

EXHIBIT C

General Terms and Conditions For CALFED Bay-Delta Program Grants

1. **Approval:** This Grant Agreement is of no force or effect until signed by both parties. Grantee shall not commence work under this Grant Agreement until such signatures have been obtained. Work performed prior to having a fully executed Grant Agreement is performed at the Grantee's risk, with no expectation of reimbursement.
2. **Amendment:** No amendment or variation of the terms of this Grant Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Grant Agreement is binding on any of the parties. Details on the Science Program Guidelines for Grant Amendment Requests can be found in Exhibit B – Attachment 3 of this Grant Agreement.
3. **Assignment:** This Agreement is not assignable by the Grantee, either in whole or in part, without the consent of the Resources Agency in the form of a formal written amendment.
4. **Audit:** Grantee agrees that the awarding department, 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 Grant Agreement. Grantee agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Grantee agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (GC 8546.7, PCC 10115 et seq., CCR Title 2, Section 1896).
5. **Indemnification:** Grantee agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Grantee in the performance of this Agreement.
6. **Disputes:** Grantee shall continue with the responsibilities under this Grant Agreement during any dispute.
7. **Termination For Cause:** The grant agreement may be terminated by written notice at any time of this Grant Agreement prior to completion of the Project, at the option of the Resources Agency, upon violation by the Grantee of any material provision after such violation has been called to the attention of the Grantee and after failure of the Grantee to bring itself into compliance with the provisions of this Agreement within a reasonable time as established by the Resources Agency. In the event of such termination, the Grantee agrees, upon demand, to immediately repay to the Resources Agency an amount equal to the amount

of grant funds disbursed to the Grantee 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 Grantee to the date of full repayment by the Grantee.

8. **Independent Status:** Grantee, and the agents and employees of Grantee, in the performance of this Grant Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
9. **Non-Discrimination Clause:** During the performance of this Grant Agreement, Grantee and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Grantee and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Grantee and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Grantee 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.

Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Grant Agreement.
10. **Compensation:** The compensation to be paid Grantee, as provided herein, shall be in compensation for all of Grantee's expenses incurred in the performance of this Grant Agreement, including travel, per diem, and taxes, unless otherwise expressly so provided.
11. **Governing Law:** This Grant Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
12. **Travel:** Any reimbursement for necessary travel and per diem shall be at rates specified by the California Department of Personnel Administration for similar employees (www.dpa.ca.gov/jobinfo/statetravel.shtm). Federal agency grantees can invoice for travel reimbursement at State rates, and make necessary arrangements with their agency to be personally reimbursed for expenses at the available federal rate.
13. **Conflicts Of Interest:** Grantee shall comply with all applicable State laws and rules pertaining to conflicts of interest including, but not limited to, Government Code section 1090, Public Contract Code sections 10410 & 10411, and Public Contract Code section 10365.5.
14. **Unenforceable Provision:** In the event that any provision of this Grant Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Grant Agreement have force and effect and shall not be affected thereby.

15. Drug-Free Workplace Requirements: Grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- b. Establish a Drug-Free Awareness Program to inform employees about:
 - 1) The dangers of drug abuse in the workplace;
 - 2) The person's or organization's policy of maintaining a drug-free workplace;
 - 3) Any available counseling, rehabilitation and employee assistance programs; and,
 - 4) Penalties that may be imposed upon employees for drug abuse violations.
- c. Every employee who works on the proposed Agreement will:
 - 1) Receive a copy of the company's drug-free workplace policy statement; and,
 - 2) Agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Grantee may be ineligible for award of any future State agreements if the department determines that the Grantee failed to carry out the requirements as noted above.

16. Withholding Of Grant Disbursements: The Resources Agency may withhold all or any portion of the grant funds provided for by this Agreement in the event that the Grantee has materially violated, or threatens to materially violate, any term, provision, condition, or commitment of this Agreement; or the Grantee fails to maintain reasonable progress toward completion of the Project.