REVISED

# Oct 03 2021 BOARD OF RECREATION AND PARK COMMISSIONERS

**BOARD REPORT** 

NO.

October 03, 2024 DATE

C.D. 1, 6, 9, and 13

24-202

#### **BOARD OF RECREATION AND PARK COMMISSIONERS**

STATE PARKS GRANT AMENDMENTS – TIME EXTENSION REQUESTS FOR SUBJECT: SLAUSON-WALL PARK, RIO DE LOS ANGELES STATE PARK, NEVIN AVENUE ELEMENTARY SCHOOL PARK, CESAR CHAVEZ PARK (AKA SHELDON-ARLETA PARK PHASE IIIC), HOLLYWOOD RECREATION CENTER MULTI-PURPOSE FIELD, SOUTH PARK CENTER (MEADOW) SOCCER

B. Aguirre	M. Rudnick		
B. Jones	C. Santo Dor	mingo	
C. Stoneham	*N. Williams	<u>NDU</u>	9/Li
			General Manager
Approved	Х	Disapproved	Withdrawn

#### RECOMMENDATIONS

- 1. Approve time extensions for the following six projects from current liquidation dates to recommended new liquidation dates:
  - Slauson-Wall Park (PRJ20769) Project from June 30, 2026 to June 30, 2028
  - Rio de Los Angeles State Park (PRJ21462)(E1908950) Project from June 30, 2025 to June 30, 2028
  - Nevin Avenue Elementary School Park (PRJ20833) Project from June 30, 2025 to June 30, 2028
  - Cesar Chavez Park (aka Sheldon-Arleta Park Phase IIIC) from June 30, 2026 to June 30, 2029
  - Hollywood Recreation Center Multi-Purpose Field (PRJ20172) Project from June 30, 2025 to June 30, 2027
  - South Park Center (Meadow) Soccer Field Project from June 30, 2025 to June 30, 2028; and
- 2. Authorize the Department of Recreation and Parks (RAP) General Manager or designee to execute State Grant Contract Amendments substantially in the form attached as Attachment No. 2 to this Report (Amendments) for the six projects listed in Recommendation No. 1 to extend the grant performance period, subject to approval by the City Council and the City Attorney as to form; and

#### BOARD REPORT

## PG. 2 NO. 24-202

- 3. Direct the Board of Recreation and Park Commissioners (Board) Secretary to forward the Amendments to the City Council for approval and the City attorney for review and approval as to form; and
- 4. Authorize RAP staff to make technical adjustments as necessary to carry out the intent of this Board Report.

#### <u>SUMMARY</u>

The Office of Grants and Local Services (OGALS) is California Parks and Recreation Department's grant agency, and administers grants for park capital improvements under funding initiatives such as Proposition 84 (Prop 84), Proposition 68 (Prop 68), California Legislature Budget Earmarks (Specified), Proposition 40 Youth Soccer (Prop 40 YS), and Locally-Operated State Parks Program Grant (LOSPP). RAP receives competitive and specified grants from OGALS to acquire, develop, and improve parks and recreation centers for communities throughout Los Angeles. RAP collaborates with OGALS to conduct grant administration for existing grants including requesting grant amendments. RAP typically requests time extensions to enable staff from RAP, the Bureau of Engineering, and other City departments to complete projects or to comply with new State actions. On occasion, the State Legislature independently enacts new time extensions for certain projects through budget actions. OGALs will then require RAP to execute grant amendment(s) to align the grant liquidation date(s) to comply with State action(s). Time extensions for these projects are necessary to ensure that all grant funding is not interrupted during the performance period for these six projects.

RAP is requesting for authority to allow RAP's General Manager to execute State Grant Contract Amendments to extend the liquidation dates for the following State Grants:

- Slauson-Wall Park (PRJ20769) (CD 9). In July 2024, OGALS notified RAP that the State Legislature through a budget action extended the grant liquidation date from June 30, 2026 to June 30, 2028. RAP did not request for such a time extension. In accordance with the State's action, OGALS is requiring RAP to submit a grant amendment request to officially execute a grant extension to June 30, 2028. The project is presently coordinated by City of Los Angeles Economic and Workforce Development, the City Administrative Officer, and Council District 9. The project is in pre-construction.
- 2) Rio de Los Angeles State Park Renovation Project (PRJ21462)(E1908950) (CD 1). Recently, OGALS notified RAP that the State Legislature through a budget action extended the grant liquidation date from June 30, 2025 to June 30, 2028. RAP had not requested for such time extension. OGALS is requiring RAP to officially execute a grant extension agreement to align with the legislative action. The Bureau of Engineering is the project manager. Project construction began in July 2024.
- 3) Nevin Avenue Elementary School Park (PRJ20833) (CD 9). RAP requests a grant time extension from June 30, 2025 to June 30, 2028. The grant extension will enable RAP to complete the soil remediation as being monitored by the Department of Toxic Substances Control (DTSC). A final report for the Soil Management Plan has been submitted and is waiting for DTSC approval. Because of the unknown variable of

#### BOARD REPORT

#### PG. 3 NO. 24-202

whether DTSC has comments and questions, it is difficult to estimate a time frame of when DTSC will provide the "Soil Management Plan Approval Letter/Soil Management Plan Approval Report." Once RAP receives the Final Soil Management Plan Approval Report from DTSC, construction is estimated to be completed within a year. A grant extension to June 30, 2028 should provide sufficient time for completion of the project and administrative close out which include site visits, financial reconciliation and any post-completion follow-up activities as requested by OGALS.

- 4) Cesar Chavez Park (aka Sheldon-Arleta Park Phase IIIC) (PRJ20817) (E170163B) (CD 6). The Bureau of Engineering is the project manager. RAP requests a grant extension from the current liquidation date of June 30, 2026 to June 30, 2029. The Bureau of Engineering estimates that construction will begin in Summer 2025 and anticipates the project will be completed by Spring 2028. Given the project's anticipated completion, the State's grant guidelines provide that the next available liquidation date is June 30, 2029.
- 5) Hollywood Recreation Center Multi-Purpose Field (PRJ21072) (CD 13). Presently, RAP is completing the design phase and will next conduct the bid and award phase in Fall 2024. Construction is anticipated to be complete by Fall 2025 to Winter 2026. To allow for the completion of the project and administrative close out, RAP requests a time extension from the current liquidation of June 30, 2025 to June 30, 2027.
- 6) **South Park Recreation Center Soccer Field (PRJ21068) (E1908366) (CD 9).** The Bureau of Engineering is the project manager. The project has completed the design and plan check. The project will next move to a bid and award phase with an anticipated construction completion in 2026. RAP requests the time extension from the current liquidation of June 30, 2025 to June 30, 2028. This would ensure that the grant will close out along with a recently awarded Measure A grant with the close out year of 2028 and will allow RAP to ensure both grants are administratively closed out simultaneously.

Additional information concerning these projects and grants is included as Attachment No. 1 to this Report.

#### **ENVIRONMENTAL IMPACT**

Article 20, Section 15378 of the California Environmental Quality Act (CEQA) Guidelines define a project subject to CEQA as the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, when is directly funded by a public agency, somehow supported financially by a public agency or involving a lease or a permit by a public agency.

Staff found that the extension of these grants does not have a potential to result in a direct or indirect physical change in the environment, and therefore recommends that the Board of Recreation and Park Commissioners take no action pursuant to CEQA.

#### FISCAL IMPACT

There is no fiscal impact on RAP's General Fund.

#### BOARD REPORT

## PG. 4 NO. <u>24-202</u>

This Report was prepared by Kai Wong, Services Coordinator, Grants Administration, Finance Division and reviewed by Steven Tran, Senior Management Analyst II, Finance Division, and Sondra Fu, Chief Management Analyst, Finance Division.

LIST OF ATTACHMENTS

- Attachment No. 1 List of 6 State Projects
  Attachment No. 2 Grant Contract Amendment

# Department of Recreaiton and Parks Grant Extnsion Rquest List of State Projects by Liquidation Date

Project Name	CD#	PRJ No.	Grant Award Date	Grant Program Name	Project Liquidation Date	Project Scope	Grant Amount	
Hollywood Recreation Center Multi-Purpose Field	13	21072	6/14/2017	Prop 40 YS	06/30/25	Construct an artificial turf multi-purpose field for soccer and baseball at Hollywood Recreation Center in the City of Los Angeles.	\$1,000,000.00	
Nevin Avenue Elementary School Park	9	20833	5/24/2012	Prop 84	06/30/25	Create the new Nevin Avenue Elementary School Park in the City of Los Angeles through acquisition and development of .26 acres. Construct a new entry plaza and picnic area, children's playground, fitness zone, interactive plant demonstration garden, botanical learning garden, walking trails, and an outdoor learning area	\$2,898,340.00	
South Park Recreation Center (Meadow) Soccer Field	9	21068 E1908366	6/14/2017	Prop 40 YS	06/30/25	installation of new synthetic multi-purpose field, irrigation system upgrades, new perimeter chain link fencing and gates, and upgrades to existing restrooms		
Cesar Chavez Park (aka Sheldon-Arleta Park Phase IIIC)	6	PRJ20817 E170163B	7/14/2017	Prop 68 Specified Grant	06/30/26	construction of one (1) baseball field, children's play area, prefabricated restroom/office/storage building, picnic area with canopy, landscaping, and irrigation	\$1,500,000.00	
Rio de Los Angeles Park Renovation	1	21462 E1908950	11/17/2022	Locally- Operated State Parks Program (LOSPP)	06/30/28	Renovate 3 soccer field at south end of park, which will also include new field lighting. 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.	\$1,500,000.00	
Slauson-Wall Park	9	20769	5/13/2013	Prop 84	06/30/28	Create the new Slauson Wall Park in the City of Los Angeles through acquisition and development of a former 4 acre industrial site. Construct a new plaza/promenade and performing arts area, multi-use sports fields, children's playground, basketball courts, community garden, picnic area, open space, restroom building and parking lot.	\$4,999,933.00	

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

# AMENDMENT TO CONTRACT

Contract No. \_\_\_\_\_ Amendment No. \_\_\_\_\_

THIS AMENDMENT is hereby made and agreed upon by the State of California, acting through the Director of the Department of Parks and Recreation and by the <u>City of Los</u> <u>Angeles</u>

The State and, City of Los Angeles in mutual consideration of the promises made herein and in the contract in which this is an amendment, do promise as follows:

- To extend the grant performance period to June 30, 2028
- To add Section III, Special Provisions

The General and Special Provisions attached are made a put of an incorporated into this Contract Amendment.

In all other respects, the contract of which this is a nondrivent, and the terms and conditions if relevant thereto, shall remain is full force and effect. In witness whereof the parties hereto have executed this amendment as of the date entered below.

Applicant: City of Los Angeles	TATE EPARTMENT OF PARKS AND RECREATION
Ву	Ву
Title <u>General Manager, Executive Officer, or existant</u> General Manger Applicant's Authorized Representation as showin Resolution	Date
Date	

## CERTIFICATION OF FUNDING (FOR STATE USE ONLY)

CONTRACT NO	AMENDMENT NO 1		FISCAL SUPPLIER I.D. 0000011753			PROJECT NO		
AMOUNT ENCUMBERED BY THIS DOCUMENT \$0		FUND SAFE DRINKING WTR, COASTAL PROTECTION FUND OF 2006						
PRIOR AMOUNT ENCUMBERED BY THIS CONTRACT \$		ITEM 3790-102-6051			CHAPTER 43	STATUTE 22		FISCAL YEAR 2024/25
TOTAL AMOUNT ENCUMBERED TO DATE		Reporting Struct 37900091			ACTIVITY CODE 65217		PROJECT/WORK PHASE	

# I. RECITALS

This CONTRACT is entered into between the California Department of Parks and Recreation (hereinafter referred to as "GRANTOR," "DEPARTMENT" or "STATE") and City of Los Angeles (hereinafter referred to as "GRANTEE").

The DEPARTMENT hereby grants to GRANTEE a sum (also referred to as "GRANT MONIES") not to exceed <u>\$XXXXXXX</u>, subject to the terms and conditions of this CONTRACT and the 2022/23 California State Budget, Chapter 43, statutes of 2022, Item number – 3790-1025-6051 (appropriation chapter and budget item number hereinafter referred to as "2006 Parks Bond Act, Statewide Park Development and Community Revitalization GRANT"). These funds shall be used for completion of the GRANT SCOPE(S).

The Grant Performance Period is from July 01, 2009 to June 30, 2028.

# II. GENERAL PROVISIONS

# A. Definitions

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

- 1. The term "ACT" means the Californ & Drought, Water, Parks Climate, Coastal Protection, and Outdoor Access for all a st or 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 making egislation and/or grant program process guide requirements.
- 3. The term "DECOMPET" 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 "GUIDE" 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, 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 Thirdapplies to any and all changes that occur after STATE has approved the APARICATION. Changes in the GRANT SCOPE(S) must be approved in writing by the STATE.

2. The GRANTEE shall complete the GRANTSCORE(S) is accordance with the time of the Performance Period set forth in Section 1 of DiscONTRACT, and under the terms and conditions of this CONTRACT.

To maintain the integrity of the constitution grant program, the GRANTEE agrees that any other project changes or an erations which deviate from the intent of the project selection criteria processed by the CRANTEE in the original competitive APPLICATION must be submited in criting to the STATE for prior approval.

- 3. The GRANTEE shall composition of California Environmental Quality Act (<u>Public Resources Code</u>, Section 27,006, et seq., Title 14, <u>California Code of Regulations</u>, Section 15000 at seq.).
- 4. The GRANTIE shart comply with all applicable current laws and regulations affecting DEVELOPMENT projects, including, but not limited to, legal requirements for construction contacts, 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. Project Guide

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

## D. Project Administration

- 1. If GRANT MONIES are advanced for DEVELOPMENT projects, the advanced funds may 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 rencine the 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 a ward or when the funds are appropriated, whichever is later. After project commencement, this CONTRACT may be rescinded, modified or amende contypy mutual agreement in writing between the GRANTEE and the STANTEURLES the provisions of this CONTRACT provide that mutual agreement is no required.
- 3. Failure by the aRANTEE to comply with the terms of the (a) GUIDE, (b) any legislation application 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 suspection 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 adjust 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 SLATE, its officers, agents, and employees.
- 2. The GRANTEE shall indemnify, hold burmless anothered the STATE, its officers, agents and employees against any an all traims, demands, damages, costs, expenses or liability costs arising to of the ACQUISITION, DEVELOPMENT, construction, operation or maintenance of the property described as the project which claims, demands or causes on action arise under California Government Code Section 895.2 or otherware capacity for liability arising out of the concurrent or sole negligence of the STATE, he officers, agents, or employees.
- 3. The GRANTEE agrees in a in the event the STATE is named as codefendant under the provisions of C lifornia Government Code Section 895 et seq., the GRANTEE stall putty be 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 the 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 o 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 the activities under this CONTRACT. Such accounts, documents, and records shall be required 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 contract prevention accounting system.

## I. Use of Facilities

- 1. The GRANTEE agrees wat 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 and the property acquired or developed with GRANT MONIES under this contract only for the purposes of this grant and no other use, sale, or other disposition or change of the use of the property to one not consistent with its purpose shall be permitted except as authorized by the STATE and the property shall be replaced with property of equivalent value and usefulness as determined by the STATE.
- 3. The property acquired or developed may be transferred to another entity if the successor entity assumes the obligations imposed under this CONTRACT and with the approval of STATE.
- 4. Any real Property (including any portion of it or any interest in it) may not be used as security for any debt or mitigation, without the written approval of the STATE provided that such approval shall not be unreasonably withheld as long as the

purposes for which the Grant was awarded are maintained. Any such permission that is granted does not make the STATE a guarantor or a surety for any debt or mitigation, nor does it waive the STATE'S rights to enforce performance under the Grant CONTRACT.

- 5. All real property, or rights thereto, acquired with GRANT MONIES shall be subject to an appropriate form of restrictive title, rights, or covenants approved by the STATE. If the project property is taken by use of eminent domain, GRANTEE shall reimburse STATE an amount at least equal to the amount of GRANT MONIES received from STATE or the pro-rated full market value of the real property, including improvements, at the time of sale, whichever is higher.
- 6. If eminent domain proceedings are initiated against GRANTEE, GRANTEE shall notify STATE within 10 days of receiving the complaint

# J. Nondiscrimination

- 1. The GRANTEE shall not discriminate against any person on the basis of sex, race, color, national origin, age, religion, and stry, sexual orientation, or disability in the use of any property or facility developed persuant to this contract.
- 2. The GRANTEE shall not discriminate gainst any person on the basis of residence except to the extent the 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 treacher of the public generally, except as noted under the special provisions of his project contract or under provisions of the enabling legislation an Vorturent program.

## K. Severability

If any provision or this COLTRACT or the application thereof is held invalid, that invalidity shall not affect oner 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

- 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 flubordination Agreement provided and approved by the STATE, signed by an parties involved in the transaction, and recorded in the County Reports against the fee title of the project property.

## **O. Section Headings**

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

## P. Waiver

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

## **III. Special Provisions**

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. This Executive order extends to recipients of any State Grants (Grantee). Grantees include those who have contracted or will contract to receive State grants funds. Accordingly, should the State determine that a Grantee 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 the Grantee advance written notice of such termination, allowing the Grantee at least 30 calendar days to provide a written response. **Termination of any contract found to be in violation of this Executive Order shall be at the sole discretion of the State**.

<u>City of Los Angeles</u>
GRANTEE
By: Signature of Authorized Representative
Title:
Date:
STATE OF CALIFORNIA DEPARTMENT OF PARKS AND RECREMENTION
By: Signature of Authorized Representative
Title:
Date:
5