

GRANT AGREEMENT

THIS GRANT AGREEMENT ("**Agreement**") is entered into as of (Month)_____, (Day)_____, 2025 (the "**Agreement Date**"), between Friends of the Huntington Beach Public Library, a California nonprofit public benefit corporation ("**Grantor**"), and the City of Huntington Beach, a California municipal corporation ("**Grantee**"), with respect to the following recitals:

WHEREAS, Grantor's mission is to enrich the Library's collection of books, digital and other resources, and to develop and expand innovative education programs, library services, and community outreach for the benefit of City residents and the broader public at no cost to the taxpayer.

WHEREAS, Grantee shares Grantor's desire to support financially the operations of the Huntington Beach Public Library system.

WHEREAS, Grantor has for many years operated a Used Book Store and a Gift Shop, and stored inventory and other related items, as reflected in Exhibit A to this Agreement (the "**Friends Space**"), at the Central Library branch of Huntington Beach Public Library located at 7111 Talbert Avenue, Huntington Beach, California 92648 (the "**Library**"). Grantor has used the Friends Space to store, process, and sell items in furtherance of Grantor's charitable purposes. Grantor has also conducted approximately fifty (50) meetings and events annually in furtherance of its charitable purposes in the Library. To date, Grantee has recognized the significant benefits of these activities to Grantee and the public by providing the Friends Space and additional meeting spaces as needed, without charge.

WHEREAS, in furtherance of its tax-exempt purposes, Grantor now wishes to make a grant to Grantee, and Grantee wishes to accept the grant, in the amount and on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual rights and obligations set forth herein, the parties to this Agreement hereby agree as follows:

1. **Purpose.** The purpose of the grant described in this Agreement is to support the specific charitable project of Grantee described in more detail on Exhibit B to this Agreement ("**Grant Purposes**").

2. **Grant Amount.** Following the execution and delivery of this Agreement by Grantee to Grantor, Grantor shall pay to Grantee the sum of \$825,000.00 (the "**Grant**") for the Grant Purposes, subject to the terms of this Agreement and according to the following schedule:

Installment Amount	Date to be Paid
\$250,000.00	12/15/2025
\$137,500.00	2/15/2026
\$137,500.00	12/15/2026
\$150,000.00	2/15/2027
\$150,000.00	12/15/2027

At least one (1) month in advance of each payment date, Grantee shall submit to the Grantor a list of planned purchases with the upcoming installment for Grantor's approval. Grantor may condition payment of that installment on modifications to the planned purchases if Grantor determines in its reasonable discretion that the planned purchases would violate a Grant Condition or fall outside of the Grant Purposes.

3. **Expenditure of Grant.** Grantee shall use the Grant solely for the Grant Purposes, and Grantee shall repay to Grantor any portion of the Grant that is not used for the Grant Purposes. Any changes in the Grant Purposes must be reviewed and approved by Grantor in advance, in writing. All Grant funds must be spent within one year of receipt by Grantee or returned to Grantor, unless Grantor has agreed to an extension of such date in advance and in writing, which extension approval may be withheld for any reason.

4. **Grant Conditions.** For the term of this Agreement, the Grantee:

- a. shall not impose on Huntington Beach Public Library any restrictions not in place as of the Agreement Date, including but not limited to content or viewpoint restrictions on a) the acquisition or placement of library materials or b) the provision of library services or programs.
- b. shall allow Grantor to continue occupying the Friends Space on the terms applicable to such occupancy as of the Agreement Date, unless otherwise mutually agreed in writing by the parties to this Agreement.
- c. shall make available to Grantor space in the Library for up to fifty (50) meetings or events related to Grantor's operations per fiscal year.

5. **Reports and Recordkeeping.** To enable Grantor to fulfill its obligation to supervise and control this Grant, Grantee shall submit a full and complete report to Grantor as of the end of each of Grantee's fiscal years during within which any portion of the Grant is received or spent. Grantee shall submit this report no later than ninety (90) days following the end of each such year. The first two of these reports shall contain an attestation that Grantee will comply with the grant conditions described in Paragraph 4 of this agreement (the "**Grant Conditions**"). The last two of these reports shall also contain a certification that Grantee complied with the Grant Conditions during the prior fiscal year. Each report shall also contain a financial accounting of Grantee's expenditure of Grant funds; copies of any publications resulting from the Grant; and a report on

Grantee's compliance with the terms of this Agreement. The final report shall outline Grantee's use of all Grant funds toward the Grant Purpose from the date of the first disbursement of this Grant until Grantee expended the last of the Grant funds. Each report must be signed by an authorized signatory of Grantee.

Grantee shall treat Grant funds as restricted assets. As long as any portion of the Grant funds remains unspent, Grantee shall maintain such funds in a separate account on Grantee's books that is restricted to the specific charitable project for which this Grant is made. All expenditures made in furtherance of the purposes of the Grant shall be charged off against the Grant and shall appear on Grantee's books. Grantee shall keep adequate records to substantiate its expenditures of Grant funds. Grantee shall make these books and records available to Grantor at reasonable times for review and audit, and shall comply with all reasonable requests of Grantor for information and interviews regarding use of Grant funds. Grantee shall keep copies of all relevant books and records and all reports to Grantor for at least four (4) years after completion of the use of the Grant funds.

6. **No Subgranting or Subcontracting.** Grantee shall not use any subgrantee or contractor to carry out the Grant Purposes. Grantee is responsible for all acts and omissions of any of Grantee's trustees, directors, officers, employees, subgrantees, contractors, contingent workers, agents, and affiliates assisting with the Grant; and ensuring their compliance with the terms of this Agreement.

7. **Lobbying.** The Grant shall not be used in any attempt to influence legislation within the meaning of Section 501(c)(3) of the Code.

8. **Prohibited Activity.** Grantee shall not use any portion of the Grant to participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office or political party; to induce or encourage violations of law or public policy; to cause any private inurement or improper private benefit to occur; to take any other action inconsistent with Code Section 501(c)(3), or to undertake any activity for any purpose other than a charitable, scientific, or educational purpose within the meaning of Code Section 170(c)(2)(B). Grantee shall not use any portion of the Grant to fund capital expenditures, including but not limited to improvements to any city buildings, including library buildings, or other real property or fixtures on city property.

9. **Notice of Change in Grantee Status.** Grantee shall immediately notify Grantor of any change in Grantee's executive staff or key staff responsible for achieving the Grant Purposes.

10. **Publications.** Any information contained in publications, studies, or research funded by this Grant shall be made available to the public in electronic form following such reasonable requirements or procedures as the Grantor may establish from time to time. Promptly after creation, Grantee agrees to grant to the Grantor an irrevocable, worldwide, nonexclusive, royalty-free license to publish, in the Grantor's discretion, any publications, studies, or other intellectual property funded by this Grant and to create derivative works therefrom, and Grantee

agrees to execute promptly any document or instruments that the Grantor may reasonably request in order to effect such license, without further consideration.

11. **Grant Announcements.** Grantee shall submit at least two (2) weeks in advance to the Grantor, for review and revision at the reasonable discretion of the Grantor, any announcements Grantee intends to make regarding this Grant, and any publications referring to this Grant Grantee intends to publish, other than in its annual reports or tax returns. The Grantor may include information on this Grant, including Grantee's name, in its periodic public reports and may make such information available on Grantor's website as part of press releases, public reports, speeches, newsletters, tax returns, and other public disclosures. Grantee and its contingent workers, agents, or affiliates may not state or otherwise imply to third parties that Grantor directly funds or otherwise endorses their activities.

12. **Indemnification.** Grantee hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless Grantor, its officers, directors, trustees, employees, and agents, from and against any and all claims, liabilities, losses, and expenses (including reasonable attorneys' fees), directly or indirectly, wholly or partially, arising from or in connection with any act or omission of Grantee, its officers, directors, employees, or agents, in applying for or accepting the Grant, in expending or applying the proceeds of the Grant, or in carrying out the program(s) or project(s) to be funded or financed by the Grant, except to the extent that such claims, liabilities, losses, or expenses were caused by any act or omission of Grantor, its officers, directors, trustees, employees, or agents.

13. **Insurance.** Grantee will maintain insurance coverage sufficient to cover the activities, risks, and potential omissions of the Grant in accordance with generally-accepted industry standards and as required by law.

14. **Remedies.** If the Grantor in its reasonable discretion determines that Grantee has substantially violated or failed to carry out any provision of this Agreement, including but not limited to failure to submit adequate reports when due, the Grantor may, in addition to any other legal remedies it may have, refuse to make any further grant payments to Grantee under this or any other grant agreement, and the Grantor may demand the return of all or part of the Grant funds not properly spent or committed to third parties, which Grantee shall immediately repay to the Grantor. The Grantor may also avail itself of any other remedies available by law. This Agreement may be enforced by the Grantor by an action for specific performance and injunctive relief or by any other appropriate remedy by any court having jurisdiction. Grantee acknowledges and agrees that the Grantor shall have the legal standing necessary to bring any suit it deems necessary to enforce the terms of this Agreement.

15. **Miscellaneous.**

a. **Travel Stipends and Conference Fees.** Grantee will have sole discretion over its selection of any recipients of travel stipends or conference expense reimbursements under

this Agreement, and must conduct the selection process independently of the Grantor. Grantor trustees and employees are not eligible to receive travel stipends or conference expense reimbursements.

b. **No Agency.** Grantee and not the Grantor is solely responsible for all activities supported by Grant funds, the content of any product created with Grant funds, and the manner in which any such product may be disseminated. This Agreement shall not create any agency relationship, partnership, or joint venture between the parties, and Grantee shall make no such representation to anyone.

c. **No Waivers.** The failure of the Grantor to exercise any of its rights under this Agreement shall not be deemed to be a waiver of such rights.

d. **Captions.** All captions and headings in this Agreement are for the purposes of reference and convenience only. They shall not limit or expand the provisions of this Agreement.

e. **Entire Agreement.** This Agreement supersedes any prior or contemporaneous oral or written understandings or communications between the parties and constitutes the entire agreement of the parties with respect to its subject matter. This Agreement may not be amended or modified, except in a writing signed by both parties.

f. **Invalidity.** If any section is held unenforceable, the rest of the Agreement will remain in effect.

g. **Governing Law; Venue.** This Agreement shall be governed by the laws of the State of California applicable to contracts to be performed entirely within the State. For the purpose of any action or proceeding arising out of or relating to this Agreement, each of the parties hereto irrevocably (i) submits to the exclusive jurisdiction of the state courts of California and to the jurisdiction of the United States District Court for the Central District of California and (ii) agrees that all claims in respect of such action or proceeding shall be heard and determined exclusively in any California state or U.S. federal court sitting in Orange County, California.

h. **Counterparts.** Except as may be prohibited by applicable law or regulation, this Agreement and any amendment(s) may be executed in counterparts, by facsimile, PDF, or other electronic means, each of which shall constitute an original, but all of which, when taken together, shall constitute only one agreement. Facsimile and electronic signatures will be binding for all purposes.

i. **Anti-Terrorism.** Grantee represents and warrants that it does not support or conduct, directly or indirectly, violence or terrorist activity of any kind.

j. **Anti-Corruption; Anti-Bribery.** Grantee will not offer or provide money, gifts, or any other things of value directly or indirectly to anyone in order to improperly influence

any act or decision relating to the Grantor of the Grant, including assisting any party to secure an improper advantage.

k. **No Pledge.** Neither this Agreement nor any other statement, oral or written, nor the making of any contribution or grant to Grantee, shall be interpreted to create any pledge or any commitment by the Grantor or by any related person or entity to make any other grant or contribution to Grantee or any other entity, for this or any other project. This Grant shall be a separate and independent transaction from any other transaction between the Grantor and Grantee or any other entity.

IN WITNESS WHEREOF, the parties have executed or caused to be executed this Agreement on the dates set forth opposite their signatures below.

Friends of the Huntington Beach Public Library

