



HARBOR COMMUNITY
BENEFIT FOUNDATION

To: Eugene Seroka, Executive Director, Port of Los Angeles

From: Ben Schirmer, Executive Director, Harbor Community Benefit Foundation
David Sloane, Board Chair, Harbor Community Benefit Foundation

Cc: Doane Liu, Deputy Executive Director and Chief of Staff, Port of Los Angeles
Joy Crose, Assistant General Counsel, Port of Los Angeles
Sharron Scheiber, Staff Counsel, State Lands Commission
Michael Jenkins, Jenkins and Hogin, LLP, Counsel for HCBF

Date: **September 20, 2016**

Re: Community Benefit Grant Program, Round 4 & PCMTF Transfer

INTRODUCTION

In accordance with the Operating Agreement of the TraPac Memorandum of Understanding (Operating Agreement), Section 5.A. Project Funding, the Harbor Community Benefit Foundation (HCBF) hereby submits a request to approve a transfer of funds from the Port Community Mitigation Trust Fund (PCMTF) in support of its Community Benefit Grant Program, Round 4. This request includes a summary of programs that have been previously funded from the PCMTF.

In an effort to encourage greater participation, HCBF changed its application process to include an additional step: a Request for Letters of Interest (LOI). HCBF released a Request for LOI on June 20, 2016. This additional step allowed local nonprofits to submit a two-page overview of their proposed program or project to mitigate Port and Port-related impacts without the burden of completing a full application. This additional step also gave HCBF an opportunity to provide technical assistance and feedback on the proposed programs and projects prior to a nonprofit competing a full application.

HCBF received 59 LOI's. Of those, 42 were invited to apply. Of these 42, 13 were invited to apply without the need for any additional technical assistance, and 29 agencies were provided with technical assistance by HCBF staff. The goal of this technical assistance was to help applicant's strengthen their project or program to better mitigate Port and Port-related impacts.

Of the 42 invited to apply, 35 organizations submitted a full application. Of the 35 full applications received, HCBF's Board selected 15 projects. The proposed projects will all benefit residents of San Pedro, Wilmington, or both, by addressing Port and Port-related impacts in those communities, as contemplated in the Operating Agreement. Upon the Board of Harbor Commissioners (BOHC) approval, \$800,000 will be transferred from the PCMTF to HCBF to fund these projects through contracts and grants to third parties.

Not including this requested disbursement, HCBF has allocated a total of \$4,420,000 to grantees and contractors in combined HCBF-administered program funds, including: Noise Mitigation Study (\$185,000), Off-Port Impacts Study (\$300,000), Healthy Harbor Grants (five rounds = \$2,168,000), STEAM Pilot Program (\$306,000) and Community Benefit Grants (first three rounds = \$1,461,000).

REQUEST

HCBF hereby requests the BOHC to:

- 1) Concur with the HCBF Board-approved action to fund Round 4 of the Community Benefit Grant Program, in the amount of \$800,000, in support of the HCBF Board approved selection of 15 organizations to receive PCMTF funding for projects/programs serving the communities of Wilmington and/or San Pedro; and
- 2) Approve the transfer of funds from the Port Community Mitigation Trust Fund to HCBF, in one lump sum, not-to-exceed \$800,000, by issuing a joint letter of authorization to JPMorgan Chase, the independent Financial Manager, to be executed by a) the BOHC, or its designee, and b) the Executive Director of Harbor Community Benefit Foundation.

BACKGROUND

The TraPac MOU and Operating Agreement require HCBF to allocate funds from the PCMTF to projects that mitigate Port and Port-related impacts in the communities of Wilmington and San Pedro, and are in compliance with the Tidelands Trust. HCBF's 2013-2016 Strategic Plan calls for funds to be allocated to programs that "address environmental impacts stemming from past, present, and future Port of Los Angeles and Port-related operations." The plan also forecasts annual disbursements from the Port Community Mitigation Trust Fund (PCMTF) to benefit the communities of Wilmington and San Pedro.

In 2013, HCBF launched the Community Benefit Grant Program. 19 organizations received grants for the pilot round of funding with a total of \$506,000 awarded. In 2014, an additional \$620,000 was awarded for Round 2. In 2015, \$335,000 was transferred from the PCMTF for Round 3.

For Round 4 of the Community Benefit Grant Program, HCBF proposes to fund a total of \$800,000.

DISCUSSION – PROJECT SELECTION

Consistent with the Operating Agreement Section 5.B.i. (Project Selection and Performance), HCBF developed and selected proposals to receive PCMTF funding based on identification of impacts from Port or Port-related operations, the ability of the proposal to mitigate the identified impact, technical feasibility, cost effectiveness, organizational capacity to complete the project, and the benefits that a project proposal would provide within the communities of Wilmington and/or San Pedro. HCBF solicited the projects through circulation of a Request for Letters of Interest (**TRANSMITTAL 1**) followed by an invitation to submit a full application (**TRANSMITTAL 2**).

The Community Benefit Grant Program awards grants from the Port Community Mitigation Trust Fund, which was established to address Port of Los Angeles and Port-related impacts in the communities of Wilmington and San Pedro. These impacts are from the operations of the Port of Los Angeles, both on and off-port property, and it is HCBF's goal to address these impacts by funding projects and programs that mitigate the past, present, or future impacts. The following are Port and Port-related Impacts that HCBF was looking to mitigate in this round of the Community Benefit Grant Program:

- Health Risk
- Noise
- Water Quality
- Air Quality
- Safety

- Aesthetics
- Marine Life

Applicants included:

1. Community-based, non-profit organizations with evidence of a) tax-exempt status or b) a fiscal sponsor, and/or
2. Schools and/or educational institutions, training, skill and career centers

HCBF uses a web-based system called Submittable to solicit, receive and evaluate applications, giving HCBF staff and the ad hoc Board grant review committee full access to the applications and all supporting documentation. When the deadline arrived, the software allowed staff to “close” the application process, ensuring there were no exceptions to the published deadline for application submission.

EVALUATION

HCBF received 35 full applications for this round of Community Benefit funding. Funding requests totaled \$2,685,650, which is more than triple the amount of announced available funding. The submitted applications addressed one or more of the Port and Port-related impacts noted above. Many applicants proposed projects/programs that will address multiple Port impacts.

Due to the high volume of applications, staff sorted the applications into one of five categories: K-12 Schools, Organizational Innovation, Health, Capital Projects, and Safety. This was also done to help assure diverse funding.

(See Table below - Applications Received)

HCBF Staff determined responsiveness to the RFP and evaluated, scored, and ranked all proposals based on a 100-point scale. The evaluations considered and scored: 1) Project Description Summary, specifically focusing on mitigation of Port and Port-related Impacts, 2) Work Plan, including readiness and program delivery, 3) Organizational Capacity, 4) Evaluation Plan and 5) Budget, including reasonableness of expenditures.

Staff conducted site visits as necessary to answer questions posed either through evaluation or during ad-hoc committee review.

Applications Received

Seq.	Applicant (alphabetical order)	Request	Project location - Community Served			Category				
			Wilm.	San Pedro	Both	K-12 Schools	Org. Innovation	Health	Capital Projects	Safety
1	Asthma Coalition of Los Angeles County	\$100,000			x			x		
2	Braid Theory	\$69,575					x			
3	Buddhist Tzu Chi Medical Foundation	\$6,000	x					x		
4	Coalition for a Safe Environment	\$125,000	x							x
5	COPE Preparedness	\$28,500			x					x
6	Dana Middle School	\$25,000		x		x				
7	Friends of the Los Angeles Maritime Museum	\$10,774			x		x			
8	Green Education, Inc. ("Net Zero" Neighborhood)	\$355,618	x						x	
9	Green Education, Inc. (Green Works Urban Farm)	\$77,891	x						x	
10	Green Education, Inc. (Healthy Homes & Lives)	\$286,900	x				x			
11	Harry Bridges Span School	\$35,500	x			x				
12	International Bird Rescue	\$39,500			x		x			
13	International Trade Education Programs, Inc. (ITEP)	\$75,000			x		x			
14	LA-Mas	\$82,800	x						x	
15	Los Angeles Biomedical Research Institute	\$35,640			x		x			
16	Los Angeles Maritime Institute	\$46,710					x			
17	Palos Verdes Peninsula Land Conservancy	\$74,400		x					x	
18	Park Western Place Elementary	\$21,312		x		x				
19	Port of Los Angeles High School	\$27,280		x		x				
20	Providence Little Company of Mary Foundation	\$95,560						x		
21	Saints Peter and Paul School	\$60,000	x			x				
22	San Pedro & Peninsula YMCA	\$50,000		x				x		
23	Sharefest Community Development, Inc.	\$141,920			x				x	
24	South Bay Center for Counseling (Urban Garden)	\$50,000	x				x			
25	South Bay Center for Counseling (Clean Wilm.)	\$60,000	x				x			
26	The Beacon House Association of San Pedro	\$23,566		x			x			
27	The Los Angeles Trust for Children's Health	\$120,000						x		
28	Think Earth Environmental Education Foundation	\$40,000					x			
29	University of California Los Angeles (w/ USC)	\$227,895			x		x			
30	We are the Next	\$64,560	x						x	
31	White Point Elementary School	\$4,136				x				
32	Wilmington Community Clinic	\$31,955	x					x		
33	Wilmington Middle School	\$51,473	x			x				
34	Women in Non-Traditional Employment Roles	\$100,000					x			
35	YWCA of the Harbor Area and South Bay	\$41,185						x		
	Total Requested	\$2,685,650	13	6	8	7	13	7	6	2

AD-HOC COMMITTEE REVIEW

The Board appointed ad-hoc Grant Review Committee, comprised of Board Members Michele Prichard and Gisele Fong, who met with Staff to consider and evaluate the applications.

AD-HOC COMMITTEE RECOMMENDATION

Upon review and deliberation of Staff’s recommendation, the ad-hoc committee approved Staff’s recommendation to fund 15 of the applications for a total of \$800,000.

(See table below)

Applications - Recommended for Funding											
Seq.	Applications - Recommended (Alphabetically)	Request	Recommend	Project location/Community			Category				
				Wilm.	San Pedro	Both	K-12 Schools	Org. Innovation	Health	Capital Projects	Safety
1	Asthma Coalition of Los Angeles County	\$100,000	\$100,000			X			X		
2	Coalition for a Safe Environment	\$125,000	\$35,000	X							X
3	Dana Middle School	\$25,000	\$25,000		X		X				
4	Friends of the Los Angeles Maritime Museum	\$10,774	\$10,774		X			X			
5	International Bird Rescue	\$39,500	\$39,500		X			X			
6	International Trade Education Programs (ITEP)	\$75,000	\$75,000			X		X			
7	Los Angeles Maritime Institute	\$46,710	\$46,710			X		X			
8	Palos Verdes Peninsula Land Conservancy	\$74,400	\$74,400		X					X	
9	Park Western Place Elementary	\$21,312	\$21,312		X		X				
10	Port of Los Angeles High School	\$27,280	\$27,280		X		X				
11	Sharefest Community Development, Inc.	\$141,920	\$91,596			X				X	
12	South Bay Center for Counseling (SBCC)	\$50,000	\$50,000	X						X	
13	The Los Angeles Trust for Children's Health	\$120,000	\$120,000			X			X		
14	Wilmington Community Clinic	\$31,955	\$31,955	X					X		
15	Wilmington Middle School	\$51,473	\$51,473	X			X				
	Total =	\$940,324	\$800,000	4	6	5	4	4	3	3	1
				Total funding recommended, by category =			\$125,065	\$171,984	\$251,955	\$215,996	\$35,000
				Total funding recommended, percentage =			16%	21%	31%	27%	4%

On September 16, 2016, the HCBF Board, at its regularly scheduled board meeting, discussed and unanimously approved the recommendation of the ad-hoc committee representing \$800,000 in grants. Of the 15 recommendations, four will take place in Wilmington, six in San Pedro, and three in both communities.

NEXUS TO PORT OF LOS ANGELES AND PORT-RELATED IMPACTS

Grants awarded in the Community Benefit Grant program are funded through the Port Community Mitigation Trust Fund. As such, all awards must be Tidelands-trust compliant and address a past, present, or future impact from Port of Los Angeles or Port-related operations. Applicants were required to submit statements on how the proposed project or program addresses a Port or Port-related impact.

HCBF's Board found that each project it approved for funding addresses a Port-related impact and is consistent with the Tidelands Trust. As required by the Operating Agreement, Section 5.B.iv., HCBF has provided a project-specific Tidelands nexus analysis for each project proposed for funding.

(SEE ATTACHED APPENDIX A)

ADDITIONAL COMMUNITY IMPACT

Though not a requirement of receiving funding, applicants often leverage requested grant funding from HCBF, with volunteer hours and matched funding from other sources. The reported match from the recommended applications totals \$817,447.

PCMTF STATUS REPORT: APPROVED PROJECTS & FUND BALANCE UPDATE

Pursuant to the Operating Agreement section 5.C.i. - The following chart summarizes the transfer of funds from the PCMTF for studies and HCBF Programs to date, and the balance of PCMTF funds (as of August 31, 2016):

Funding Summary:		
Funding, Approved to date:		
Various	\$300,000	Land Use Study (as required by the Operating Agreement)
	\$185,000	Noise Study (as required by the Operating Agreement)
	\$485,000	Total for Studies
2012	\$350,000	Healthy Harbor, Round 1
	\$350,000	Total for 2012
2013	\$450,000	Healthy Harbor, Round 2
	\$506,000	Community Benefit, Round 1
	\$956,000	Total for 2013
2014	\$620,000	Community Benefit, Round 2
	\$550,000	Healthy Harbor, Round 3
	\$1,170,000	Total for 2014
2015	\$518,000	Healthy Harbor, Round 4
	\$306,000	STEAM Pilot
	\$335,000	Community Benefit, Round 3
	\$1,159,000	Total for 2015
2016	\$300,000	Healthy Harbor, Round 5
	\$300,000	Total for 2016
	\$4,420,000	Total (Committed funding to date)
Funding, pending approval:		
2016	\$800,000	Community Benefit, Round 4 (pending approval)
	\$800,000	
	\$5,220,000	Grand Total

Balance of PCMTF funds (as of August 31, 2016):

JP Morgan Account Balance Summary		
through August 31, 2016		
	Savings/Investment Accounts	
	Subtotal	Total
Beginning Balance (as of 12/31/15)		\$4,432,306
Contributions		\$0
Withdrawals		(\$300,075)
Management Fees		(\$7,535)
Income	\$90,871	
change in investment value	\$66,070	
Net increase		\$156,941
Ending Market Value (as of 8/31/16)		\$4,281,637

HCBF BOARD ACTIONS

September 16, 2015 the HCBF Board of Directors, by unanimous vote, resolved that:

The Community Benefit Grant Program, Round 4, conforms to the requirement of the Operating Agreement, section 5.A. Project Funding, that the projects mitigate a direct or indirect impact from Port and Port-related operations and are consistent with the Tideland trust and the Operating Agreement. Additionally, as required by the Operating Agreement section 5.C.i., the projects proposed to be funded conform to the requirements of the MOU and are located in San Pedro or Wilmington.

Resolved to:

1. Approve the staff recommendations to award 15 grants to the qualified organizations as detailed in HCBF Board memo dated September 16, 2015 (**TRANSMITTAL 3**), to address impacts from Port of Los Angeles and Port-related operations;
2. Authorize the Executive Director to:
 - a) report to the BOHC, requesting final approval of Round 4 of the Community Benefit Grant Program,
 - b) execute a joint letter with the BOHC, or its designee, to approve the distribution of funds in one lump sum transfer from the Port Community Mitigation Trust Fund to HCBF, in an amount not-to-exceed \$800,000, and
 - c) fully execute, and administer, the Grant Agreements between HCBF and the approved grantees from Round 4 of the Community Benefit Grant Program.

APPENDIX & TRANSMITTALS

APPENDIX A - Port Nexus for recommended Grants, summary

TRANSMITTAL 1 - Request for LOI for Community Benefit Grants, Round 4

TRANSMITTAL 2 - Request for Proposals for Community Benefit Grants, Round 4

TRANSMITTAL 3 - Staff Memo to HCBF Board dated September 16, 2016

Re: Recommendations for Funding, Community Benefit Grants, Round 4

Appendix A. Port Nexus for Recommended Grants		
Seq.	Applicant	Mitigation of Port Impacts
1	Asthma Coalition of Los Angeles County	The proposed project will mitigate the Port of Los Angeles' respiratory health risk impact on the communities of Wilmington and San Pedro. The program is a reasonable mitigation measure because it will provide respiratory education and training to professional staff and residents experiencing respiratory health risks attributed to Port-related pollution.
2	Coalition for a Safe Environment	The proposed project will mitigate the Port of Los Angeles' safety impact on the community of Wilmington. The program is a reasonable mitigation measure because it will provide residents with a disaster preparedness plan to navigate Wilmington neighborhoods in the event of a Port-related disaster.
3	Dana Middle School	The proposed project will mitigate the Port of Los Angeles' air quality and water quality impacts on the communities of Wilmington and San Pedro. The program is a reasonable mitigation measure because it will train students in testing air and water quality in relation to Port operations.
4	Friends of the Los Angeles Maritime Museum	The proposed project will mitigate the Port of Los Angeles' land use impact on the communities of Wilmington and San Pedro. The program is a reasonable mitigation measure because it will educate residents in Wilmington and San Pedro on the historical footprint of the Port of Los Angeles in the San Pedro Bay.
5	International Bird Rescue	The proposed project will mitigate the Port of Los Angeles' safety impact on aquatic wildlife in the communities of Wilmington and San Pedro. The program is a reasonable mitigation measure because it will provide students with training to effectively treat aquatic wildlife in the even of oil spills and other Port-related safety emergencies.
6	International Trade Education Programs	The proposed project will mitigate the Port of Los Angeles' air quality and water quality impacts on the communities of Wilmington and San Pedro. The program is a reasonable mitigation measure because it will train students in testing air and water quality in relation to Port operations.
7	Los Angeles Maritime Institute	The proposed project will mitigate the Port of Los Angeles' air quality and water quality impacts on the communities of Wilmington and San Pedro. The program is a reasonable mitigation measure because it will educate students on air and water quality in relation to Port operations.
8	Palos Verdes Peninsula Land Conservancy	The proposed project will mitigate the Port of Los Angeles' air quality impact on the communities of Wilmington and San Pedro. The program is a reasonable mitigation measure because it will reduce carbon emissions generated by Port operations through the planting of trees.
9	Park Western Place Elementary School	The proposed project will mitigate the Port of Los Angeles' air quality and water quality impact son the communities of Wilmington and San Pedro. The program is a reasonable mitigation measure because it will educate students on air and water quality in relation to Port operations.

10	Port of Los Angeles High School	The proposed project will mitigate the Port of Los Angeles' air quality and water quality impacts on the communities of Wilmington and San Pedro. The program is a reasonable mitigation measure because it will train students in testing air and water quality in relation to Port operations.
11	Sharefest Community Development, Inc.	The proposed project will mitigate the Port of Los Angeles' air quality and impact on the communities of Wilmington and San Pedro. The program is a reasonable mitigation measure because it will reduce carbon emissions generated by Port operations through the planting of trees.
12	South Bay Center for Counseling	The proposed project will mitigate the Port of Los Angeles' air quality impact on the communities of Wilmington and San Pedro. The program is a reasonable mitigation measure because it will reduce carbon emissions generated by Port operations through the planting of trees.
13	The Los Angeles Trust for Children's Health	The proposed project will mitigate the Port of Los Angeles' respiratory health risk impact on the communities of Wilmington and San Pedro. The program is a reasonable mitigation measure because it will provide respiratory treatment to students in Wilmington and San Pedro experiencing respiratory health risks attributed to Port-related pollution.
14	Wilmington Community Clinic	The proposed project will mitigate the Port of Los Angeles' respiratory health risk impact in the community of Wilmington. The program is a reasonable mitigation measure because it will provide respiratory respiratory supplies to a clinic addressing respiratory health risks attributed to Port-related pollution.
15	Wilmington Middle School	The proposed project will mitigate the Port of Los Angeles' air quality and water quality impacts on the communities of Wilmington and San Pedro. The program is a reasonable mitigation measure because it will train students in testing air and water quality in relation to Port operations.



[BOHC Board Approval Date]

Contact
Address

This Grant Agreement (“Agreement”) is made and entered into by and between Harbor Community Benefit Foundation (“Foundation”) and [] (“Grantee”).

The Board of Directors of the Harbor Community Benefit Foundation (“Foundation”) and the Board of Harbor Commissioners authorized a grant of \$ (“Grant Funds”) to (“Grantee”), to support **HCBF’s Community Benefit, Round 4, program priorities of [] impacts** to improve the communities of Wilmington and/or San Pedro, CA.

This grant is awarded by the Foundation subject to the following terms and conditions:

I. PAYMENT.

Funding from the Port Community Mitigation Trust Fund to the Community Benefit Grant Program administered by the Foundation is subject to public review and consideration by the Port of Los Angeles Board of Harbor Commissioners (BOHC). Awards from the Community Benefit Grant Program to Grantees are also contingent upon the Grantee’s compliance with this Agreement, including timely receipt of required reports.

Grant Funds shall be payable in one installment:

\$ within 30 calendar days after full execution of this Agreement.

The Foundation’s disbursement of payment is contingent upon the Foundation’s review of your work in connection with this grant and its determination (a) that you are in compliance with all terms and conditions of this grant agreement and (b) that satisfactory progress and performance has occurred and is likely to continue to occur. Funding may be modified, curtailed, or discontinued, and any unexpended grant funds must be repaid, if at any time the Foundation determines that the purposes of the grant are not being met.

II. USE OF FUNDS & GRANT TERM.

This Community Benefit grant period shall begin on [] and shall end [].

Project Description:

Deliverables:

-

Budget

Program/Project Expenses	
Line Items	Amount

Total	

Grantee shall use the Grant Funds, including all accrued interest or other gains, solely for the Grant Purpose and substantially in accordance with this Agreement. Any significant changes to the Grant Purpose must be reported within 30 days of the change, and approved in writing by the Foundation. Grant Funds are to be applied to expenses incurred for the period from the Effective Date to the one-year (12 month) anniversary of the Effective Date (“Grant Term”), unless otherwise agreed upon in writing by the Foundation. This grant is made with the understanding that the Foundation has no obligation to provide other or additional support or grants to the Grantee.

Expenditures of grant funds must be made substantially in accordance with the grant budget. Any material changes (greater than 10%) from the budget (relative to HCBF funds only) must be approved in advance by the Foundation. All changes must be reflected in the Final Report.

III. REPORTING.

Grantee shall submit periodic Progress Reports to the Foundation describing quantitative and qualitative measures of success such as residents served, community impact, and other evidence based results, where appropriate. Grantee shall also submit a final budget report to reconcile the expenditures of Grant Funds, compared to the original budget.

REPORTING REQUIREMENTS	Reporting Period End	Report Due
First Progress Report (Six Months)		
Final Progress Report (12 months)		

The first progress report shall cover activities commencing from the effective date. The 2nd progress report shall be cumulative and cover the entire grant period. All reports must be received within 30 days of the Reporting Period End Date.

IV. GRANTEE’S STATUS.

This grant is specifically conditioned upon Grantee’s (or Fiscal Sponsor) status as an eligible grantee of the Harbor Community Benefit Foundation in accordance with this section. Grantee (or Fiscal Sponsor) warrants and represents that it is one or more of the following: (a) tax exempt organization, such as under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and is not a private foundation as defined in Section 509(a) of the Code, (b) Community-based organization, or (c) institution for higher learning, schools, and training, skill and career centers. If the grantee is an exempt organization described in (a), Grantee (or Fiscal Sponsor) must provide the Harbor Community Benefit Foundation with a copy of IRS determination letter(s) evidencing its status as an eligible grantee, and, Grantee hereby warrants and represents that such determination letter(s) are currently in full force and effect. Regardless of Grantee’s (or Fiscal Sponsor) current status, Grantee (or Fiscal Sponsor) will notify the Harbor Community Benefit Foundation immediately of any actual or proposed change in status.

V. MANAGEMENT AND ORGANIZATIONAL CHANGES.

Grantee shall also provide written notice to the Foundation if significant changes or events occur during the term of this grant which could potentially impact the progress, delivery, timing or outcome of the grant, including but not limited to changes in Grantee’s management, key personnel, partners, and/or increases or losses of matching funding.

VI. RECORDS, AUDITS, SITE VISITS.

Grantee is responsible for maintaining adequate financial records of this grant. Grant Funds shall be accounted for separately in the Grantee's books and records. All expenditures made in furtherance of the Grant Purpose shall be charged off against the grant and shall appear on those books. Grantee shall keep adequate records to substantiate such expenditures. The Foundation, or a designated representative, reserves the right, upon written notice, to audit Grantee's books and records relating to the expenditure of any funds provided by the Foundation. Grantee shall make such books and records available to Foundation at reasonable times for review and audit. Grantee shall keep copies of all relevant books and records and all reports to the Foundation for at least 4 years after completion of the use of the Grant Funds.

VII. MARKETING, GRANT ANNOUNCEMENTS, PROMOTIONAL MATERIALS.

Grantee shall ensure that the Foundation is clearly identified as a funding source for any written, electronic, or other communications materials produced with support from this grant, as well as in all publications and press releases regarding the subject matter of the grant. Grantee may not, however, use the Foundation's logo without the Foundation's prior written consent.

As a courtesy, Grantee will provide a copy of promotional materials to the Foundation, including any external communications regarding this grant or referencing the Foundation.

The Foundation may include information about this grant and the Grantee in its public communications and reports and may also refer to the grant and Grantee in press releases, speeches and public comments. The Foundation may also provide information about the grant and the Grantee on its website, including project descriptions, logos, and links to Grantee's website.

Any tangible or intangible property, including copyrights, obtained or created by Grantee as part of the activity funded by this grant shall remain the property of Grantee; however, Grantee shall grant a royalty-free license to the Foundation to use, reprint, or distribute any such copyrighted materials for informational or promotional purposes. Also, any information and images submitted as part of Grantee's reports may be used by the Foundation for informational or promotional purposes.

VIII. RETURN OF UNEXPENDED FUNDS.

Grantee shall repay to the Foundation Grant Funds not expended or committed for the Grant Purpose within the Grant Term, unless an extension is approved in writing at Grantee's request and in the Foundation's sole discretion.

IX. REMEDIES ON DEFAULT.

In the event the Foundation determines, in its sole discretion, that Grantee has breached or failed to carry out any material provision of this Agreement, the Foundation may, in addition to any other legal remedies it may have, including the termination of this Agreement, refuse to make any further grant payments to Grantee, and the Foundation may demand in writing the return of all or part of the unexpended Grant Funds, which the Grantee shall immediately repay to the Foundation. The amount of such unexpended Grant Funds to be repaid to the Foundation shall not include funds needed to meet obligations incurred by Grantee to third parties, in good faith, for the Grant Purpose, prior to Grantee's receipt of the Foundation's written demand for repayment. In addition to the rights reserved to the Foundation in the first sentence of this paragraph, the Foundation may also terminate this Agreement and take the actions described above with respect to unexpended Grant Funds if it determines, in the exercise of its reasonable discretion, that circumstances relevant to the Grantee, including, by way of illustration, those respecting its tax-exempt status, or organization or financial condition, are such that the Foundation has reason to conclude that satisfactory completion of the objectives contemplated by this grant are in jeopardy.

X. NO AGENCY.

Grantee is solely responsible for the activity supported by the Grant Funds, including the preparation of all plans and specifications, supervision and administrative control, and the operation thereof. All activity shall be operated

under Grantee's name. This Agreement shall not be deemed to create any relationship of agency, partnership, or joint venture between the parties hereto, and Grantee shall make no such representation to anyone.

XI. PARTNERS/SUBGRANTEES.

Grantee must ensure all partners, consultants, or sub-grantees ("sub-grantees") must be disclosed, and pre-approved. Sub-grantees may not be changed, without prior written approval, and must use the Grant Funds in a manner consistent with this Agreement. Neither Grantee nor its sub-grantees may make any oral or written statement or otherwise imply to anyone that the Foundation supports the activities of any sub-grantee. Furthermore, Grantee acknowledges that there is no agreement, oral or written, whereby the Foundation has earmarked or otherwise designated any part of the Grant Funds for any specific sub-grantee.

XII. NO ASSIGNMENT.

This agreement is not assignable by Grantee without express written consent of the Foundation. Any attempt by Grantee to assign any performance of the terms of this agreement shall be null and void and shall constitute a material breach of this contract.

XIII. PROHIBITED USE OF FUNDS.

The Grant Funds are not designated or earmarked for the carrying on of propaganda or attempting to influence legislation. If the Grant Purpose involves public policy issues, the Foundation is relying upon Grantee's representations, made in Grantee's application that the Grant Funds do not exceed the amount budgeted by Grantee for activities that are not attempts to influence legislation.

No part of these grant funds shall be disbursed to any Foundation director, officer, employee, their affiliates, family, household members or other related parties; for any purpose.

Use of any of the Grant Funds (a) to participate in or influence the outcome of any specific public election of any candidate for public office or to carry on, directly or indirectly, any other activity that is prohibited to a public charity, (b) to provide material support to any person or entity that engages in violent or terrorist activities, or (c) for religious purposes, is prohibited.

Grantee shall not use any of the funds from this grant in a manner inconsistent with Section 501(c)(3) of the Code.

XIV. NO LIABILITY; INDEMNIFICATION.

Except for the sole negligence or willful misconduct of the City of Los Angeles ("City"), or any of its Boards, Officers, Agents, Employees, Assigns and Successors in Interest, and of HCBF, Grantee undertakes and agrees to defend, indemnify and hold harmless the City and any of its Boards, Officers, Agents, Employees, Assigns, and Successors in Interest and HCBF from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees (both in house and outside counsel) and cost of litigation (including all actual litigation costs incurred by the City and HCBF, including but not limited to, costs of experts and consultants), damages or liability of any nature whatsoever, for death or injury to any person, including Grantee's employees and agents, or damage or destruction of any property of either party hereto or of third parties, arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct incident to the performance of this Agreement by Grantee or its subcontractors of any tier. Rights and remedies available to the City and HCBF under this provision are cumulative of those provided for elsewhere in this Agreement and those allowed under the laws of the United States, the State of California, and the City.

XV. INSURANCE.

Grantee shall provide, pay for, and maintain in full force and effect during the Grant Term evidence of either 1) a Certificate of Self Funding of Insurance Obligation or, 2) the following insurance to cover Grantee's own operations and to enable Grantee to fully indemnify and defend the Foundation there under:

1. **Commercial General Liability Insurance.** Grantee shall maintain commercial general liability insurance (CGL) with a limit of not less than \$1,000,000 each occurrence/\$2,000,000 in the annual aggregate.
2. **Business Auto Liability Policy.** Grantee shall maintain business auto liability insurance and, with a limit of not less than \$1,000,000 each accident.
3. **Professional Liability (Errors and Omissions) Insurance.** Grantee shall maintain professional liability insurance appropriate to the grantee's profession with a limit not less than \$1,000,000 each occurrence/\$2,000,000 in the annual aggregate.
4. **Workers' Compensation and Employer's Liability Insurance.** Grantee shall maintain workers' compensation insurance as required by the State of California and Employer's Liability Insurance in the amount of \$1,000,000 per accident for bodily injury or disease.
5. **Minimum Scope of Insurance.** **CGL insurance** shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury liability assumed under an insured contract (including the tort liability of another assumed in a business contract). **Business Auto Insurance** shall cover liability arising out of any auto (including owned, hired, and non-owned autos).
6. **Subrogation.** The insurer shall agree to waive all rights of subrogation against HCBF, its officers, officials, employees and volunteers for losses arising from activities and operations of the Grantee in the performance of Grant Purpose under this agreement.
7. **Verification of Coverage.** Grantee shall furnish HCBF evidence of current coverage required by this section. HCBF reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications.

XVI. NO WAIVER.

The failure of the Foundation to exercise any of its rights under this Agreement shall not be deemed to be a waiver of such rights.

XVII. ORDER OF PRECEDENCE.

The order of precedence for interpreting inconsistencies, if any, shall be this Agreement.

XVIII. ENTIRE AGREEMENT; AMENDMENTS.

This Agreement constitutes the entire agreement of the parties with respect to its subject matter and supersedes any and all prior written or oral agreements or understandings with respect to the subject matter hereof. This Agreement may not be amended or modified, except in a writing signed by both parties.

XIX. GOVERNING LAW.

This Agreement shall be governed by the laws of the State of California.

XX. COMPLIANCE WITH LAW.

Grantee shall at all times comply with all Federal, State, and local laws. Grantee specifically acknowledges that this Agreement is entered into in furtherance of and as a benefit to the State Tidelands Grant and the trust created thereby. Therefore, this Agreement is at all times subject to the limitations, conditions, restrictions and reservations contained in and prescribed by the Act of the Legislature of the State of California entitled "An Act Granting to the City of Los Angeles the Tidelands and Submerged Lands of the State Within the Boundaries of Said City," approved June 3, 1929 (Stats. 1929, Ch. 651), as amended, and provisions of Article VI of the Charter of the City of Los Angeles relating to such lands. Grantee agrees that any interpretation of this Agreement and the terms contained herein must be consistent with such limitations, conditions, restrictions and reservations.

XXI. EQUAL EMPLOYMENT OPPORTUNITY.

Grantee represents and agrees that it does not and will not discriminate against any employee or applicant for employment because of race, religion, color, medical condition, sex, sexual orientation, national origin, political affiliation or opinion, or pregnancy or pregnancy related condition.

XXII. NOTICES.

All notices and disbursements to the Grantee shall be directed to the following person(s):

Primary Contact

Name:
Title:
Email:
Phone:

Secondary Contact

Name:
Title:
Email:
Phone:

If this Agreement correctly sets forth your understanding of the terms and conditions of this grant, please have the appropriate officer authorized to sign on behalf of the Grantee **sign and send electronically** to ben@hcbf.org.

All questions, notices and reports related to this grant should be directed to:

Harbor Community Benefit Foundation
302 W. 5th Street, Suite 300
San Pedro, CA 90731
Attn: Ben Schirmer, Executive Director
Email: ben@hcbf.org; Office: (310) 997-7116

Accepted on behalf of Grantee by:

Authorized Signature

Date

Printed Name

Title

Federal EIN: _____

Final approval on behalf of Harbor Community Benefit Foundation by:

Authorized Signature

Date

Ben Schirmer

Printed Name

Executive Director

Title

Federal EIN: 45-2487333