EXHIBIT A

TERMS AND CONDITIONS

CARE Innovation and Design Grants

Cycle 3 I&D (2025-26)

The following terms used in this Grant Agreement (Agreement) have the meanings given to them below, unless the context clearly indicates otherwise:

- “CARE” means Carpet America Recovery Effort.
- “CalRecycle” means the Department of Resources Recycling and Recovery.
- “Carpet Stewardship Laws” means Public Resources Code § 42970 *et seq.*, and implementing regulations (14 Cal. Code Reg. § 18940 *et seq.*).
- “Grant Agreement” and “Agreement” means all documents comprising the agreement between CARE and the Grantee for this Grant, as noted in Paragraph 35 below (Order of Precedence).
- “Grant Manager” means the CARE staff person responsible for monitoring the grant.
- “Grant Representative” is the person appointed by Grantee as the point of contact vested with signature authority authorized to work with CARE on all grant-related issues, as noted in Paragraph 6 below (Authorized Representative).
- “Grant Term” shall mean the period running from the effective date of this Agreement, as provided in Paragraph 19, below (Effective Date) through July 21, 2026, as set forth in the Procedures and Requirements.
- “Grantee” means the recipient of funds pursuant to this Agreement.
- “Parties” means both CARE and Grantee.
- “PCC” means California generated post-consumer carpet
- “Program” means the [Product Testing] Grant Program.
- “State” means the State of California, including, but not limited to, CalRecycle and its designated officer.

(1) ADMINISTRATIVE CITATIONS

The Grantee shall not be in violation of any order, non-compliance order or any other administrative citation issued from any federal or state agency authorized to regulate PCC processing, or from any federal or state agency that regulates environmental, fire, water, air pollution or employee health and safety. Grantee agrees to notify CARE promptly if any such notice of violation, administrative citation or action arises during the Grant Term and is not resolved within thirty (30) days.

(2) AMENDMENT; MERGER

No amendment or revision of any terms or provisions of this Grant Agreement shall be valid unless made in writing, signed by both Parties.

(3) AMERICANS WITH DISABILITIES ACT

The Grantee acknowledges that it will comply with the Americans with Disabilities Act of 1990, 42 U.S.C.§ 12101 *et seq.* ("ADA"), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

(4) ASSIGNMENT, SUCCESSORS, AND ASSIGNS

(a) This Agreement may not be assigned by the Grantee, either in whole or in part, without CARE's prior written consent.

(b) The provisions of this Agreement shall be binding upon and inure to the benefit of CARE, the Grantee, and their respective successors and assigns.

(5) AUDIT; RECORDS ACCESS

The Grantee agrees that CARE, or any of CARE's designated representatives shall have the right to inspect Grantee's facilities during reasonable business hours, and review and 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 three (3) years after final payment date or Grant Term end date, whichever is later, unless a longer period of records retention is stipulated, or until completion of any action and resolution of all issues which may arise as a result of any litigation, dispute, or audit, whichever is later. The Grantee agrees to allow the designated representatives access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. In addition, the Grantee agrees to allow the above parties to audit records and interview staff in any contract or subcontract related to the performance of this Agreement.

(6) AUTHORIZED REPRESENTATIVE

The Grantee shall continuously maintain a Grant Representative and point of contact vested with signature authority authorized to work with CARE on all grant-related issues. The Grantee shall, at all times, keep the Grant Manager informed as to the identity and contact information of the Grant Representative.

(7) AVAILABILITY OF FUNDS

CARE's obligations under this Agreement are contingent upon and subject to the availability of funds appropriated for this Program and grant.

(8) BANKRUPTCY/DECLARATION OF FISCAL EMERGENCY NOTIFICATION

If the Grantee files for protection under any Chapter of the Bankruptcy Code (U.S.C., Title 11), the Grantee shall notify CARE within 15 days of such filing or declaration, pursuant to the procedures set forth in the section entitled "Communications" herein.

(9) COMMUNICATIONS

All communications from the Grantee to CARE shall be directed to the Grant Manager, and all communications from CARE to the Grantee shall be directed to the Grant Representative. All notices, including reports and payment requests required by this Agreement shall be given in writing by email to the Grant Manager, as identified in the Procedures and Requirements (Exhibit B). If an original document is required, prepaid mail or personal delivery to the Grant Manager is required following the email.

(10) COMPLIANCE

The Grantee shall comply fully with all applicable federal, state, and local laws, ordinances, regulations, and permits. The Grantee shall provide evidence, upon request, that all local, state, and federal permits, licenses, registrations, and approvals have been secured for the purposes for which grant funds are to be expended. The Grantee shall maintain compliance with such requirements throughout the Grant Term. The Grantee shall ensure that the requirements of the California Environmental Quality Act are met for any approvals or other requirements necessary to carry out the terms of this Agreement. The Grantee shall ensure that all of its contractors and subcontractors have all local, state, and federal permits, licenses, registrations, certifications, and approvals required to perform the work for which they are hired. Any deviation from the requirements of this section shall result in non- payment of grant funds.

(11) CONFLICT OF INTEREST

(a) CARE. CARE, and its Evaluation Committee, officers and staff shall abide by all CARE policies regarding conflicts of interest. The CARE Evaluation Committee shall avoid both actual conflicts of interest and the appearance of conflicts of interest with any Grantee. No member of the CARE Evaluation Committee shall have a financial interest in any Grantee, unless such interest is legally authorized. CARE Evaluation Committee members shall not participate in the discussion, deliberation or vote on a matter before the Committee, or in any way attempt to use his or her official position to influence a decision of the Committee, if he or she has a prohibited interest with respect to the Grantee.

(b) State Employees. CARE's Grant program may be reviewed on occasion by CalRecycle. As a result, the Grantee should be aware of the following provisions related to the hiring and employment of current or former state employees. If the Grantee has any questions on the status of any person rendering services or involved with this Agreement, Grantee shall contact CalRecycle or the relevant State agency immediately for clarification.

(1) Current State Employees. No officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity, or enterprise is required as a condition of regular state employment. In addition, no officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services. (*See* Pub. Contract Code § 10410.)

(2) Former State Employees. For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency. For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving state service. (*See* Pub. Contract Code § 10411).

(3) If the Grantee violates any provision of the above paragraphs, such action by the Grantee may render this Agreement void. (*See* Pub. Contract Code, § 10420).

(12) CONSIDERATION

CARE's issuance of grant funds is predicated on the contents of an approved Work Plan to divert California-generated PCC from California landfills and, as such, each approved Work Plan is intended to assist CARE in meeting the requirements of the Carpet Stewardship Laws. This commitment provides consideration to CARE for the Grantee's performance of the grant in strict accordance with the provisions contained herein.

(13) CONTRACTORS; SUBCONTRACTORS

The Grantee shall be entitled to expend grant funds to pay for contractors and subcontractors, provided that the use of grant funds for such contractors or subcontractors shall be consistent with this Agreement, including the Grantee's Application, Budget and Work Plan. Any use of contractors or subcontractors that is not in accordance with the Grantee's Application, Budget or Work Plan must be agreed to in writing by CARE prior to using grant funds for that purpose. The Grantee shall notify the Grant Manager immediately upon termination of any such contract or subcontract.

Nothing contained in this Agreement or otherwise, shall create any contractual relation between CARE and any contractors or subcontractors of Grantee, and no agreement with contractors or subcontractors shall relieve the Grantee of its responsibilities and obligations hereunder. The Grantee agrees to be as fully responsible to CARE for the acts and omissions of its contractors and subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Grantee. The Grantee's obligation to pay its contractors and subcontractors is an independent obligation from CARE's obligation to make payments to the Grantee. As a result, CARE shall have no obligation to pay or to enforce the payment of any moneys to any contractor or subcontractor.

(14) CORPORATION QUALIFIED TO DO BUSINESS IN CALIFORNIA

If Grantee is a corporation, the corporation shall be in good standing in its state of incorporation and be qualified to do business in the State of California by filing the appropriate documents and registrations with the California Secretary of State.

(15) DISCHARGE OF GRANT OBLIGATIONS

The Grantee's obligations under this Agreement shall be deemed discharged only upon acceptance of the final report by CARE. If the Grantee is a non-profit entity, the Grantee's Board of Directors shall accept and certify as accurate the final report prior to its submission to CARE.

(16) DISCLAIMER OF WARRANTY

CARE makes no warranties, express or implied, including without limitation, the implied warranties of merchantability and fitness for a particular purpose, regarding the materials, equipment, services or products purchased, used, obtained or produced with funds awarded under this Agreement, whether such materials, equipment, services or products are purchased, used, obtained or produced alone or in combination with other materials, equipment, services or products. No CARE employees or agents have any right or authority to make any other representation, warranty or promise with respect to any materials, equipment, services or products, purchased, used, obtained, or produced with grant funds. In no event shall CARE be liable for direct, special, incidental or consequential damages

arising from the use, sale or distribution of any materials, equipment, services or products purchased or produced with grant funds awarded under this Agreement.

(17) DISCRETIONARY TERMINATION

CARE shall have the right to immediately terminate this Agreement at CARE's sole discretion and for any reason. Within thirty (30) days of receipt of such written notice, the Grantee shall be required to:

(a) Submit a final written report describing all work performed by the Grantee.

(b) Submit an accounting of all grant funds expended up to and including the date of termination.

(c) Reimburse CARE for any unspent grant funds.

(18) DISPUTES

In the event of a dispute regarding performance under this Agreement or interpretation of requirements contained therein, the Grantee may, in addition to any other remedies that may be available, provide written notice of the particulars of such dispute to CARE's Grant Manager for further review by the Evaluation Committee for Program grants: CA Carpet Stewardship Program c/o Abbie Beane – Grants Manager, 400 Foam Street, Suite C, Monterey, CA 93940 or abeane@carpetrecovery.org. Such written notice and appeal must contain the grant number. Unless otherwise instructed by the Grant Manager, the Grantee shall continue with its responsibilities under this Agreement during any dispute.

(19) EFFECTIVE DATE

This Agreement shall only be effective beginning on the date that both Parties have executed the Grant Agreement Coversheet.

(20) EMERGENCY EXPENDITURES

In the event of an emergency, or where there is an imminent threat to public health and safety or the environment, the Grantee may choose, at its own risk, to incur grant-eligible expenses not previously included in the approved Budget, subject to subsequent approval by the Grant Manager of both the Budget change and the need to implement the Budget change on an emergency basis. The Grantee shall notify the Grant Manager of the emergency and the Budget change at the earliest possible opportunity. CARE, in its sole discretion, reserves the right to accept or reject the Grantee's determination that the circumstances constituted an emergency or a threat to public health and safety or the environment. If the Grant Manager determines that the circumstances did not constitute an emergency or a threat to public health or safety, the Budget change will be disallowed. Paragraph 37 (Payment) below contains procedures for obtaining approval of non-emergency budget changes.

(21) ENTIRE AGREEMENT

This Agreement supersedes all prior agreements, oral or written, made with respect to the subject hereof and, together with all attachments and documents incorporated by reference, contains the entire agreement of the Parties.

(22) ENVIRONMENTAL JUSTICE

In the performance of this Agreement, the Grantee shall conduct its programs, policies, and activities that substantially affect human health or the environment in a manner that ensures

the fair treatment of people of all races, cultures, and income levels, including minority populations and low-income populations of the state.

(23) FAILURE TO PERFORM AS REQUIRED BY THIS AGREEMENT

CARE will benefit from the Grantee's full compliance with the terms of this Agreement only by the Grantee's (a) investigation or application of technologies, processes, products, and devices which support the collection, reduction, reuse, recycling and remanufacturing of California-sourced PCC materials and/or the recycling and reuse of carpet and/or results in carpet or California-sourced PCC-content products with a reduced negative environmental impact; and (b) compliance with statutes and regulations applicable to the diversion of PCC materials from California landfills (including but not limited to the Carpet Stewardship Laws); and (c) delivery of all grant-funded reports and results generated.

The Grantee may use grant-funds to investigate products other than the original product or products approved in the original Work Plan, provided that CARE or the Grants Manager must approve any new product applications prior to using grant funds for that purpose. If the Grant Manager determines that the Grantee has not complied with the Grant Agreement, the Grant Manager may withhold Grantee's right to reimbursement of any grant funds not already paid by CARE, including but not limited to any retention retained by CARE during the Grant Term.

(24) FORCE MAJEURE

Neither CARE nor the Grantee shall be responsible hereunder for any delay, default, or nonperformance of this Agreement, to the extent that such delay, default, or nonperformance is caused by an act of God, major weather event (such as regional flooding or wildfire), accident, labor strike, explosion, riot, war, rebellion, sabotage or other contingency unforeseen by CARE or the Grantee and beyond the reasonable control of such Party.

(25) FORFEITURE AND REPAYMENT OF GRANT FUNDS IMPROPERLY EXPENDED

If grant funds are not expended in accordance with this Agreement, or if real or personal property acquired with grant funds is not used for grant purposes in accordance with this Agreement, CARE, in its sole discretion, may take appropriate action at law or in equity, including requiring the Grantee to forfeit any unexpended portion of grant funds (including but not limited to any retention), and to repay CARE for any grant funds improperly expended.

(26) GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The Grantee is required to use Generally Accepted Accounting Principles in documenting all grant expenditures.

(27) GRANT MANAGER

The Grant Manager's responsibilities include (a) monitoring grant progress, and (b) reviewing and approving grant payment requests and other documents delivered to CARE pursuant to this Agreement. The Grant Manager may monitor Grantee performance to ensure that the Grantee expends grant funds appropriately and in a manner consistent with the terms and

conditions contained herein. The Grant Manager does not have authority to approve any deviation from or revision to these Terms and Conditions or the Procedures and Requirements unless such authority is expressly stated in the Procedures and Requirements.

(28) GRANTEE ACCOUNTABILITY

The Grantee is ultimately responsible and accountable for the manner in which the grant funds are utilized and accounted for and the way the grant is administered, even if the Grantee has contracted with another organization, public or private, to administer or operate its grant program. In the event an audit should determine that grant funds are owed to CARE, the Grantee will be solely responsible for repayment of grant funds to CARE.

(29) GRANTEE'S NAME CHANGE

A written amendment is required to change the Grantee's name as listed on this Agreement. Upon receipt of legal documentation of the name change, CARE will process the amendment. If any grant payment request is presented with a new name, payment cannot be made prior to approval of the amendment authorizing such change.

(30) INDEMNIFICATION

The Grantee agrees to indemnify, defend and hold harmless CARE and CARE’s 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 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 the Grantee as a result of the performance of this Agreement or as a result of the expenditure of Program funds.

(31) NATIONAL LABOR RELATIONS BOARD CERTIFICATION

The person signing this Agreement on behalf of the Grantee certifies under penalty of perjury that no finding of contempt of court by a federal court has been issued against the Grantee within the immediately preceding two-year period because of the Grantee's failure to comply with an order of a federal court which orders the Grantee to comply with an order of the National Labor Relations Board.

(32) NO AGENCY RELATIONSHIP CREATED; INDEPENDENT CAPACITY

The Grantee and the agents and employees of Grantee, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of CARE. Grantee has no authority to bind or incur any obligation on behalf of CARE.

(33) NO WAIVER OF RIGHTS

CARE shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by CARE. No delay or omission on the part of CARE in exercising any rights shall operate as a waiver of such right or any other right. A waiver by CARE of a provision of this Agreement shall not prejudice or constitute a waiver of CARE’s right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by CARE, nor any course of dealing between CARE and the Grantee, shall constitute a waiver of any of CARE’s rights or of any of Grantee’s subsequent obligations. Whenever the consent of CARE is required under this Agreement, the granting of such consent by CARE in any instance shall not constitute consent in subsequent

instances where such consent is required. In all cases, consent may be granted or withheld in the sole discretion of CARE.

(34) NON-DISCRIMINATION CLAUSE

During the performance of this Agreement, Grantee and its contractors shall not unlawfully discriminate, harass, or allow the harassment of any employee or applicant for employment. (*See* Gov. Code § 12900 *et seq.*)

(35) ORDER OF PRECEDENCE

The performance of this grant shall be conducted in accordance with the Terms and Conditions, Procedures and Requirements, Project Summary, Work Plan, and Budget of this Agreement, or other combination of exhibits specified on the Grant Agreement Coversheet attached hereto. All documents listed or referenced below are hereby incorporated herein as part of this Agreement by this reference, as such documents may be validly amended from time to time. In the event of conflict or inconsistency between the documents and provisions that constitute this Agreement, the following order of precedence shall apply:

(a) Grant Agreement Coversheet, and any amendments

(b) Terms and Conditions (Exhibit A)

(c) Procedures and Requirements (Exhibit B)

(d) Budget

(e) Work Plan

(f) Grantee's Application

(g) All other attachments, including any that are incorporated by reference.

(36) OWNERSHIP OF DRAWINGS, PLANS, AND SPECIFICATIONS; COPYRIGHTS

Grantee retains title to any copyrights or copyrightable material produced pursuant to this Agreement. Notwithstanding the above, Grantee hereby grants to CARE a royalty-free, nonexclusive, transferable, world-wide license to reproduce, translate, and distribute copies of any and all copyrightable materials produced pursuant this Agreement, for nonprofit, non-commercial purposes, and to have or permit others to do so on CARE's behalf. Grantee is responsible for obtaining any necessary licenses, permissions, releases or authorizations to use text, images, or other materials owned, copyrighted, or trademarked by third parties and for extending such licenses, permissions, releases, or authorizations to CARE pursuant to this section. The Grantee shall, at the request of CARE, provide CARE with copies of any data, drawings, design plans, specifications, photographs, negatives, audio and video productions, films, recordings, reports, findings, recommendations, and memoranda of every description or any part thereof, prepared in connection with this Agreement or through the expenditure of Program funds.

If any of Grantee's materials constitute trade secrets or confidential information, such materials should be clearly designated as such. For materials that are not confidential or trade secrets, or that are not labeled as confidential or trade secrets, Grantee grants to CARE a royalty-free, nonexclusive, transferable, world-wide license to reproduce, translate, and distribute copies of any and all such materials produced pursuant this Agreement, for nonprofit, non-commercial purposes, and to have or permit others to do so on CARE's behalf. The Grantee may not designate as trade secrets or confidential information any findings on

the physical properties of PCC or how PCC affects the physical environment; however, the Grantee may designate as confidential any information relating directly to findings regarding a specific product application, in accordance with applicable laws.

The Grantee must also agree to cooperate with the Grant Manager and CARE's marketing firm, Gigantic Idea Studio (GIS) and Circle Point, should CARE decide to feature the Grantee's project, for marketing purposes only. This may include shooting video and photography as well as narrative pieces such as blogs. The Grantee has the right to protect any proprietary business information, however, and may inform CARE, Circle Point and GIS of sensitive information prior to any video or photo shoots or interviews.

(37) PAYMENT

(a) The approved Budget, if applicable, is attached hereto and incorporated herein by this reference and states the maximum amount of allowable costs for each of the tasks identified in the Work Plan. CARE shall reimburse the Grantee for only the work and tasks specified in the Work Plan or the Grantee's Application at only those costs specified in the Budget and incurred during the Grant Term. CARE reserves the right to reimburse vendors, lenders or other third parties related to the Grantee's Work Plan or Budget, and to reduce such reimbursement to Grantee accordingly.

(b) The Grantee shall perform the work described in the Work Plan or in Grantee's Application in accordance with the approved Budget, and shall obtain the Grant Manager's written approval of any changes or modifications to the Work Plan, approved project as described in the Grantee's Application or the approved Budget prior to performing the changed work or incurring the changed cost. If the Grantee fails to obtain such prior written approval, CARE, at CARE's sole discretion, may refuse to provide funds to pay for such work or costs.

(c) The Grantee shall request grant distributions in accordance with the procedures described in the Procedures and Requirements. CARE reserves the right to condition the release of grant funds for any reasonable purpose, such as withholding grant funds until equipment has arrived at the Grantee's designated facility, or grant-funded equipment is operational.

(d) Ten percent (10%) will be withheld from each Payment Request and paid at the end of the Grant Term, when all reports and conditions stipulated in this Agreement have been satisfactorily completed. Failure by the Grantee to satisfactorily complete all reports and conditions stipulated in this Agreement may result in forfeiture of any such funds withheld pursuant to CARE's 10% retention policy. CARE will also retain an extra 10 percent of any funding used for PCC storage until all PCC being stored has been finally diverted from landfill.

(e) Payment will be made only to the Grantee.

(f) Reimbursable expenses shall not be incurred unless they have been specified in the approved grant application.

(g) Reimbursable expenses may be incurred when the grantee receives a Notice to Proceed through 06/30/2024 as described in the Procedures and Requirements (Exhibit B).

(38) PERSONAL JURISDICTION

The Grantee consents to personal jurisdiction in the State of California for all proceedings concerning the validity and operation of this Agreement and the performance of the obligations imposed upon the Parties. If Grantee is part of a Native American Tribe, Grantee expressly waives tribal sovereign immunity as a defense to any and all proceedings concerning the validity and operation of this Agreement and the performance of the obligations imposed upon the Parties.

(39) PERSONNEL COSTS

If personnel costs constitute an eligible use of grant funds pursuant to the Procedures and Requirements, any personnel costs to be reimbursed with grant funds must be computed based on actual time spent on grant-related activities and on the actual salary or equivalent hourly wage the employee is paid for his or her regular job duties, including a proportionate share of any benefits to which the employee is entitled, unless otherwise specified in the Procedures and Requirements.

(40) REAL AND PERSONAL PROPERTY ACQUIRED WITH GRANT FUNDS

The following provisions apply only if the Grant Program and Grant Solicitation authorize the use of grant funds to acquire personal or real property:

(a) All real and personal property, including equipment and supplies, acquired with grant funds shall be used by the Grantee only for the purposes for which CARE approved their acquisition for so long as such property is needed for such purposes, regardless of whether the Grantee continues to receive grant funds from CARE for such purposes. Any property acquired using Grant funds, including equipment and supplies, shall be used for the purpose for which CARE approved its acquisition for at least three (3) years after the end of the Grant Term even if grant funds paid for only a portion of the equipment cost.

(b) Subject to the obligations and conditions set forth in this section, title to all real and personal property acquired with grant funds, including all equipment and supplies, shall vest upon acquisition in the Grantee. The Grantee may be required to execute all documents required to provide CARE with a security interest in any real or personal property, including equipment and supplies, and it shall be a condition of receiving this grant that CARE shall have the right to be in first priority position with respect to the security interest on any such property acquired with grant funds in full or in part, unless pre-approved in writing by CARE that CARE will accept a lower priority position with respect to the security interest on the property. Grantee shall inform any lenders from whom it is acquiring additional funding to complete the property purchase of this grant condition.

(c) The Grantee may not transfer title to any real or personal property, including equipment and supplies, acquired with grant funds, in full or in part, to any other entity without the express authorization of CARE. The Grantee shall notify CARE prior to using any grant-funded supplies or equipment as collateral against any other real or personal property, or any financial obligation to a lender, creditor or otherwise. CARE may or may not agree to approve this transaction.

(d) CARE will not reimburse the Grantee for the acquisition of equipment purchased prior to the issuance of grant funds or prior to the commencement of the Grant Term, unless the acquisition of such equipment with grant funds is pre-approved in writing by

the Grant Manager. In the event of a question concerning the eligibility of equipment for grant funding, the burden will be on the Grantee to establish the pedigree of the equipment.

(41) REASONABLE COSTS

A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. Consideration will be given to:

(a) Whether the cost is of a type generally recognized as ordinary and necessary for the performance of the grant.

(b) The restraints or requirements imposed by such factors as generally accepted sound business practices, arms-length bargaining, federal and state laws and regulations, and the terms and conditions of this Agreement.

(c) Whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to the organization, its members, employees, clients, and the public at large.

(d) Significant deviations from the established practices of the organization which may unjustifiably increase the grant costs.

CARE reserves the right to seek repayment of grant funds expended on unreasonable costs.

(42) RECYCLED-CONTENT PAPER

All documents submitted by the Grantee must be printed double-sided on recycled-content paper containing 100 percent post-consumer fiber. Specific pages containing full color photographs or other ink-intensive graphics may be printed on photographic paper.

(43) REDUCTION OF POST-CONSUMER CARPET

In the performance of this Agreement, for all purchases made with grant funds, including, but not limited to equipment and PCC feedstock, the Grantee shall process only PCC originating from California. As a condition of final payment under this Agreement, the Grantee must provide documentation substantiating the source of PCC materials used during the performance of this Agreement to the Grant Manager.

(44) REDUCTION OF WASTE

In the performance of this Agreement, Grantee shall take all reasonable steps to ensure that materials purchased or utilized in the course of the project are diverted consistent with the California waste hierarchy. Steps should include, but not be limited to: the use of used, reusable, or recyclable products; discretion in the amount of materials used; alternatives to disposal of materials consumed; and the practice of other waste reduction measures where feasible and appropriate.

(45) REIMBURSEMENT LIMITATIONS

Under no circumstances shall the Grantee seek reimbursement pursuant to this Agreement for a cost or activity that has been or will be paid for through another grant funding source. The Grantee shall not seek reimbursement for any costs used to meet cost sharing or matching requirements.

All costs charged against the Agreement shall be net of all applicable credits. The term “applicable credits” refers to those receipts or reductions of expenditures that operate to offset or reduce expense items that are reimbursable under this Agreement. Applicable

credits may include, but are not necessarily limited to, rebates or allowances, discounts, credits toward subsequent purchases, and refunds. Grantee shall deduct the amount of the credit from the amount billed as reimbursement for the cost, or deduct the amount of the credit from the total billed under a future invoice.

(46) REMEDIES

Unless otherwise expressly provided herein, the rights and remedies hereunder are in addition to, and not in limitation of, other rights and remedies under this Agreement, at law or in equity, and exercise of one right or remedy shall not be deemed a waiver of any other right or remedy.

(47) SELF-DEALING AND ARM'S LENGTH TRANSACTIONS

All expenditures for which reimbursement pursuant to this Agreement is sought shall be the result of arm's-length transactions and not the result of, or motivated by, self-dealing on the part of the Grantee or any employee or agent of the Grantee. For purposes of this provision, "arm's-length transactions" are those in which both Parties are on equal footing and fair market forces are at play, such as when multiple vendors are invited to compete for an entity's business and the entity chooses the lowest of the resulting bids. "Self-dealing" is involved where an individual or entity is obligated to act as a trustee or fiduciary, as when handling public funds, and chooses to act in a manner that will benefit the individual or entity, directly or indirectly, to the detriment of, and in conflict with, the public purpose for which all grant monies are to be expended.

(48) SEVERABILITY

If any provisions of this Agreement are found to be unlawful or unenforceable, such provisions will be voided and severed from this Agreement without affecting any other provision of this Agreement. To the full extent, however, that the provisions of such applicable law may be waived, they are hereby waived to the end that this Agreement be deemed to be a valid and binding agreement enforceable in accordance with its terms.

(49) SITE ACCESS

The Grantee shall allow CARE, or any of CARE's designated representatives the right to inspect Grantee's facilities during reasonable business hours, and to access sites at which grant funds are expended and related work is being performed at any time during the performance of the work and for ninety (90) days after completion of the work, or until all issues related to the grant project have been resolved.

(50) STOP WORK NOTICE

The Grantee shall cease all work under this Agreement, immediately upon receipt of a written notice from the Grant Manager to stop work, where such notice is based on the Grant Manager's reasonable belief that grant funds are being improperly expended.

(51) TERMINATION FOR CAUSE

CARE may terminate this Agreement and be relieved of making any subsequent payments to Grantee, should the Grantee fail to perform the requirements of this Agreement at the time and in the manner herein provided. Termination pursuant to this section may result in forfeiture by the Grantee of any funds retained pursuant to CARE's 10 percent retention policy.

(52) TIME IS OF THE ESSENCE

Time is of the essence to this Agreement.

(53) TOLLING OF STATUTE OF LIMITATIONS

The statute of limitations for bringing any action, administrative or civil, to enforce the terms of this Agreement or to recover any amounts determined to be owing to CARE as the result of any audit of the grant covered by this Agreement shall be tolled during the period of any audit resolution, including any appeals by the Grantee to CARE.

(54) UNRELIABLE LIST

Prior to authorizing any contractor or subcontractor to commence work under this Grant, the Grantee shall submit to CARE a Reliable Contractor Declaration from the contractor or subcontractor, signed under penalty of perjury, disclosing whether of any of the events listed in the Declaration has occurred with respect to the contractor or subcontractor within the preceding three (3) years. If a contractor is placed on CARE's Unreliable List after award of this Grant, the Grantee may be required to terminate that contract.

(55) VENUE; CHOICE OF LAW

(a) All proceedings concerning the validity and operation of this Agreement and the performance of the obligations imposed upon the Parties hereunder shall be held in the Superior Court of Sacramento County, California. The Parties hereby waive any right to any other venue. The place where the Agreement is entered into and place where the obligation is incurred is Sacramento County, California.

(b) The laws of the State of California shall govern all proceedings concerning the validity and operation of this Agreement and the performance of the obligations imposed upon the Parties hereunder.

(56) WAIVER OF CLAIMS AND RECOURSE AGAINST CARE

The Grantee agrees to waive all claims and recourse against CARE, its officials, officers, agents, employees, and servants, including, but not limited to, the right to contribution for loss or damage to persons or property arising out of, resulting from, or in any way connected with or incident to this Agreement. This waiver extends to any loss incurred attributable to any activity undertaken or omitted pursuant to this Agreement or any product, structure, or condition created pursuant to, or as a result of, this Agreement.

(57) WORK PRODUCTS

Grantee shall provide CARE with copies of all final products identified in the Work Plan. Grantee shall also provide CARE with copies of all public education and advertising material, if any, produced pursuant to this Agreement.

(58) WORKERS' COMPENSATION; LABOR CODE

The Grantee is aware of Labor Code Section 3700, which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the Labor Code, and the Grantee agrees to comply with such provisions before commencing the performance of the work of this Agreement.