

**LOS ANGELES DEPARTMENT OF CANNABIS REGULATION
SOCIAL EQUITY ENTREPRENEUR DEVELOPMENT GRANT PROGRAM
GRANT AGREEMENT**

This Grant Agreement (the "Agreement") dated _____ ("Effective Date") is made and entered into by and between the City of Los Angeles, a municipal corporation (the "City"), and _____ ("Grantee"), DCR Record No. LA-C-310____-R-APP. The City and Grantee are hereinafter collectively referred to as the "Parties."

RECITALS

A. The State of California, and specifically the Bureau of Cannabis Control and California Governor's Office of Business and Economic Development, has made grant funds available for the City's Social Equity Program. With these funds, the City established the Social Equity Entrepreneur Development Grant Program ("SEED Grant Program").

B. The City wishes to enter into this Agreement with Grantee to provide SEED Grant Program funds to assist Grantee with gaining entry into, and successfully operating in, California's regulated cannabis marketplace.

Now, therefore, the Parties to this Agreement agree as follows:

1. Grant. Subject to the terms and conditions of this Agreement, the City agrees to provide a grant of funds to Grantee in an amount of \$_____ (the "Grant"). The timing of the disbursement(s) shall be determined by the City, but shall not be later than December 31, 2021, or any subsequent extension provided to the City by the State, Bureau of Cannabis Control, and/or California Governor's Office of Business and Economic Development concerning the disbursement of funds. Grantees may also be eligible for remaining funds not yet awarded and such additional grants, if any, shall be subject to the terms of this Agreement.

2. Grant Application. Grantee hereby agrees and understands that Grantee must apply for the Grant. The City retains sole and absolute discretion to determine if Grantee has met the requirements for the Grant and the amount of Grant funds to award to Grantee. The amount and timing of funds awarded may depend upon the amount of available funding at the time a decision on the Grant Application is submitted and any other factors deemed relevant by the City. Grantee may only receive Grant funds if Grantee maintains a verified status as a Social Equity Individual Applicant, as defined in LAMC Section 104.20.

3. Use of Funds. Grantee hereby agrees to use SEED Grant Program funds only for reasonable expenses incurred to launch and operate the Grantee's licensed commercial cannabis business. Such items include, but are not limited to, the following: rent; leases; local and state application, licensing, and regulatory fees; legal assistance; regulatory compliance; testing of cannabis; furniture, fixtures and equipment; capital improvements; and training and

retention of a qualified and diverse workforce. Grantee shall attach Grantee's budget as Exhibit A. Exhibit A is non-binding and subject to change.

SEED Grant Program funds shall **not** be used for any of the following: operation of an unlicensed cannabis business; purchasing cannabis or cannabis related products; relending or investing; expenses related to a business that does not require a City of Los Angeles cannabis license; personal expenses or the acquisition of personal property; payments or distributions from a borrower to its principals, partners, members, investors or employees other than for ordinary compensation for services rendered; and refinancing existing debt.

The City shall have sole and absolute discretion to determine eligibility for Grant funds, whether the Grantee has used the grant monies for a proper or an improper purpose, and the sufficiency of supporting documentation for the use of the payment.

4. Time of Performance. The Grant term shall begin on the Effective Date and shall end two full years after the final disbursement under this Agreement. Grant payments shall be provided by the City to Grantee within 90 days of the completion of Grantee's Grant application.

5. Method of Payment. Funds will be distributed to Grantees via ACH transfer to their individual bank accounts.

6. Evaluation, Monitoring and Reporting. Grantee shall be monitored and evaluated by the City in terms of effectiveness and timely compliance with the provisions of this Agreement. Grantee agrees that authorized representatives of the City, including Elevate Impact LA, may perform fiscal monitoring of Grantee's record-keeping and reporting to assure compliance with this Agreement. Grantee agrees to make its records and facilities available for such review.

7. Compliance with State of California Standards. Grantee shall be responsible for complying with the terms, conditions, and requirements set forth in the California Cannabis Equity Act of 2018, and all other applicable state and federal laws. Pursuant to Government Code Section 16645.2, Grantee certifies that none of the grant monies will be used to assist, promote or deter union organizing. If Grantee makes expenditures to assist, promote, or deter union organizing, it shall maintain records sufficient to show that no portion of the grant award was used for those expenditures. Grantee shall provide those records to the City upon request.

8. Indemnification. Except for the active negligence or willful misconduct of City, or any of its boards, officers, agents, employees, assigns and successors in interest, Grantee shall defend, indemnify and hold harmless City and any of its boards, officers, agents, employees, assigns, and successors in interest from and against all lawsuits and causes of action, claims, losses, demands, deficiencies, judgments, settlements, costs, and expenses of any kind, including, but not limited to, attorney's fees (both in house and outside counsel), damages or liability of any nature whatsoever, relating to or arising in any manner by reason of the negligent acts, errors, omissions or willful misconduct by Grantee, its subcontractors, or their boards,

officers, agents, employees, assigns, and successors in interest. The rights and remedies of City provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract. This provision will survive expiration or termination of this Contract.

9. Events of Default and Remedies. The failure to comply with any term of this Agreement (including **Standard Provisions for City Contracts (Rev. 10/17 [v.3])**), which are attached hereto as **Attachment A** and incorporated herein by reference) shall constitute a default by Grantee. In the event of a default, City may, in its discretion, take any of the following actions, in addition to any other remedies under this Agreement:

- a. Terminate this Agreement, in whole or in part;
- b. Deny Grantee's Application and/or revoke Grantee's cannabis license or local authorization for a State license to conduct commercial cannabis activity;
- c. Demand immediate reimbursement of any funds disbursed under this Agreement;
- d. Bring an action for equitable relief (1) seeking the specific performance by Grantee of the terms and conditions of the Agreement, and/or (2) enjoining, abating, or preventing any violation of said terms and conditions, and/or (3) seeking declaratory relief;
- e. Bar Grantee from future funding by the City; and/or
- f. Pursue any other remedy allowed at law or in equity.

10. Termination or Modification for Lack of Appropriation. The City's obligations under this Agreement are at all times contingent upon the availability of funds from the funding source for this Grant. The City may terminate this Agreement on 30 days' written notice to Grantee without further obligation if said funding is withdrawn or otherwise becomes unavailable.

11. Definitions. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in Los Angeles Municipal Code Section 104.00 et seq.

12. Representatives of the Parties and Service of Notices

12.1. The representatives of the respective parties authorized to administer this Agreement, and to whom formal notices, demands, and communications will be given are as follows:

12.2. The representative of City will be, unless otherwise stated in the Agreement:

Cat Packer, Executive Director
Department of Cannabis Regulation
221 N. Figueroa St., Suite 1245
Los Angeles, CA 90012

The Grantee shall be the Social Equity Individual Applicant.

Name: _____
Address: _____
Phone: _____ Email: _____

12.3 Formal notices, demands, and communications required hereunder by either party will be made in writing and may be effected by personal delivery or by registered or certified mail, postage prepaid, return receipt requested and will be deemed communicated as of the date of mailing.

12.4 If the name of the person designated to receive the notices, demands, or communications, or the address of such person is changed, written notice will be given within five (5) business days of said change.

13. Standard Provisions for City Contracts. Contractor agrees to, and shall comply with the **Standard Provisions for City Contracts (Rev. 10/17 [v.3])**, which are attached hereto as **Attachment A** and made a part hereof as though fully set forth herein. Grantee shall comply with Los Angeles Administrative Code (LAAC) Section 10.50 et seq., "Disclosure of Border Wall Contracting."

14. Ambiguity. No ambiguity in this Agreement may be interpreted against any one party by virtue of that party being drafter of the Agreement.

15. Choice of Law. This Agreement shall be deemed executed in the State of California, and is to be governed and construed by California law, without regard to its choice of law provisions. The Parties agree that jurisdiction and venue for any action to enforce this Agreement are properly in the applicable federal or state court in the City of Los Angeles.

16. Entire Agreement. This Agreement contains the full and complete Agreement between the parties. No verbal agreement or conversation with any officer or employee of either party will affect or modify any of the terms and conditions of this Agreement. The parties acknowledge that they have read and understood this Agreement and had an opportunity to consult with counsel of their choosing.

This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same Agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by City) and sent by e-mail shall be deemed original signatures

CITY OF LOS ANGELES, a municipal corporation

By: _____

Approved as to form and legality:

By: _____

GRANTEE

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A

(Standard Provisions for City Contracts (Rev. 10/17 [v.3])