

EXHIBIT C – GENERAL TERMS AND CONDITIONS

Note: These sample terms and conditions are provided for informational purposes only. Specific language in any subsequent grant agreement is subject to change at the sole discretion of the California Environmental Protection Agency.

1. DEFINITIONS

Unless otherwise specified in this Agreement, each capitalized term used in this Agreement has the following meaning:

- a) “Agreement” means this agreement, including all exhibits and attachments hereto.
- b) “CalEPA” means the Office of the Secretary of the California Environmental Protection Agency.
- c) “Cover Page” means the front page of this Agreement.
- d) “Days” means calendar days unless otherwise expressly indicated.
- e) “Secretary” means the Secretary for Environmental Protection.
- f) “Event of Default” means the occurrence of any of the following events:
 - o a) A representation or warranty made by or on behalf of the Recipient in this Agreement or in any document furnished by or on behalf of the Recipient to CalEPA pursuant to this Agreement shall prove to have been inaccurate, misleading or incomplete in any material respect;
 - o b) Failure by the Recipient to observe and perform any covenant, condition, or provision in this Agreement, which failure shall continue for a period of time, to be determined by CalEPA;
 - o c) Initiation of proceedings seeking arrangement, reorganization, or any other relief under any applicable bankruptcy, insolvency, or other similar law; the appointment of or taking possession of the Recipient’s property by a receiver, liquidator, assignee, trustee, custodian, conservator, or similar official; the Recipient’s entering into a general assignment for the benefit of creditors; the initiation of resolutions or proceedings to terminate the Recipient’s existence, or any action in furtherance of any of the foregoing;
 - o d) A determination pursuant to Gov. Code section 11137 that the Recipient has violated any provision in Article 9.5 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code; or

- e) Loss of the Recipient's rights, licenses, permits, or privileges necessary for the Project, or the occurrence of any material restraint on the Recipient's enterprise by a government agency or court order.
- g) "Final Reimbursement Request Date" means the date set forth as such on the Cover Page of this Agreement, after which date, no further reimbursements or disbursements may be requested.
- h) "Fiscal Year" means the period of twelve (12) months terminating on June 30 of any year.
- i) "GAAP" means generally accepted accounting principles, the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.
- j) "Material Obligation" means an obligation of the Recipient that is material to this transaction.
- k) "Party Contact" means, for the Recipient, the Authorized Representative of the Recipient or any designee of the Authorized Representative, and, for CalEPA, CalEPA staff set forth in Exhibit D of this Agreement.
- l) "Project" means the Project funded by this Agreement as described in Exhibits A and B and in any documents incorporated by reference herein.
- m) "Project Completion" means, as determined by CalEPA, that the Project is complete to the reasonable satisfaction of CalEPA.
- n) "Project Costs" means the incurred costs of the Recipient which are eligible for funding under this Agreement, pursuant to applicable statutes, policy, regulations, or guidelines.
- o) "Project Funding Amount" means the maximum amount payable under this Agreement, as set forth on the Cover Page.
- p) "Project Funds" means all moneys disbursed to the Recipient by CalEPA for eligible Project Costs pursuant to this Agreement.
- q) "Project Manager" means the person designated by CalEPA to manage performance of this Agreement. The Project Manager is set forth on the Cover Page.

- r) “Records Retention End Date” means the last date that the Recipient is obligated to maintain records related to this Agreement and is set forth on the Cover Page of this Agreement.
- s) “Reimbursement Period” means the period during which Project Funds may be disbursed.
- t) “Reimbursement Request” means the Recipient’s request for Project Funds from CalEPA as set forth in Exhibit D.
- u) “State” means State of California.
- v) “Work Completion” means the Recipient’s submittal of all work set forth under Exhibit A and B for review and approval by CalEPA.
- w) “Work Completion Date” means the date set forth on the Cover Page of this Agreement and is the last date on which Project Costs may be incurred under this Agreement.
- x) “Year” means calendar year unless otherwise expressly indicated.

2. ACCESS, INSPECTION, AND PUBLIC RECORDS

The Recipient must ensure that CalEPA, the State Auditor, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times through the Records Retention End Date or useful life of the Project, whichever is longer. The Recipient acknowledges that, except for a subset of information regarding archaeological records and personally identifiable information, the Project records and locations may be public records, including but not limited to all of the submissions accompanying the application, all of the documents incorporated into this Agreement by reference, and all reports, Reimbursement Requests, and supporting documentation submitted hereunder.

3. ACCOUNTING AND AUDITING STANDARDS; FINANCIAL MANAGEMENT SYSTEMS

The Recipient must maintain GAAP-compliant project accounts, including GAAP requirements relating to the reporting of infrastructure assets. Without limitation of the requirement to maintain Project accounts in accordance with GAAP, the Recipient must:

- a) Establish an official file for the Project which adequately documents all significant actions relative to the Project;
- (b) Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Project, including all Project Funds received under this Agreement;

- (c) Establish separate accounts which will adequately depict all income received which is attributable to the Project, specifically including any income attributable to Project Funds disbursed under this Agreement;
- (d) Establish an accounting system which will accurately depict final total costs of the Project if authorized under this Agreement;
- (e) Establish such accounts and maintain such records as may be necessary for the State to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and
- (f) If the Recipient uses its own employees, equipment, or resources for any phase of the Project, accounts will be established which reasonably document all employee hours charged to the Project and the associated tasks performed by each employee.

4. AMENDMENT, MODIFICATION, or VARIATION OF TERMS

No amendment, modification, or variation of the terms of this Agreement shall be valid unless made in writing to the grant program contacts and signed by both the Recipient and the Secretary or designee and approved as required.

5. ASSIGNABILITY

This Agreement is not assignable by the Recipient, either in whole or in part, without the consent of CalEPA. Amendment of the Agreement may be required.

6. AUDIT

CalEPA may call for an audit of financial information relative to the Project if CalEPA determines that an audit is desirable to assure program integrity or if an audit becomes necessary because of State or federal requirements. If an audit is called for, the audit must be performed by a certified public accountant independent of the Recipient and at the cost of the Recipient. The audit must be in the form required by CalEPA. The Recipient must return, or ensure the return of, any audit disallowances within 30 days.

7. CHANGING FISCAL SPONSORS

During the term of the grant contract, a sponsored organization may change sponsors – or, if it has obtained 501(c)(3) status, proceed without a sponsor – if CalEPA, the sponsored organization, and the fiscal sponsor that executed the grant agreement agree to such a change. If the sponsorship agreement is terminated during the term of the grant contract, without prior approval from CalEPA, CalEPA will retain the discretion to rescind the grant contract.

8. COMPETITIVE BIDDING

Recipient must adhere to any applicable State law or local ordinance for competitive bidding and applicable labor laws.

9. COMPLIANCE WITH APPLICABLE LAWS, RULES, AND REQUIREMENTS

The Recipient must, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and State laws, rules, guidelines, regulations, and requirements and with provisions of the adopted environmental mitigation plan, if any, for the useful life of the Project.

10. COMPUTER SOFTWARE

The Recipient certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

11. CONFLICT OF INTEREST

The Recipient certifies that it, its owners, officers, directors, agents, representatives, and employees are in compliance with applicable State and federal conflict of interest laws and will remain in compliance for the useful life of the Project. Any service provider or contractor with which the Recipient contracts must not have any role or relationship with the Recipient, that, in effect, substantially limits the Recipient's ability to exercise its rights, including cancellation rights, under the contract, based on all the facts and circumstances. Public entities are required to have adopted conflict of interest codes and may be required to provide documentation of those codes to CalEPA.

12. DATA MANAGEMENT

The Recipient will undertake appropriate data management activities so that Project data can be incorporated into statewide data systems.

13. DEBARRED, DISQUALIFIED, OR EXCLUDED CONTRACTORS

The Recipient must not contract or allow subcontracting with excluded parties. The Recipient must not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the CalEPA program for which this funding is authorized. For any work related to this Agreement, the Recipient must not contract with any individual or organization on a CalEPA board, department, or office (BDO) List of Disqualified Businesses and Persons that is identified as debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the CalEPA program for which funding under this Agreement is authorized.

14. DRUG-FREE WORKPLACE

The Recipient certifies that it will provide a drug free workplace in compliance with the Drug-Free Workplace Act (Gov. Code. §§ 8350-8357). The Recipient shall publish a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the Recipient's workplace and specifying the actions to be taken against employees for violations of the prohibition. The Recipient shall establish a drug-free awareness program to inform employees about the dangers of drug abuse in the workplace, the Recipient's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation and employee assistance programs, and penalties that may be imposed upon employees for drug abuse violations. The Recipient shall provide that every employee who works on the Project receives a copy of the Recipient's drug-free workplace policy statement and agrees to abide by the terms of the statement as a condition of employment on the Project.

15. EXCEPTIONS

Exceptions to the provisions of the Agreement may be considered by the Project Manager on a case-by-case basis.

Requests must be submitted in writing to the Project Manager and approved in writing by the Project Manager prior to their implementation. The Grantee is responsible for retaining documentation of any exceptions to the Agreement for audit purposes.

16. FINAL REIMBURSEMENT REQUEST

The Recipient agrees to ensure that its final Reimbursement Request is received by CalEPA no later than the Final Reimbursement Request Date, unless prior approval has been granted by CalEPA. If the final Reimbursement Request is not received timely, the undisbursed balance of this Agreement may be deobligated.

17. FRAUD AND MISUSE OF PUBLIC FUNDS

All requests for disbursement must be accurate and signed by the Recipient or its Authorized Representative under penalty of perjury. All costs submitted pursuant to this Agreement must only be for the work or tasks set forth in this Agreement. The Recipient must not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs). Any costs for which the Recipient is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other cost is improper and will not be compensated. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements and, notwithstanding any other section in this Agreement, the termination of this Agreement requiring the immediate repayment of all funds disbursed hereunder. Additionally, the Secretary of CalEPA may request an audit and

refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability.

18. FUNDING CONTINGENCY

CalEPA's disbursement of funds hereunder is contingent on the Recipient's compliance with the terms and conditions of this Agreement. CalEPA's obligation to disburse funds is contingent upon the availability of sufficient funds to permit the disbursements provided for herein. If sufficient funds are not available for any reason, including but not limited to failure of the federal or State government to appropriate funds necessary for disbursement of funds, CalEPA shall not be obligated to make any disbursements to the Recipient under this Agreement. If this Agreement's funding for any fiscal year expires due to reversion or is reduced, substantially delayed, or deleted by the Budget Act, by Executive Order, or by order or action of the Department of Finance, the CalEPA has the option to either cancel this Agreement with no liability accruing to CalEPA, or offer an amendment to the Recipient to reflect the reduced amount. This provision shall be construed as a condition precedent to the obligation of CalEPA to make any disbursements under this Agreement. Nothing in this Agreement shall be construed to provide the Recipient with a right of priority for disbursement over any other entity. If any disbursements due the Recipient under this Agreement are deferred because sufficient funds are unavailable, it is the intention of CalEPA that such disbursement will be made to the Recipient when sufficient funds do become available, but this intention is not binding.

19. GOVERNING LAW

This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

20. RECIPIENT'S SHARE

The Recipient agrees that it will provide for the payment of its full share, if any share is required, of Project Costs and that all costs connected with the Project will be timely paid by the Recipient.

21. INDEMNIFICATION AND STATE REVIEWS

The parties agree that review or approval of Project activities by CalEPA is for administrative purposes only, including conformity with application and eligibility criteria, and does not relieve the Recipient of its responsibility to properly conduct Project activities. To the extent permitted by law, the Recipient agrees to indemnify, defend, and hold harmless CalEPA ("Indemnified Persons"), against any loss or liability arising out of any claim or action brought against any Indemnified Persons from and against any and all losses, claims, damages, liabilities, or expenses, of every conceivable kind, character, and nature whatsoever arising out of, resulting from, or in any way connected with:

- a. the Project, Project activities, or any part thereof;
- b. the carrying out of any of the transactions contemplated by this Agreement or any related document;
- c. any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the Toxic Substances Control Act, the Occupational Safety and Health Act, the Safe Drinking Water Act, the California Hazardous Waste Control Law, and California Water Code Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the Project; or
- d. any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Recipient for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement, except those arising from the gross negligence or willful misconduct of the Indemnified Persons.

The Recipient must also provide for the defense and indemnification of the Indemnified Parties in any contractual provision extending indemnity to the Recipient in any contract let for the performance of any work under this Agreement, and must cause the Indemnified Parties to be included within the scope of any provision for the indemnification and defense of the Recipient in any contract or subcontract. To the fullest extent permitted by law, the Recipient agrees to pay and discharge any judgment or award entered or made against Indemnified Persons with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section survive the term of this Agreement.

22. INDEPENDENT ACTOR

The Recipient, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of CalEPA.

23. INSPECTION

Throughout the useful life of the Project, CalEPA shall have the right to inspect the Project area to ascertain compliance with this Agreement.

24. INTEGRATION

This Agreement constitutes the complete and final agreement between the parties. No oral or written understanding or agreement not incorporated in this Agreement shall be binding on either party.

25. LIENS

The Recipient must not make any pledge of or place any lien on the Project or Project assets except upon consent of CalEPA.

26. NON-DISCRIMINATION

During the performance of this Agreement, Recipient, consultants, contractors, and subcontractors shall not deny the Project's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Recipient shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Recipient, consultants, contractors, and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. The Recipient shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. The Recipient and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

The Recipient shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

27. NO THIRD-PARTY RIGHTS

This Agreement creates no rights in and grants no remedies to any third party as a beneficiary of this Agreement.

28. NO OBLIGATION OF THE STATE

Any obligation of CalEPA herein contained shall not be an obligation, debt, or liability of the State and any such obligation shall be payable solely out of the moneys encumbered pursuant to this Agreement.

29. NON-WAIVER

Nothing in this Agreement shall affect or impair the Recipient's obligation to undertake work under this Agreement or shall affect or impair the right of CalEPA to bring suit to enforce such work. No delay or omission of CalEPA in the exercise of any right arising upon an Event of Default shall impair any such right or be construed to be a waiver of any such Event of Default. CalEPA may exercise from time to time and as often as shall be deemed expedient by CalEPA, any remedy or right provided by law or pursuant to this Agreement. Any waiver of rights by CalEPA with respect to a default or other matter arising under this Agreement at any time shall not be considered a waiver of rights with respect to any other default or matter.

30. OTHER FUNDING SOURCES; INCOME RESTRICTIONS

If funding for Project Costs is made available to the Recipient from sources other than this Agreement, the Recipient must notify CalEPA. The Recipient may retain such funding up to an amount which equals the Recipient's contribution to Project costs. To the extent allowed by requirements of other funding sources, excess funding must be remitted to CalEPA. The Recipient agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Recipient as related to this Agreement must be paid by the Recipient to CalEPA, to the extent that they are properly allocable to costs for which the Recipient has been reimbursed by CalEPA under this Agreement.

31. PERMITS AND AUTHORIZATIONS

Recipient must procure all permits, licenses and other authorizations necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Signed copies of any such permits or licenses must be submitted to CalEPA before any work begins. Any contractors, outside associates, or consultants required by the Recipient in connection with the services covered by this Agreement shall be limited to such individuals or firms as were specifically identified and agreed to during negotiations for this Agreement, or as are specifically authorized by CalEPA's Project Manager during the performance of this Agreement. Any substitutions in, or additions to, such contractors, associates, or consultants, shall be subject to the prior written approval of CalEPA's Project Manager.

32. PREVAILING WAGES

If applicable, the Recipient agrees to be bound by all applicable provisions of State Labor Code regarding prevailing wages. If applicable, the Recipient must monitor all agreements subject to reimbursement from this Agreement to ensure that the applicable prevailing wage provisions of the State Labor Code are being met. Division of Industrial Relations (DIR) requirements may be found at: <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's Public Works Manual at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>.

33. PRIOR COSTS

No costs incurred prior to the Eligible Work Start Date are eligible for reimbursement.

34. PROFESSIONALS

The Recipient agrees that only licensed professionals will be used to perform services under this Agreement where such services are called for. All technical reports required pursuant to this Agreement that involve planning, investigation, evaluation, design, or other work requiring interpretation and proper application of engineering, architectural, or geologic sciences, shall be prepared by or under the direction of persons registered to practice in California pursuant to Business and Professions Code, sections 5536.1, 6735, 7835, and 7835.1. As required by these laws, completed technical reports must bear the signature(s) and seal(s) of the registered professional(s) in a manner such that all work can be clearly attributed to the professional responsible for the work.

35. RECORDS, INSPECTION, AUDITS, AND INTERVIEWS; RECORDS RETENTION

The Recipient must maintain separate books, records and other material relative to the Project and retain such books, records, subcontracts, and other material until at least the Records Retention End Date set forth on the Cover Page of this Agreement. The Recipient must require that such books, records, and other material are subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by CalEPA, the Department of Finance, the California State Auditor, the Bureau of State Audits, or any authorized representatives of the aforementioned, including federal funding agencies and their auditors, if any. The Recipient must allow and must require its contractors to allow interviews during normal business hours of any employees who might reasonably have information related to such records. The Recipient agrees to include a similar duty regarding audit, interviews, and records retention in any contract or subcontract related to the performance of this Agreement. The provisions of this section survive the term of this Agreement.

36. RELATED LITIGATION

Under no circumstances may the Recipient use funds from any reimbursement under this Agreement to pay costs associated with any litigation the Recipient pursues against

any state agency, including but not limited to CalEPA. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Recipient agrees to complete the Project funded by this Agreement or to repay all of the disbursed funds plus interest.

37. REMEDIES

CalEPA may enforce its rights under this Agreement by any judicial proceeding, whether at law or in equity. None of the remedies available to CalEPA shall be exclusive of any other remedy, and each such remedy shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. CalEPA may exercise any remedy, now or hereafter existing, without exhausting and without regard to any other remedy. Any dispute of the Recipient is limited to the rights and remedies provided to the Recipient under this Agreement and is subject to the procedures provided to the Recipient under this Agreement.

38. REPORTS - AS NEEDED

The Recipient must provide expeditiously any reports, data, and information reasonably required by CalEPA, including but not limited to material necessary or appropriate for evaluation of the funding program or to fulfill any reporting requirements of the State or federal government.

39. RESPONSIBILITY FOR WORK

The Recipient shall be responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Recipient shall be responsible for responding to any and all disputes arising out of its contracts and any subcontracts for work on the Project, including, but not limited to, payment disputes with contractors and subcontractors. CalEPA will not mediate disputes between the Recipient and any other entity concerning responsibility for performance of work.

40. RIGHTS IN DATA

The Recipient agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Agreement are subject to the rights of the State as set forth in this section. The State shall have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Recipient may copyright the same, except that, as to any work which is copyrighted by the Recipient, the State reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so, and to receive electronic copies from the Recipient upon request. The Recipient may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Agreement, subject to appropriate

acknowledgement of credit to CalEPA for financial support. The Recipient shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.

41. CALEPA ACTION; COSTS AND ATTORNEY FEES

In the event of litigation between the parties hereto arising from this Agreement, it is agreed that each party shall bear its own costs and attorney fees.

42. STATUS QUO

If any action to enforce any right or exercise any remedy shall be brought and either discontinued or determined adversely to CalEPA, then CalEPA shall be restored to its former position, rights, and remedies as if no such action had been brought.

43. TERMINATION, IMMEDIATE REPAYMENT, AND INTEREST

This Agreement may be terminated by written notice at any time, at the option of CalEPA, if:

- a. the Recipient has received funds as a result of a material misrepresentation in the funding application or other submitted document; or
- b. upon violation by the Recipient of any material provision of this Agreement after such violation has been called to the attention of the Recipient and after failure of the Recipient to bring itself into compliance with the provisions of this Agreement within a reasonable time as established by CalEPA.

In the event of such termination, the Recipient agrees, upon demand, to immediately repay to CalEPA an amount equal to the amount of Project Funds disbursed to the Recipient prior to such termination. In the event of termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Recipient to the date of full repayment by the Recipient.

44. TIMING

Time is of the essence. The Recipient must expeditiously proceed with and complete the Project. Failure to proceed according to the timelines set forth in this Agreement may require the Recipient to repay to CalEPA all disbursed Project Funds.

45. TRAVEL AND PER DIEM

No work or travel outside the State of California is permitted under this Agreement unless CalEPA provides prior written authorization. No work or travel outside the United States of America is authorized. Failure to comply with this restriction may constitute an Event of Default and result in termination of this Agreement. See Exhibit B regarding travel expenses and reimbursement.

46. UNDISBURSED FUNDS

The Recipient is not entitled to interest earned on undisbursed funds.

47. UNENFORCEABLE PROVISION; SEVERABILITY

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

48. UNION ACTIVITIES

The Recipient hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Agreement. The Recipient certifies that none of the Project Funds will be used to assist, promote, or deter union organizing. If the Recipient incurs costs or makes expenditures to assist, promote, or deter union organizing, the Recipient will maintain records sufficient to show that no reimbursement from Project Funds has been sought for these costs and the Recipient shall provide those records to the Attorney General upon request.

49. VENUE

Any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California.

50. WAIVER AND RIGHTS OF CALEPA

Any waiver of rights by CalEPA with respect to a default or other matter arising under this Agreement at any time shall not be considered a waiver of rights with respect to any other default or matter.

51. WITHHOLDING OF DISBURSEMENTS AND REIMBURSEMENTS

Notwithstanding any other provision of this Agreement, CalEPA may withhold all or any portion of the Project Funds upon the occurrence of any of the following events:

- a. Failure of the Recipient to maintain reasonable progress on the Project as determined by CalEPA;
- b. Commencement of litigation or a judicial or administrative proceeding related to the Project, or Recipient that CalEPA determines may impair the timely satisfaction of Recipient's obligations under this Agreement;
- c. Any investigation by State, local, or federal investigators or auditors, or a grand jury, relating to the Recipient's financial management, accounting procedures, or internal fiscal controls;

- d. A material adverse change in the condition of the Recipient, or the Project, that CalEPA reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement, or any other event that CalEPA reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement;
- e. The Recipient's material violation of, or threat to materially violate, any provision of this Agreement;
- f. Suspicion of fraud, forgery, embezzlement, theft, or any other misuse of public funds by the Recipient or its employees, or by its contractors or agents directly or indirectly regarding the Project;
- g. An event requiring notice under this Agreement; or
- h. An Event of Default or an event that CalEPA determines may become an Event of Default.

52. EXECUTIVE ORDER N-6-22 — RUSSIA SANCTIONS

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.