency that have a current operating agreement for one of the State Parks. RAP has an existing operating agreement with the State for the Rio de Los Angeles State Park.

There is a match requirement of a minimum of 25% of the total project costs. The match requirement may be waived if the project is in severely disadvantaged communities with a median household income of \$42,737 or disadvantaged communities with a median household income of \$56,982. The average household income of the area around the Rio de Los Angeles State Park is \$49,513 and therefore the match requirement may be waived.

RAP previously submitted a Round 3 Proposition 68 Statewide Park Development and Community Revitalization Program Grant (Prop 68 SPP) application for Rio de Los Angeles State Park. However, the project was not awarded funding because the term of the existing operating

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lease agreement between the State and RAP did not meet the 30-year lease term required under the Prop 68 SPP Round 3 grant. The term could only be extended by the State Legislature and RAP was unable to meet the grant deadline of August 5, 2019 for the extension/renewal (Report #19-165). The lease term requirement for the Prop 68 SPP Round 3 grant is not expected to be a determining consideration under the LOSPP grant as the improvements are supported by the local State Parks Area Superintendent.

PROJECT SCOPE

RAP proposes the following improvements at the Park should the LOSPP Grant be awarded:

All improvements will be located at the south end of the park. RAP will renovate 2 dilapidated natural turf soccer fields, transforming them into a total of three (3) fields. There will be two synthetic soccer fields, one multipurpose soccer field, size U-13, intended for use in both American style football and soccer; and, the other synthetic field will be size U-11 and dedicated solely to soccer. The third field lies between the two synthetic fields and will be a natural turf soccer field (size U-10). All three fields will also include new field lighting so the fields may be used beyond daylight hours while the park is open.

In addition to the soccer field improvements, RAP proposes to renovate the existing picnic area near soccer fields at south end of park, provide new pedestrian lighting including security lighting and cameras, renovate the existing south end parking lot and add security lighting and cameras, provide new shade structures, renovate existing south end walking paths, and add new landscaping and trees. RAP estimates the project costs will total \$8.9 million and require 24-30 months to complete.

The LOSPP grant will complete the funding needed to fund the project and will apply to the project proportionally. The funding for this project is identified in the Fiscal Impact portion of this report.

RESOLUTION REQUIREMENTS

As part of the LOSPP, each application must include a resolution that is adopted by the respective legislative body authorizing the grant submittal and dictating the terms of the funding. Attachment No. 1 to this Report is the required Resolution to be considered by the Board of Recreation and Park Commissioners, City Council and Mayor. The resolution must be certified by the City Clerk and transmitted by RAP to the State, Office of Grants and Local Services within 90 days of the August 30, 2021 deadline.

COMMUNITY OUTREACH AND ENGAGEMENT

The LOSPP grant application guidelines does not have a requirement for community engagement. However, RAP recognizes the importance of community engagement in local parks and making certain community input is received. RAP staff completed five (5) Community Outreach and Engagement Meeting for the Prop 68 SPP Round 3 grant. The community was very involved in these meetings and continue to voice support for these improvements to this park. RAP also worked closely with the Mayor's Office on the proposed improvements. The

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Mayor’s Office has maintained close relationships with the community in anticipation of the development of other open space projects adjacent to the Rio de Los Angeles State Park.

ENVIRONMENTAL IMPACT

There is no environmental impact as a result of the proposed LOSPP project at this time. Prior to undertaking the activities for which the grant is being sought, as lead agency for the Rio de Los Angeles State Park, RAP must perform, complete, and certify the adequacy of the environmental review in accordance with the California Environmental Quality Act (CEQA). The appropriate CEQA documentation for this project was previously submitted for consideration by the State for the Proposition 68 Round 3 applications and the CEQA determination was approved by the Board in Board Report 19-200. The scope of work has not changed, so no further CEQA determination is required at this time.

An approved CEQA determination for each project must be submitted to State Office of Grants and Local Services prior to the State authorizing any cost reimbursements to RAP. Such plans and specifications shall include environmental findings/assessments and relevant CEQA determinations and documentation.

FISCAL IMPACT

There is no immediate fiscal impact to RAP’s General Fund in applying for the LOSPP funds. If awarded and the improvements re implemented, the request for maintenance funding will be addressed through the regular budget process.

The funding sources for the Rio de Los Angeles State Park project are as follows:

State of California Budgetary Earmark to the park	\$4,750,000.00
Quimby allocation	\$1,900,000.00
HUD Community Development Block Grant (CDBG) allocation	\$ 750,000.00
<u>LOSPP Grant Funding</u>	<u>\$1,500,000.00</u>
Total Funds	\$8,900,000.00

STRATEGIC PLAN INITIATIVES AND GOALS

Grant funding opportunities have a cascading effect on several strategic plan initiatives and goals of RAP. Parks are safer, communities are healthier, and recreational programming opportunities are often expanded. The Prop 68 grants will have a positive impact across the board. More specifically, approval of this Board Report advances RAP’s Strategic Plan by supporting:

- Goal No. 3:** Create and Maintain World Class Parks and Facilities
- Outcome No. 1:** Newly developed open space park projects and the redesign of signature City Parks
- Key Milestone:** Number of major park projects completed
- Target:** 6 by 2022

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Result: Funding requests are for 12 additional small, medium, and large community parks throughout Los Angeles have been considered by RAP with significant input from the respective communities.

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. Locally-Operated State Parks Program Resolution
2. Pro-forma Grant Contract required of Grant Awardees/Recipients

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LOS ANGELES

**Approving the Application for LOCALLY-OPERATED STATE PARK PROGRAM
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 Locally-Operated State Park Grant Program, setting up necessary procedures governing the application; and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the Applicant to certify by resolution the approval of the application before submission of said application to the State; and

WHEREAS, successful Applicants will enter into a contract with the State of California to complete the Grant Scope project;

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

APPROVES THE FILING OF AN APPLICATION FOR THE RIO DE LOS ANGELES STATE PARK; AND

1. Certifies that said Applicant has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project; and
2. Certifies that if the project is awarded, the Applicant has or will have sufficient funds to operate and maintain the project, and
3. Certifies that the Applicant has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide; and
4. Delegates the authority to 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; and
5. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.
6. Will consider promoting inclusion per Public Resources Code §80001(b)(8 A-G).

Approved and adopted the _____ day of _____, 20_____

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City Council of the City of Los Angeles at its meeting of _____.

HOLLY L. WOLCOTT, City Clerk

By: _____

Competitive Grant Program Contract



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

Sample Grant Contract Competitive Grant Program

GRANTEE: Grantee Name

GRANT PERFORMANCE PERIOD is from July 1, 2019 through June 30, 2024

CONTRACT PERFORMANCE PERIOD is from July 1, 2019 through June 30, 2049

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	FISCAL YEAR	
		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 "COMPETITIVE GRANT PROGRAM 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 found in each of the APPLICATIONS submitted pursuant to this grant.
7. The term "GUIDES" means (1) the document identified as the "Grant Administration Guide for California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 Competitive Grant Programs Capital Improvement Projects" and (2) The Application Guide that established the competitive procedures and policies for the selection of projects.

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 scope described 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 Performance Period set forth in Section I of this CONTRACT, and under the terms and conditions of this contract.

To maintain the integrity of the competitive grant program, the GRANTEE agrees that any other project changes or alterations which deviate from the intent of the project selection criteria provided by the GRANTEE in the original competitive APPLICATION must be submitted in writing to the STATE for prior approval.

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 GUIDES.
2. GRANTEE acknowledges that STATE may make reasonable changes to its procedures as set forth in the GUIDES. 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) GUIDES, (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.
2. 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.
3. 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.
4. 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.

5. 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.

O. 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.

P. 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