

Capacity-Building Grant Agreement

This is a Capacity-Building Grant Agreement (“Agreement”) dated as of _____, 20__, between [____], a California nonprofit public benefit corporation (“Client”), and _____, a _____ (“Agency”).

BACKGROUND

A. Client is a nonprofit organization that provides nutritious food and nutrition education to people in need, educates the public, and promotes public policies that address hunger and its root causes. Client distributes food through a network of over [____] agencies and sites. Agency is a member of that network and, in line with that membership, is party to a Member Agency Agreement with Client (“Agency Agreement”).

B. Client provides capacity-building grants to member agencies to enable them to serve food recipients (“Clients”) more effectively and increase distribution volumes through the acquisition of new assets or procurement of training and other services. Client wishes to make such a grant to Agency to help it buy an asset, and Agency wishes to accept and use it, on the basis set out in this Agreement and the grant plan attached as **Exhibit A** (“Plan”).

Client and Agency agree as follows:

1. GRANT

1.1 Asset Purchase; Grant Payment

Agency will purchase the asset identified in the Plan (“Asset”), and present proof of purchase of the Asset to Client, in form and content acceptable to Client. Client will pay the grant to Agency in a single lump-sum within 30 days of receipt of such proof, unless otherwise specified in the Plan.

1.2 Term

The term of this Agreement is set out in the Plan.

2. ASSET

2.1 Space; Utilities

Agency will ensure appropriate space, dedicated electrical circuit, plumbing, and other facilities are available as necessary to place and safely operate the Asset.

2.2 Asset Use

Agency will use the Asset solely for the purpose of serving Clients under the Agency Agreement. For clarity, Agency may not use the Asset for other programs or activities carried out by Agency, or for personal use by Agency staff, volunteers, or Clients.

2.3 Agency Capacity

Agency acknowledges that increasing Agency’s capacity to serve Clients, as set out in the Plan, is a condition to its retention of the Asset under Section 4.1.

2.4 Expenses; Risk

Agency will be responsible for arranging and paying for all utilities, supplies, repairs, maintenance, and other expenses to properly operate and maintain the Asset. Agency will be responsible for any taxes and fees arising from Agency’s purchase, possession, and use of the Asset. Agency will bear the entire risk of loss, theft, and damage to the Asset.

Note: This document does not reflect or constitute legal advice. This is a sample made available by the Organizations and Transactions Clinic at Stanford Law School on the basis set out at nonprofitdocuments.law.stanford.edu. Your use of this document does not create an attorney-client relationship with the Clinic or any of its lawyers or students.

2.5 Operation; No Alterations

Agency will use the Asset in a careful and proper manner in compliance with applicable user instructions, warranty and insurance requirements, and applicable law. Agency will not make any alterations, additions, or improvements to the Asset without first obtaining the written approval of Client.

2.6 No Sale or Liens

Agency will not sell or otherwise transfer the Asset to a third party, or grant a lien on, the Asset.

3. COMMUNICATION; RELATIONSHIP

3.1 Contact Person

Client and Agency will each appoint one individual to act as principal contact person and to coordinate activities relating to the grant. The initial appointees are identified in the Plan. Client and Agency each may change its contact person at any time and will so advise the other by e-mail or other writing.

3.2 Site Visits

Client may, during normal business hours and with reasonable advance notice, periodically visit Agency's facility and inspect the Asset. The presence of Client's representatives will not limit or affect in any way Agency's obligations under this Agreement.

3.3 Recordkeeping

Agency will maintain its Asset purchase, repair, and other relevant records in a manner that allows Client to review activities relating to the grant, and make them available for review by Client with reasonable advance notice.

3.4 Independence

Client and Agency are and will remain independent contracting and collaborating charitable organizations. The arrangements contemplated by this Agreement do not create a partnership, joint venture, or similar relationship for any purpose. Neither Client nor Agency has the power or authority to bind or obligate the other to a third party or commitment in any manner. Any use of the term "partner," "affiliate," or comparable term in any communication is solely for convenience.

4. CLIENT SECURITY INTEREST IN ASSET

4.1 Asset Removal

The purpose of the grant and acquisition of the Asset is to enable Agency to better serve Clients. As such, if, during the term: (a) the Agency Agreement is terminated or Agency otherwise is no longer an active member agency of Client; (b) Agency has breached any of its obligations under this Agreement; or (c) Agency does not increase distribution volumes as set out in the Plan, then Agency, upon written notice from Client, will promptly turn the Asset over to Client. Client and Agency will cooperate in determining the best way to carry out removal and delivery to Client or other location designated by Client.

4.2 Security Agreement

For legal reasons, Agency grants to Client a security interest in the Asset in order to secure Agency's obligations under this Agreement, including, without limitation, those created under Section 4.1. Agency authorizes Client to file financing statements and to take other actions as may be appropriate in respect of the security interest created by this Agreement.

5. INSURANCE; INDEMNIFICATION; WAIVER OF LIABILITY

5.1 Insurance

Agency, at Agency's expense, will maintain insurance of types and amounts relating to the Asset as may be specified in the Plan. Agency will provide to Client upon request a certificate of insurance confirming this coverage.

5.2 Indemnification

Agency will indemnify and hold Client, and its directors, officers, employees, agents, and assigns (together, "Client Parties") harmless for any damages or injuries that may occur as a result of, or relating to, Client's grant and purchase and use of the Asset.

5.3 Waiver; Release of Claims

Agency releases and waives all claims against Client and any and all Client Parties for any liability, loss, damages, or claims resulting from death or injury to Agency or damage to the Facility or other property of Agency, caused by or resulting directly or indirectly from the installation, operation, use, or removal of the Asset, regardless of cause and even if caused by the negligence, active or passive, of a Client Party.

6. GENERAL PROVISIONS

6.1 Entire Agreement

This Agreement, together with the Plan and the Agency Agreement, expresses Client's and Agency's final, complete, and exclusive agreement, and supersedes any and all prior or contemporaneous written and oral agreements, communications, or course of dealing between Client and Agency relating to its subject matter. If there are any inconsistencies between the Agency Agreement and this Agreement, the Agency Agreement will control.

6.2 Survival

Sections 2.4, 3.4, 5.2, 5.3, and 6 will remain effective after expiration of the term or any earlier termination of this Agreement.

6.3 Amendment

This Agreement may be amended only as stated in and by a writing signed by both Client and Agency which recites that it is an amendment to this Agreement.

6.4 Assignment

Agency may not, directly or indirectly, assign its rights or delegate its duties under this Agreement except on the same basis as set out in the Agency Agreement.

6.5 Third Party Beneficiaries

Except as specifically provided in Section 5.2 and 5.3, this Agreement is for the exclusive benefit of Client and Agency, and not for the benefit of any third party, including, without limitation, any Client, creditor, landlord, funder, employee, or vendor of Client or Agency.

Client and Agency signed this Agreement as of the date set out in its first paragraph.

CLIENT	[AGENCY]
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

Exhibit A Grant Plan

Agency Information

Agency name	
Agency address	
Agency contact person	Name: Title: E-mail: Telephone:

Client Information

Client contact person	Name: Title: E-mail: Telephone:
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Grant; Term

Amount	\$
Term	_____ to _____

Asset

Description	
Location	
Use	
Cost	
Increase in Distribution Volume over Term	

Insurance

Coverage	
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Other Terms
