

GRANT AGREEMENT

In consideration of the Grant hereinafter described by Peninsula Community Foundation, 1700 South El Camino Real, Suite 300, San Mateo, California, 94402, ("Foundation") to

Grantee: San Mateo County Health Services Agency
Address: 225 37th Avenue
San Mateo, CA 94403

Grantee Contact Person: Mary Hansell, R.N., Dr. P.H., Director
Foundation Program Officer: Frank Lalle, Senior Program Officer

The Grantee agrees to the following:

TERMS AND CONDITIONS OF THE GRANT:

The following terms and conditions shall be met by the Grantee in order to receive the grant that has been awarded. Should Grantee fail to meet any of these terms and conditions, Foundation may, in its sole discretion, withdraw and terminate the Grant and shall thereafter have no further obligation to disburse to Grantee any remaining unpaid grant funds, and may, in its sole discretion, require repayment of any grant funds which were not used in accordance with the terms of this Grant Agreement (the "Agreement"), including the Grant Purpose and the Special Conditions set forth below and the Grant Application which is the basis for the Grant (the "Grant Application").

1. Grant Purpose: Continued general operating support for the Prenatal-To-Three Initiative.

2. General Terms:

Name of Project: Prenatal-to-Three Initiative
Grant Amount: \$150,000
Date Approved: January 26, 2005
Grant Period: February 1, 2005 through January 31, 2006

Anticipated Project Outcomes:

- Strengthen the referral linkage between Pre-3 and San Mateo Medical Center;
- Conduct strategic planning for the future of Pre-3;
- Strengthen protocols related to the coordination of services across Health Services; and
- Provide developmental toys to Pre-3 clients.

Payment Schedule:

The Grant will be paid in two installments over the grant period. The first installment of this grant will be paid within 30 days following the return of this signed Grant Agreement to Foundation.

NOTE: if the Agreement is not returned to Foundation within 90 days, the Grant may, in the sole discretion of Foundation, be voided. Grantee may request the second installment when the Grantee submits its interim narrative and fiscal reports and when the first installment has been expended. If Grantee expends the granted funds over a period longer than the Grant Period, Grantee shall notify Foundation's Program Officer at least one month prior to the expiration of the Grant Period.

Report Schedule:

An Interim Report shall be made by Grantee to Foundation by September 1, 2005, 30 days after the six-month anniversary of the beginning of the Grant Period. A Final Report shall be made by Grantee to Foundation by March 15, 2006, 45 days after the close of the Grant Period. (See enclosed report guidelines.) Failure to submit reports when due may be cause for immediate termination of the Grant and thereupon any portion of the Grant which has been received by the Grantee shall be returned to the Foundation upon the Foundation's request.

3. Special Conditions: None.**4. Hold Harmless Agreement:**

Grantee hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify and hold harmless Foundation, its officers, directors, trustees, employees, and agents from and against any and all claims, liabilities, losses and expenses (including reasonable attorney's fees) directly, indirectly, wholly or partially arising from or in connection with the Grant, the application of funds furnished pursuant to the Grant, the program or project funded or financed by the Grant or in any way relating to the subject of this Agreement. This paragraph shall survive the termination of this Agreement.

5. Public Acknowledgment:

Grantee shall credit Foundation in publications, press releases, brochures, videotapes, and other publicity or public relations materials and presentations resulting from the use of the Grant or developed for activities authorized under the Grant.

6. Project Objectives, Budget, and Use of Funds:

The Grant and all funds received by Grantee in relation thereto shall be used by Grantee strictly in accordance with the terms of the Agreement, including the Grant Purposes set forth in Paragraph 1, and the Project Objectives and Project Budget described in the Grantee Application. Grantee shall maintain books and records that segregate and account for the Grant separately. All expenditures made in furtherance of the purposes of the Grant shall be charged off against the Grant and shall appear on those books. Grantee shall keep vouchers or other records to substantiate all expenditures.

If the Grant is made for the purchase of capital equipment, for an endowment, or other capital purposes, Grantee shall submit reports to Foundation for the current taxable year and for Grantee's two succeeding taxable years describing the use of the principal and income, if any derived from the granted funds.

7. Access to and Use of Project Information:

Grantee shall make books and records connected with the Grant available to Foundation and its auditors at reasonable times during regular business hours. Grantee shall keep copies of all books and records and all reports to Foundation for at least three years after completion of the use of grant funds.

8. Project Review and Evaluation:

Grantee agrees that Foundation may review and/or evaluate the project funded by the Grant. This may include visits by representatives or agents of the Foundation to observe the Grantee's project operations; to review project data, financial records, or corporate records; and to discuss the project with the Grantee's staff or governing board. At all times, Grantee shall accurately maintain books of account, records and documents of every kind in which all matters relating to the project funded by the Grant, including all income, expenditures, assets, and liabilities thereof, shall be entered. Grantee shall keep all such records for at least three years after completion of the use of grant funds.

9. Grant Reports and Audits:

Grantee shall submit to Foundation Interim Reports and a Final Report, including narrative information and full financial accounting of the expenditure of these grant funds, according to the Report Schedule set forth in Paragraph 2 of the Agreement. All Grantee reports shall become the property of Foundation. Report forms and guidelines shall be provided by the Foundation. Any payments scheduled for release subsequent to the due date of a report shall be held by Foundation until the report has been submitted and approved. Foundation in its discretion may also require an audit of the agency or project, which may include the review of programmatic as well as financial records. The expense of any audit required by Foundation will be borne by Foundation, with the exception of audits required as part of the grant application process. In addition to Interim and Final Reports, Grantee is required to report to the Foundation any changes in project or agency leadership during the period of the grant.

10. Payments:

Grant payments will be made by Foundation according to the Payment Schedule set forth in Paragraph 2 of the Agreement provided that payments scheduled for a certain month may be made at any time during that month, and that if the project is not making reasonable progress toward meeting its stated objectives as set forth in the Grant Application, or the Grantee is not otherwise in compliance with the Agreement, then Foundation may at its sole discretion defer, reschedule, or cancel future payments.

11. Reversion:

Any funds not expended for the purposes agreed to by Foundation, including any unspent balance at the conclusion of the grant period, must be returned to Foundation. Grantee agrees that it shall convey back to Foundation the value of any equipment or real estate/property purchased with grant funds if, within five years of the end of the grant period, the nature of its use is diverted from the purposes for which the Grant was made or if the Grantee organization ceases operations.

12. Modifications and Termination:

The terms of this Agreement may be revised or modified only with the prior written consent of Grantee and Foundation. Should Grantee fail to meet any of the terms or conditions of the Agreement, Foundation may withdraw its award and terminate the Agreement and shall thereupon have no further obligation to disburse to Grantee any remaining unpaid grant funds, and may further require the repayment by Grantee to Foundation of any grant funds which were not used in accordance with the terms of the Agreement, including the Grant Purposes and Objectives set forth in Paragraph 1 and 3 of the Agreement and the Grant Application. Grantee may terminate the Grant at any time by written notification to Foundation accompanied by a final report as required in Paragraph 10, and the return of any unspent funds to Foundation.

13. Limit of Commitment:

The Grant has been awarded with the understanding that Foundation has no obligation to provide other or additional support for this project, nor does this award represent any commitment to or expectation of future support from Foundation for this or any other project of Grantee.

14. Restrictions on Use of Award:

Grantee shall not use any portion of the Grant to influence the outcome of any specific public election. The Grant is not in any way earmarked for lobbying purposes or to carry out a voter-registration drive. No portion of the Grant may be used for lobbying purposes unless: (a) the nature and scope of Grantee's lobbying is permissible under section 501(c)(3) or, if applicable, 501(h) and 4911 of the Internal Revenue Code; and (b) use of the grant funds for lobbying is not inconsistent with the Grant Purpose, the Special Conditions and the Grant Application.

IN WITNESS WHEREOF, this Grant Agreement has been signed on _____,
by Grantee acting through its duly authorized officer.

GRANTEE:

By: _____
Title:

Accepted by Foundation

on _____

By _____

Authorized Signature

Grant #: 2004-05076 FAL:cmg

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