

GRANT AGREEMENT
BETWEEN THE CITY OF REDLANDS AND THE GROVE SCHOOL FOR THE
PROVISION OF FUNDS TOWARDS RESTORATION OF THE MULTI-PURPOSE
ASSEMBLY HALL OF THE BARTON SCHOOL HOUSE

This agreement for the provision of funds towards the restoration of the multi-purpose assembly hall of the Barton School House ("Agreement") is entered into this 17th day of June, 2014 ("Effective Date"), by and between the City of Redlands, a California municipal corporation ("City"), and The Grove School, a Charter school located in the Redlands Unified School District ("Grantee"). City and Grantee are at times individually referred to herein as a "Party" and, together, as the "Parties."

RECITALS

A. City and Grantee are parties to the lease ("Lease"), recorded on April 20, 2001 as document number 20010149127 in the official records of the County of San Bernardino, which authorizes Grantee to conduct educational programs on certain property (the "Premises") located in City's Heritage Park.

B. An amendment to the Lease was recorded on April 5, 2009, as document number 20090041038 in the official records of the County of San Bernardino, which authorized Grantee to locate a Grantee-owned structure, commonly known as the Barton School House, on the Premises.

C. Grantee has requested a grant from the City for Grantee's construction of improvements, and restoration of, the multi-purpose assembly hall of the Barton School House ("Grant Proposal").

D. The City Council of City has determined the Grant Proposal is for a worthy project that will benefit the quality of life of the residents of the City of Redlands.

E. On February 18, 2014, the City Council of City approved the allocation of Two Hundred Fifty Thousand Dollars (\$250,000) ("Grant Funds") from the proceeds of City's sale of its Palmetto Grove for the restoration of the Barton School House.

F. City hereby finds and determines that the provision of funds to Grantee for the restoration of the multi-purpose assembly hall of the Barton School House serves a public purpose for the reasons that the Barton School House contributes to, and is an integral part of, the historic theme of City's Heritage Park, that the public will benefit by the proposed future uses of the restored multi-purpose assembly hall, and that tourism and the economic development of City will be enhanced by the restored Barton School House.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties agree as follows:

AGREEMENT

1.0 GRANT

Section 1.1. City awards to Grantee the Grant Funds as requested by Grantee in the Grant Proposal attached hereto as Exhibit "A" and incorporated herein by this reference.

Section 1.2. The Grant Funds shall be disbursed by City to Grantee in two installments, upon the completion and City inspection of the Phase I and Phase II work, respectively, as described in Exhibit "A."

2.0 TERM

Section 2.1. The term of this Agreement shall commence on its Effective Date and shall continue in full force and effect until June 16, 2016, unless earlier terminated as provided for herein.

3.0 RESTRICTIONS ON USE OF FUNDS

Section 3.1. The Grant Funds shall be expended solely for the restoration of the multi-purpose assembly hall of the Barton School House as described in Exhibit "A" (the "Approved Use"). Grantee warrants to the City that the Grant Funds shall be spent solely for such purpose or such Grant Funds shall be returned to City as provided in Section 5, below.

Section 3.2. In performing the work associated with the Approved Use, Grantee shall comply with all applicable federal, state and local laws, including but not limited to any applicable provisions of the California Labor Code. City makes no representation to Grantee as to whether the work associated with the Approved Use constitutes a "Public Work" as that term is defined by California Labor Code section 1720, and Grantee acknowledges and agrees that Grantee shall be solely responsible and liable for the determination of whether such work constitutes a "Public Work." Grantee further acknowledges and agrees that City's sole obligation under this Agreement is to provide Grantee with the Grant Funds, and that City is not an awarding authority for any contract entered into by Grantee for the work associated with the Approved Use, nor is City otherwise undertaking any "Public Work" for purposes of California Labor Code section 1781. Grantee shall defend, indemnify and hold harmless City and its elected officials, officers and employees from and against any and all losses, damages, costs, claims, causes of action and liability based upon the assertion that City or Grantee has failed to comply with any applicable provision of the California Labor Code in connection with Grantee's undertaking of work

associated with the Approved Use. This Section 3.2 shall survive any termination of this Agreement.

Section 3.3. The Grant Funds shall not be used for any activity that would violate City, state or federal statutory or decisional law.

4.0 REPORTING AND ACCOUNTING REQUIREMENTS

Section 4.1. At all times during the term of this Agreement, Grantee shall maintain true, proper, and complete books, records, and accounts (collectively, "Books and Records") in which shall be entered fully and accurately all transactions taken with respect to the operations of Grantee pursuant to the Grant Proposal and the expenditure of the Grant Funds. Grantee shall maintain the Books and Records in accordance with Generally Accepted Accounting Principles.

Section 4.2. If Grantee has been audited by an independent auditor or has been the subject of a compliance audit/examination by a regulatory agency during the past three years, audit reports and management letters indicating compliance violations, fraud, illegal acts, material weaknesses in internal control structure or reportable conditions in connection with such audits shall be delivered to City within ten (10) days of the Effective Date of this Agreement. If no audits or events as described above have occurred, Grantee shall provide City a written assertion within ten (10) days of the Effective Date of this Agreement that no audits or similar examinations have occurred during the three (3) year period and an assertion that Grantee is not aware of any events or conditions, described above, or other information that might reasonably impact City's decision to provide the Grant Funds, as requested.

Section 4.3. City reserves the right to designate its employee representatives or its contracted representatives with a Certified Public Accounting firm who shall have the right to audit Grantee's Books and Records and internal controls of Grantee's financial systems as they relate to the Grant Proposal and to examine any cost, revenue, payment, claim or other records or supporting documentation relating to Grantee's use and expenditure of the Grant Funds. Any such audit shall be undertaken by City or its representatives at mutually agreed upon reasonable times and in conformance with generally accepted auditing standards. Grantee agrees to fully cooperate with any such audit.

Section 4.4. City's right to audit shall extend during the term of this Agreement and for a period of three (3) years or longer, if required by law, following the date of City's provision of the Grant Funds to Grantee. Grantee agrees to retain all records and documentation relating to the Grant Proposal and Grantee's expenditure of the Grant Funds for such period.

Section 4.5. The work associated with the Approved Use shall be performed by Grantee or under Grantee's supervision. Grantee represents that it possesses the professional and technical skills required to perform the Approved Use described in this Agreement, and that it

will perform all work associated with the Approved Use with a standard of care and in a manner commensurate with the community professional standards.

5.0 USE OF GRANT FUNDS

Section 5.1. The Grant Funds shall be used solely by Grantee for the Approved Use and for no other use. In the event that the Grant Funds are not used for the Approved Use, Grantee shall provide written notification to City and shall return the Grant Funds in full to City within ten (10) days of such notice. If the Grant Funds are not fully expended by or before June 16, 2016, Grantee shall be obligated to return the unexpended Grant Funds to City within thirty (30) days of such date. This Section 5.1 shall survive any termination of this Agreement.

6.0 INDEMNIFICATION

Section 6.1. To the fullest extent permitted by law, Grantee shall indemnify, defend and hold harmless City, its City Council, boards and commissions, officers, agents, volunteers, and employees (collectively, the "Indemnified Parties") from and against any and all claims (including, without limitation, claims for bodily injury, death or damage to property), demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including, without limitation, attorneys' fees, disbursements and court costs) of every kind and nature whatsoever (individually, a "Claim;" collectively, "Claims"), which may arise from or in any manner relate (directly or indirectly) to this Agreement (including the negligent and/or willful acts, errors and/or omissions of Grantee, its principals, officers, agents, employees, vendors, suppliers, consultants, subcontractors, anyone employed directly or indirectly by any of them or for whose acts they may be liable for any or all of them). This Section 6.1 shall survive any termination of this Agreement.

Section 6.2. Notwithstanding the foregoing, nothing herein shall be construed to require Grantee to indemnify the Indemnified Parties from any Claim arising from the sole negligence or willful misconduct of the Indemnified Parties. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Grantee.

7.0 GRANTEE INDEPENDENCE

Section 7.1. In the performance of this Agreement, Grantee, and the agents and employees of Grantee, shall act in an independent capacity and are not officers, employees or agents of City. The manner and means of performing the work associated with the Approved Use are under the control of Grantee, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. Nothing in this Agreement shall be deemed to constitute approval for Grantee, or any of Grantee's employees or agents, to be the agents or employees of

City. Grantee shall have the responsibility for and control over the means of performing the Approved Use, provided that Grantee is in compliance with the terms of this Agreement. Anything in this Agreement that may appear to give City the right to direct Grantee as to the details of the performance or to exercise a measure of control over Grantee shall mean only that Grantee shall follow the desires of City with respect to the results of the Approved Use.

8.0 PROHIBITION AGAINST TRANSFERS

Section 8.1. Grantee shall not assign, sublease, hypothecate or transfer this Agreement, directly or indirectly, by operation of law or otherwise, without the prior written consent of City. Any attempt to do so without written consent of City shall be null and void.

9.0 NOTICES

Section 9.1. All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the third business day after the deposit thereof in the United States mail, postage prepaid, first class mail, addressed as hereinafter provided.

Section 9.2. All notices, demands, requests or approvals from Grantee to City shall be addressed to the City at:

Attn: Quality of Life Director
City of Redlands
35 Cajon Street, Suite 222
P.O. Box 3005
Redlands, CA 92373-1505
Phone: (909) 798-7655; Fax: (09) 798-7697

Section 9.3. All notices, demands, requests or approvals from City to Grantee shall be addressed to Grantee at:

Attn: Chair, Board of Director The Grove School
200 Nevada Street
Redlands, CA 92373-1505
Phone: (909) 798-7831

10.0 TERMINATION

10.1. Termination for Cause. Grantee shall be in default if Grantee fails or refuses to perform any duty required by the Agreement or performs in a manner inconsistent with the terms, conditions and restrictions of this Agreement. In such event, City shall give Grantee,

thirty (30) days written notice to cure. City shall be entitled to terminate this Agreement if Grantee has not cured the default within the thirty (30) day period. City shall be entitled to immediately terminate this Agreement if the default cannot be cured through corrective action. If terminated for cause, the Grant Funds shall be returned to the City pursuant to Section 5.

11.0 STANDARD PROVISIONS

Section 11.1. Compliance with Laws. Grantee shall at its own cost and expense comply with all statutes, ordinances, regulations and requirements of all governmental entities, including federal, state, county or municipal, whether now in force or hereinafter enacted.

Section 11.2. Waiver. A waiver by either Party of any breach, or of any term, covenant or condition contained herein, shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein, whether of the same or a different character.

Section 11.3. Integrated Contract. This Agreement represents the full and complete understanding of every kind or nature whatsoever between the Parties with respect to its subject matter, and all preliminary negotiations and agreements of whatsoever kind or nature relating to the same are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions herein.

Section 11.4. Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either Party by reason of the authorship of the Agreement or any other rule of construction which might otherwise apply.

Section 11.5. Amendment. This Agreement may be modified or amended only by a written document executed by both Grantee and City.

Section 11.6. Severability. If any term or provision of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

Section 11.7. Controlling Law and Venue. The laws of the State of California shall govern this Agreement and all matters relating to it and any action brought relating to this Agreement shall be adjudicated in a court of competent jurisdiction in the County of San Bernardino.

Section 11.8. Equal Opportunity Employment. Grantee represents that it is an equal opportunity employer and it shall not discriminate against any contractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age.

Section 11.9 Attorneys' Fees. In the event any action is commenced to enforce or interpret any term or provision of this Agreement the prevailing party in such action, in addition to costs and any other relief, shall be entitled to the recovery of its reasonable attorneys' fees. This Section 11.9 shall survive any termination of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of its Effective Date.

CITY OF REDLANDS



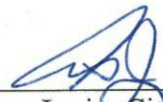
Pete Aguilar, Mayor

THE GROVE SCHOOL



Leela MadhavaRau, Chair

ATTEST:



Sam Irwin, City Clerk

Attachment: Exhibit A: Grant Proposal

Exhibit A

McNAUGHTON ARCHITECTURE, INC.

300 E. State Street, Suite #360
Redlands, California 92373
Mobile (909) 557-7358
Office (909) 583-1806
e-mail: shan@mna-p.com
www.mna-p.com

June 24, 2014

To: Chris Boatman, City Planner
City of Redlands

Re: **Barton Schoolhouse Preservation/ Adaptive Use Project:**
Allocation of Approved City Funds: \$250,000.00
Barton Schoolhouse Multi-purpose Assembly Hall: 2,704 S.F.

The following schedule outlines the required trades/ systems in the relative order they will need to be installed for this construction project. City allocated Funds should be disbursed upon successful completion of the building components which shall be verified by the required City inspections. The phases and milestones are as follows:

Phase 1: Building Systems

Electrical Wiring and Panels, switches, receptacles and lighting:	Cost Estimate: \$ 55,000
Fire Sprinkler System, including connection to city main water line:	Cost Estimate: \$ 65,000
Mech HVAC system, incl. ductwork, duct sealing/testing, registers and grilles:	Cost Est.: \$60,000
<u>Milestone1: Building Systems Combination Inspection: Total Disbursement Value Estimate: \$180,000</u>	

Phase 2: Building Finishes

Building Insulation: batt insulation in floor, roof and walls:	Cost Estimate: \$32,000
Gypsum wall board: smooth coat finish for walls and ceiling:	Cost Estimate: \$ 38,000
<u>Milestone 2: Gypsum Board Nailing Inspection: Total Disbursement Value Estimate: \$ 70,000</u>	

Please do not hesitate to call if you require further information or clarification.

Shan McNaughton, AIA
Architect C-28575