

EXHIBIT B
Aquatic Center Grant Special Terms and Conditions

References to “Division” shall refer to Department of Parks and Recreation, Division of Boating and Waterways.

The Grantee is responsible for complying with these provisions for the entire term of the Agreement listed on the grant agreement cover page.

1. The Division shall provide the Grantee a sum not to exceed the amount specified in this Agreement for the purchase of vessels and equipment and/or program funding for use in boating safety instructional programs in accordance with all Attachments incorporated herein by reference.
2. The Division is not obligated to pay for expenditures associated with this Agreement that take place prior to all signatures being secured.
3. Administrative overhead or indirect costs shall not be part of this Agreement.
4. Completing purchases and requesting payments:
 - A. The Grantee shall complete purchases of vessels and equipment specified on the budget pages in Exhibits A and F no later than September 30, 2016. All invoices accompanied by proof of payment pertaining to said purchases of vessels and equipment specified in Exhibits A and F must be received by the Division on or before October 31, 2016. The Grantee may request approval for an extension to purchase vessels and equipment after this date with justification. The Division is not obligated to make reimbursement payment on any invoice received after these specified deadline dates unless an extension has been approved by the Division.
 - B. The Grantee shall conduct all classes specified on the budget pages in Exhibits A and F by January 31, 2017. All invoices for classes specified on the budget pages in Exhibits A and F must be received by the Division on or before March 1, 2017. The Grantee may request Division approval for an extension to conduct classes after this date with justification. The Division is not obligated to make reimbursement payment on any invoice received after these specified deadline dates unless an extension has been approved by the Division.
5. The Grantee shall only make expenditures specified on the budget page(s) contained in this Agreement. Any modifications to the budget page(s) must be approved by the Division. The Grantee must submit a letter to the Division stating the reasons for the requested modification accompanied by a modified budget page. The Division must give approval of the modifications in writing and forward this approval to the Grantee before any expenditure reflected on the modified budget page is made. Nothing herein shall require the Division to give their approval or to reimburse the Grantee for unapproved expenditures.
6. All invoices from the Grantee must be submitted with the appropriate reimbursement claim form supplied by the Division. Request for reimbursement listed on the claim form must match a corresponding line item on the Grantee’s budget page(s). The

EXHIBIT B
Aquatic Center Grant Special Terms and Conditions

entire invoice (including all items listed in subsection A below) must be submitted to the Division in triplicate.

A. Additional Documentation

1. Equipment reimbursement payment request
Reimbursement requests for purchased equipment shall include:
 - a. Equipment reimbursement claim form
 - b. Manufacturer/dealer invoices.
 - c. Proof of payment

2. Scholarship reimbursement payment request
Reimbursement requests for scholarship expenses shall include:
 - a. Scholarship reimbursement claim form
 - b. Course name(s), dates conducted, cost per student, and names and addresses of students when available. If the names and addresses of the students cannot be released, the Grantee shall request alternate submittal instructions from the Division. This may include but is not limited to submitting the course name and group along with a contact person's (i.e., teacher name, troupe leader, youth director, etc.) name, address, and phone number to verify attendance and completion of class to verify scholarship request.

3. Instructor training reimbursement payment request
Reimbursement requests for instructor training shall include:
 - a. Instructor training reimbursement claim form
 - b. Receipts from the organization teaching the course that show the course name, student name, date conducted, and cost of the course.
 - c. Proof of payment

4. National Safe Boating Week reimbursement payment request
Reimbursement requests for National Safe Boating Week shall include:
 - a. National Safe Boating Week reimbursement claim form
 - b. A completed Event Report Form (template supplied by the Division) by June 30, 2016.
 - c. Receipts for allowable expenses as described on the National Safe Boating Week information sheet.
 - d. Proof of payment

7. The Grantee shall provide a minimum of 30 boating safety education courses each year. Exemptions may be granted depending upon circumstances.

8. Teaching boating safety for a fee, or offsetting that cost by using scholarship funds, is considered to be carrying passengers for hire or for consideration. The Grantee shall comply with both federal requirements (Title 46 United States Code and specified in Titles 33 and 46 Code of Federal Regulations) and state requirements (Harbor and

EXHIBIT B
Aquatic Center Grant Special Terms and Conditions

Navigation Code, Chapter 5, Article 3; California Code of Regulations, Title 14, Article 7) for for-hire vessel operation and will comply with those licensing requirements when applicable before utilizing any equipment or scholarship funding associated with this Agreement.

9. The Grantee shall send a representative (boating program director, or other representative approved by the Division) to all days of one Aquatic Center Directors' Meeting annually during the term of the Agreement. Should the Grantee or representative be unable to attend the meeting, the Grantee must forward a letter to the Division stating the reason why they cannot attend and commit to attend the next meeting. The Division must grant approval in writing in order for the Grantee not to be in breach of this Agreement for failure to attend. Nothing herein shall require the Division to give its approval.
10. The Grantee shall submit annual reports to the Division due no later than December 1st each year of the Agreement term which shall include program activities and enhancements, the number and demographics of the population served by the Grantee's program during the previous calendar year, photographs or pictures on a computer disc from the year's activities, equipment inventory of items on the Division's Inventory Form purchased with grant money if applicable, and suggested changes and recommendations for improvements to the Aquatic Grants Program. The Annual Report template will be available on the Division's website by October 31st each year.

Paragraphs 11-17 apply to any equipment purchased under this Agreement:

11. All equipment associated with this Agreement shall revert to the Division should the Grantee default on any portion of this Agreement. The California Department of Parks and Recreation, Division of Boating and Waterways shall be listed as lienholder on all equipment subjected to the registration requirements of the California Department of Motor Vehicles.
12. The Grantee shall be responsible for the costs of operating and maintaining grant-funded vessels; the Division is not liable for such costs. The Grantee agrees to repair or replace any equipment purchased under this Agreement if lost, stolen, or damaged.
13. The Grantee shall perform a physical inventory of all equipment purchased under this Agreement and reconcile the inventory with the property records at least annually to verify the existence, current utilization, and continued need for the equipment. The Grantee shall keep complete and accurate records of all expenditure pertaining to the purchase of additional equipment and the operation and maintenance of grant-funded vessels; such records shall be available and open to the Division at all reasonable times for inspection and audit by any authorized representative of the Division.

EXHIBIT B
Aquatic Center Grant Special Terms and Conditions

14. Property records shall be maintained by the Grantee and provided on the Grant program's inventory form titled *Equipment Inventory List* that accurately provides: a description of the property, manufacturer, serial number or other identification number, property location and condition.
15. The Grantee shall request disposition instructions from the Division for equipment no longer needed in the Grantee's boating education program or that is no longer seaworthy.
16. When purchasing equipment, the Grantee shall ensure that adequate competition has been sought by taking the following steps:
 - A. The Grantee shall openly seek estimates for equipment.
 - B. All estimates should be submitted in writing. If a written estimate is not possible, the Grantee shall document any verbal estimate.
 - C. The Grantee shall make every effort to ensure that three (3) estimates are received prior to the purchase of said equipment. If three (3) estimates are not received, the Grantee shall fully document why three (3) estimates could not be received. All estimates or documentation shall be retained by the Grantee. The Grantee agrees to maintain such records for possible audit for a minimum of three (3) years after the final payment.
 - D. Should a certified small business submit an estimate, the business can claim a preference of five (5) percent when submitting as compared to the lowest responsible proposer who is not a certified small business. (Certified small business is defined as a business certified by the Office of Small Business and DVBE Services)
17. The Grantee understands and agrees that equipment purchased with funds granted under this Agreement shall be prioritized for use in the following order: 1) by students officially enrolled in the courses of instruction taught or provided by the Grantee; 2) by the Grantee for community/outreach events; 3) by the Grantee for competitive practices and events; 4) by members of the public through a DBW-approved equipment check-out program managed by the Grantee.
 - A. The Grantee shall ensure that if making grant-funded equipment available to be checked out, whether for free or for a fee, by a student enrolled in, or who has previously been enrolled in one of the Grantee's boating safety courses, or checked out for use in competition as approved by DBW, that all such users have either, 1) successfully completed a boating safety course for that type of equipment through the Grantee's organization, or 2) demonstrated sufficient knowledge of applicable boating safety and navigational rules and laws and demonstrated safe and practical handling of the specific vessel being check-out before taking it on the water, or 3) received a basic boating safety check-out lesson and boating demonstration from qualified instructors including on-the-water guidance. The Grantee shall have a DBW-approved equipment

EXHIBIT B
Aquatic Center Grant Special Terms and Conditions

check-out policy on file with DBW. The Grantee shall require the person checking out the vessel to sign a waiver stating that they have complied with one of the three safety requirements listed in this paragraph.

- B. All proceeds from the above-specified uses of equipment purchased in this Agreement shall stay vested within the Grantee's boating safety education program, and shall be used only to fund enhancements of and additions to the Grantee's boating education program. The Grantee shall keep specific and accurate records of all uses of equipment purchased with funds granted under this Agreement, and all fees collected for uses of equipment purchased in this Agreement as specified in subdivision (a), above.
 - C. DBW shall have discretion to disapprove any course, course outline, or boating safety lesson plan of a Grantee before the Grantee proceeds with an equipment check-out program. The Grantee shall make any and all necessary changes to meet the DBW request. Approval shall not be unreasonably withheld.
 - D. On no occasion shall the Grantee lend or sub-lease DBW grant-funded equipment to another person or entity for any purpose.
18. The Grantee agrees that the California Department of Parks and Recreation, the Division of Boating and Waterways, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The Grantee agrees to maintain such records for possible audit for a minimum of 15 years from the commencement of this Agreement.
- The Grantee shall keep a record of all paperwork connected with this Agreement including, but not limited to, request for changes to the budget page, invoices from manufacturers or dealers for equipment and supplies purchased, proof of payment, scholarship class lists, requests for reimbursement and payments received from the Division regarding those requests.
19. The State reserves the right to terminate this Agreement for any reason subject to thirty (30) days written notice to the Grantee. The Grantee may submit a written request to terminate this Agreement only if the State should substantially fail to perform its responsibilities as provided herein and said finding has been made by the Officer designated to hear any underlying disputes between the parties. In the event the Agreement is terminated prior to the expiration of the full term of the Agreement, ownership of all property purchased with funds from the Agreement shall revert to the Division.
20. Subject to available funding and satisfactory performance, the Division shall have the option of extending the term of this grant, revising the term and expenditure dates of the grant, if needed, to correspond to this change. At the Division's request, the Grantee shall submit a new proposal, which shall be evaluated by the

EXHIBIT B
Aquatic Center Grant Special Terms and Conditions

Division. If the proposal is satisfactory, the Division may award the Grantee additional funds. The new proposal provided by the Grantee shall be incorporated as an Amendment and Exhibit, and all reimbursements shall be in accordance with that new Amendment and Exhibit. All other terms and conditions listed herein shall remain unchanged.

21. Release of copyrighted material pursuant to Public Records Act request

Any and all information, writings, reports, maps or materials generated or produced pursuant to this Agreement, whether in electronic, written, or any other format, are subject to disclosure by the California Department of Parks and Recreation, Division of Boating and Waterways (Division) pursuant to the requirements of the California Public Records Act (PRA), Government Code section 6250 et seq., notwithstanding any copyright claims that may attach to such information, writings, reports, maps or materials. Any disclosure of such copyrighted material by the Division pursuant to the PRA shall not give the person or persons receiving such copyrighted information, license to violate the copyright, and any PRA requester who receives copyrighted material pursuant to PRA disclosure by the Division shall be informed of that fact. The Grantee understands and agrees that it shall not be entitled to any additional compensation from the Division if any of the information, writings, reports, maps or materials generated or produced pursuant to this Agreement, whether in electronic, written, or any other format, are released by the Division pursuant to a demand for such information pursuant to the PRA.

The Grantee hereby indemnifies and holds the California Department of Parks and Recreation, Division of Boating and Waterways harmless for any and all violations of copyright perpetrated by any persons who receive such copyrighted information, writings, reports, maps or materials generated or produced pursuant to this Agreement, whether in electronic, written, or any other format, that is released by the California Department of Parks and Recreation, Division of Boating and Waterways pursuant to a demand for such information pursuant to the PRA.”

INSURANCE REQUIREMENTS

22. General insurance requirements applying to all policies

A. Coverage Term

Coverage needs to be in force for the complete term of the Agreement. If insurance expires during the term of the grant, a new certificate must be received by the Division at least ten (10) days prior to the expiration of this insurance. Any new insurance must still comply with the original terms of the grant.

EXHIBIT B
Aquatic Center Grant Special Terms and Conditions

B. Policy cancellation or termination & notice of non-renewal

Insurance policies shall contain a provision stating coverage will not be cancelled without 30 days prior written notice to the Division. In the event The Grantee fails to keep in effect at all times the specified insurance coverage, the Division may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event, subject to the provisions of this Agreement.

C. Deductible

The Grantee is responsible for any deductible or self-insured retention contained within their insurance program.

D. Primary clause

Any required insurance contained in this Agreement shall be primary, and not excess or contributory, to any other insurance carried by the State.

E. Insurance carrier required rating

All insurance companies must carry a rating acceptable to the Office of Risk and Insurance Management. If the Grantee is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.

F. Endorsements

Any required endorsements requested by the Division must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.

All policies or letters of self-insurance must use the CG-2010-1185 form or equivalent and include the following clause:

The California Department of Parks and Recreation, Division of Boating and Waterways and the State of California, its officers, agents, employees, and servants are named as additional insured.

In the case of the Grantee's utilization of subcontractors to complete the scope of work, the Grantee shall include all subcontractors as insured's under the Grantee's insurance or supply evidence of insurance to the Division equal to policies, coverages and limits required of the Grantee.

Any proposed change in this status shall be reported to the Division prior to the change and may result in restrictions being imposed on the usage of the monies or equipment.

EXHIBIT B
Aquatic Center Grant Special Terms and Conditions

G. Inadequate Insurance –

Inadequate or lack of insurance does not negate the Grantee's obligations under the Agreement.

23. Insurance Coverage Requirements

A. Commercial General Liability

The Grantee shall maintain general liability with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with a \$2,000,000 annual policy aggregate. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Grantee's limit of liability.

B. Vessel Insurance

The Grantee shall produce evidence of necessary insurance for all vessels bought with the grant money and all vessels used in boating programs funded by grant money.

C. Automobile Liability

The Grantee must provide either (1) or (2) below:

1. If automobiles are used in the transportation of vessels or people involved in aquatic programs then the following coverage is needed:

The Grantee shall maintain motor vehicle liability with limits required by State and Federal statute but shall not be less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles.

2. If automobiles are not used in the transportation of vessels or of people when carrying out the activities covered by this grant award, then the *Non Use of Automobiles Proof of Insurance Waiver* must be submitted.

D. Watercraft Liability

The Grantee shall maintain watercraft liability with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of the maintenance and use of any watercraft.

E. Workers Compensation and Employers Liability

EXHIBIT B
Aquatic Center Grant Special Terms and Conditions

The Grantee must provide either (1) or (2) below:

1. The Grantee shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Agreement. Employer's liability limits of \$1,000,000 are required.

In addition, the Grantee shall forward a Waiver of Subrogation.

2. If paid employees are not used to carry out the activities covered by this Agreement, then the *Exemption of Workers Compensation* must be submitted.

24. Self-Insurance

The Grantee shall provide evidence of self-insurance. The Division reserves the right to request financial information.