

AUTHORIZES ACCEPTANCE OF FEDERAL GRANT
TO ASSIST IN THE DEVELOPMENT OF THE COLUM-
BIA CITY NEIGHBORHOOD PROJECT.

80:0:01

Ordinance No. 109267

AN ORDINANCE authorizing an agreement for and acceptance of financial assistance from the United States of America, Department of Housing and Urban Development, for an Urban Development Action Grant (UDAG) to assist in the development of the Columbia City Neighborhood Project, authorizing implementation of a project by the Department of Community Development and making an appropriation from the Housing and Community Development Revenue Sharing Fund therefor and establishing a repayment account in said fund; and authorizing the Mayor or his designee to enter into any necessary implementing agreements.

7.29.80 - UDAG - PASS

COMPTROLLER
FILE NUMBER

Council Bill No. 101558

INTRODUCED: JUL 28 1980	BY EXECUTIVE REQUEST
REFERRED: JUL 28 1980	TO URBAN DEVELOPMENT HOUSING
REFERRED:	
REFERRED:	
REPORTED: AUG 4 1980	SECOND READING: AUG 4 1980
THIRD READING: AUG 4 1980	SIGNED: AUG 4 1980
PRESERVED TO AUG 5 1980	APPROVED: AUG 11 1980
RETD. TO CITY CLERK: AUG 11 1980	PUBLISHED:
VETOED BY MAYOR:	VETO PUBLISHED:
PASSED OVER VETO:	VETO SUSTAINED:

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ORDINANCE 109267

AN ORDINANCE authorizing an agreement for and acceptance of financial assistance from the United States of America, Department of Housing and Urban Development, for an Urban Development Action Grant (UDAG) to assist in the development of the Columbia City Neighborhood Project, authorizing implementation of a project by the Department of Community Development and making an appropriation from the Housing and Community Development Revenue Sharing Fund therefor and establishing a repayment account in said fund; and authorizing the Mayor or his designee to enter into any necessary implementing agreements.

WHEREAS, under the Housing and Community Development Act of 1974, as amended, the Department of Housing and Urban Development has approved the City of Seattle's Urban Development Action Grant application and has agreed to grant to the City of Seattle certain funds to aid in development of the Columbia City Neighborhood Project; and

WHEREAS, the City is duly authorized under and pursuant to the Constitution, the laws of the State of Washington and the City Charter to undertake and execute such a Grant Agreement; Now, Therefore,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Mayor or his designee is hereby authorized to enter into an Agreement substantially in the form attached hereto, and accept financial assistance from the United States of America, Department of Housing and Urban Development in the sum of Two Hundred and Fifty Thousand Dollars (\$250,000) for an Urban Development Action Grant (UDAG) as authorized under the Housing and Community Development Act of 1977 (P.L. 95-128, 91 Statute 1111), application for which was authorized by Resolution 26310. The grant award is hereby accepted and funds received pursuant thereto shall be deposited in the Housing and Community Development Revenue Sharing Fund. The Mayor is further authorized to make, for and on behalf of The City of Seattle, all assurances, promises, representations and consents to suit specified in the grant application, and to comply with any applicable regulations

1 of the United States relating to implementation of the
2 "Columbia City Neighborhood Project," all as contemplated in
3 Resolution 26310. The Mayor is further directed and designated
4 as the authorized representative of the City to supply such
5 other documents and information as may be required in connection
6 with the program and its implementation.

7 Section 2. Upon receipt by the City of the "Notice of
8 Grant Award" and subject to and consistent with the constitution
9 and laws of the State of Washington and the Charter of The
10 City of Seattle, the Director of The Department of Community
11 Development is hereby authorized to implement the Columbia
12 City Neighborhood Project in accordance with regulations of
13 the United States Department of Housing and Urban Development
14 (HUD) at a total cost not to exceed \$250,000. Upon receipt
15 and deposit of the grant money accepted in Section 1 hereof,
16 and for all the purposes of the Columbia City Neighborhood
17 Project, the sum of Two Hundred and Fifty Thousand Dollars
18 (\$250,000) is hereby appropriated from the Housing and
19 Community Development Revenue Sharing Fund, and the City
20 Comptroller is authorized to draw and the City Treasurer to
21 pay the necessary warrants and to make the necessary transfers.

22 Section 3. There is hereby established in the Housing
23 and Community Development Revenue Sharing Fund a repayment
24 account into which shall be deposited repayments to the City
25 by developers who have received Columbia City Neighborhood
26 Project UDAG funds from the City. Repayment funds may be
27 expended only for municipal purposes consistent with federal
28 statutes and regulations for the use of such funds.

Section 4. In order to secure the release of federal
funds available to the City under the Housing and Community
Development Act of 1977 (P.L. 95-128, 91 Statute 1111), and

1 consistent with regulations promulgated for Urban Development
2 Action Grants (UDAG) the Mayor is hereby authorized to
3 discharge all responsibilities as may be required by federal
4 regulations and laws concerning the environment and to
5 consent to assume the status of a "responsible federal
6 official" under the National Environmental Policy Act of
7 1969 (NEPA), insofar as provisions of NEPA apply to the
8 United States Department of Housing and Urban Development,
9 for environmental review, decision-making and actions assumed
10 and carried out by The City of Seattle. The Mayor shall
11 assume the responsibilities, where applicable, for the
12 satisfactory resolution of the environmental issues, preparation
13 and circulation of draft and final environmental impact
14 statements, and assumptions of lead agencies' responsibilities
15 for preparation of such statements on behalf of agencies of
16 the United States other than HUD, where such other agencies
17 consent to such assumptions; and the Mayor in his official
18 capacity is further authorized to consent, personally, and
19 on behalf of The City of Seattle to accept the jurisdiction
20 of the Federal courts for the enforcement of all responsibilities
21 referred to herein.

22 Section 5. The Director of the Department of Community
23 Development is hereby authorized to enter into such agreements
24 as may be necessary to provide for the efficient administration
25 of the grant accepted in Section 2 hereof, and implementation
26 of the grant agreement, including particularly a development
27 agreement with Fluoro-Carbon, Inc., subject to applicable
28 federal and state law and regulations and provisions of the
City Charter and ordinances, and the grant agreement authorized
in Section 1.

(To be used for all Ordinances except Emergency.)

Section 6. Any act consistent with the authority and prior to the effective date of this ordinance, including fund transfer and payment of warrants, is hereby ratified and confirmed.

Section 7. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 4th day of August, 1980,
and signed by me in open session in authentication of its passage this 4th day of August, 1980.

President of the City Council.

Approved by me this 14th day of August, 1980.

Mayor.

Filed by me this 14th day of August, 1980.

Attest: Jim Hill
City Comptroller and City Clerk.

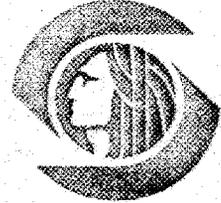
(SEAL)

Published.....

By Virginia Miller
Deputy Clerk.

109267

Your
Seattle
Community Development



Memorandum

July 23, 1980

To: Doug Jewett, City Attorney
From: Mike *MW* Williams, Director - OED
Subject: Drafting of Ordinances Accepting the Bush and
Columbia City UDAGs

I am requesting that the Law Department draft ordinances authorizing the Mayor to enter into contracts accepting the Bush Hotel and Columbia City UDAGs. Both applications have been approved by the Department of Housing and Urban Development. James Fearn has worked on both projects.

Thank you for your consideration.

MW: fmm

cc: James Fearn

Your
Seattle
Community Development
Evelyn Sun, Acting Director



Charles Royer, Mayor

July 23, 1980

The Honorable Paul Kraabel
Seattle City Council
City of Seattle

SUBJECT: Ordinance Accepting the Columbia City
Neighborhood Urban Development Action
Grant

Dear Councilman Kraabel:

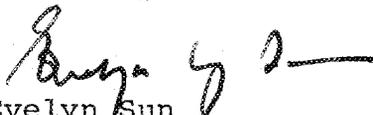
I request City Council's consideration and adoption of the attached ordinance. The ordinance authorizes the Mayor or his designee to enter into a contract with the Department of Housing and Urban Development for an Urban Development Action Grant in the amount of \$250,000 and to establish a fund to accept the monies.

The Columbia City UDAG application was authorized by City Council Resolution 26310 on April 21, 1980. HUD approved the application on July 3, 1980.

The UDAG loan will help finance the construction of a small manufacturing building in Columbia City. It will create 70 new permanent jobs, 20 of which will be minority. In addition, the project will retain 225 existing jobs on the site.

If you have any questions, please call John Finke at 625-4530. Thank you for your consideration.

Sincerely,


Evelyn Sun
Acting Director

ES:jfn

attachments

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P R E A M B L E

1 THIS GRANT AGREEMENT is made and entered into by and between THE
2 SECRETARY OF HOUSING AND URBAN DEVELOPMENT, acting by and through the
3 Assistant Secretary for Community Planning and Development, as representative
4 of the United States of America, and the RECIPIENT.
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R E C I T A L S

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8
9 THE RECIPIENT has applied to the Secretary for grant assistance
10 under the UDAG Program to undertake activities which are consistent with the
11 provisions of Section 119 of the Act and the UDAG Regulations; and
12

13 THE SECRETARY, in reliance upon the representations set forth in
14 the Application, has approved the award of grant funds to the Recipient, to
15 be expended by the Recipient in conformity with the requirements and
16 provisions of this Grant Agreement;
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18 IN CONSIDERATION of the mutual promises and covenants contained in
19 this Grant Agreement, the Secretary and the Recipient agree as follows:
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ARTICLE I

GENERAL PROVISIONS

1 Section 1.01 Contents of Agreement

2 This agreement between the parties hereto relating to the Project
3 shall consist of this Grant Agreement, the Application, and all exhibits hereto,
4 as the same may, from time to time, be amended.

5 Section 1.02 Exhibits Incorporated

6 All exhibits which are referred to in this Grant Agreement and are
7 attached hereto, are incorporated herein and made a part hereof.

8 Section 1.03 General Definitions

9 For all purposes, unless specifically provided otherwise or the
10 context otherwise requires, when used in this Grant Agreement:

11 (1) "Act" means the Housing and Community Development Act of 1974,
12 Pub. L. No. 93-383, as amended.

13 (2) "Application" means the Application For Federal Assistance, and
14 such other submittals by the Recipient, as are specified in Exhibit A to this
15 Grant Agreement.

16 (3) "Default" means any event of default set forth in subsection (a)
17 of Section 7.01 of this Grant Agreement which continues for the period set
18 forth in subsection (b) of said Section 7.01.

19 (4) "Eligible Costs" means costs incurred by the Recipient for
20 purposes authorized by Section 2.02 and more particularly described in
21 Exhibit D to this Grant Agreement, provided that such costs (i) are not
22 incurred in connection with any activity which, under 24 C.F.R. Part 570, as
23 the same may be from time to time amended, is ineligible under the UDAG Program,
24 and (ii) conform to the requirements of Attachment B to Federal Management
25 Circular 74-4 (Cost Principles Applicable to Grants and Contracts with State
26 and Local Government), as the same may be from time to time amended. For
27 purposes of determining the conformity of costs to said Attachment B, all costs
28 set forth in Section C thereof except for "prearrangement costs" and "proposal
29 costs" (which are eligible only to the extent authorized in Section 570.454 of
30 24 C.F.R. Part 570) may be considered eligible without prior approval of the
31 Secretary.
32

1 (5) "Environmental Conditions" means the conditions imposed by law,
2 applicable regulations and the provisions of Sections 3.02, 3.03, 3.05, 3.06,
3 4.02 and 8.02 of this Grant Agreement which prohibit or limit the commitment
4 and use of grant funds until certain procedural requirements have been completed.

5 (6) "Environmental Requirements" means the requirements described
6 in Sections 4.01 and 4.02 of this Grant Agreement.

7 (7) "Environmental Studies" means all eligible activities necessary
8 to produce an "environmental document", as that term is defined at Section 1508.10
9 of 40 C.F.R. Part 1508, or to comply with the requirements of 24 C.F.R. Part 58,
10 or the requirements of Section 4.01 or 4.02 of this Grant Agreement.

11 (8) "Federal Protective Rules" means all rules which are established
12 by Federal statutes and regulations for the protection of persons or property,
13 or for the protection of things environmental, historic, cultural, flora or
14 fauna.

15 (9) "Grant Revenues", means the UDAG percentage of: (i) any gross
16 income earned from the disposition of real or personal property acquired in
17 whole or in part by the use of grant funds; (ii) the repayment proceeds
18 (including principal and interest) of any loan made in whole or in part by the
19 use of grant funds; and (iii) any gross income from a grant-supported activity
20 where it is specifically declared at Exhibit A to this Grant Agreement that the
21 income from such activity shall be deemed to be Grant Revenues. The "UDAG
22 percentage", means an amount computed by applying the percentage of participation
23 of UDAG funds in the total cost of acquisition of property or in the total amount
24 of a loan, or in the total cost of a grant-supported activity, to the gross
25 income from the disposition of such property, the total repayment proceeds of
26 such loan, or the gross income from such grant-supported activity.

27 (10) "HUD" means the United States Department of Housing and Urban
28 Development.

29 (11) "Letter of Credit" means the letter of credit to be issued or
30 amended by the Department of the Treasury pursuant to Section 3.01 of this
31 Grant Agreement.
32

1 (12) "Non-UDAG Funded Activities" means those activities not directly
2 assisted with UDAG Program funds, the assured completion of which was relied
3 upon by the Secretary in selecting the Recipient for the award of funds under
4 this Grant Agreement, which activities are more particularly described in
5 Exhibit C to this Grant Agreement.

6 (13) "Participating Party" means any person, firm, corporation or
7 entity identified as such in Exhibit A to this Grant Agreement. Identification
8 as a "Participating Party" signifies that the Secretary, in selecting Recipient
9 for the award of this grant, relied in material part upon a representation that
10 the party so identified will, in consideration of this grant, undertake and
11 complete one or more specified UDAG Funded Activities or Non-UDAG Funded
12 Activities.

13 (14) "Project" means the group of integrally related activities
14 described in Exhibits "B" and "C" to this Grant Agreement which are to be
15 carried out to meet the objectives of the UDAG Program, and includes all UDAG
16 Funded Activities together with all Non-UDAG Funded Activities.

17 (15) "Recipient" means the local governmental entity receiving UDAG
18 Program funds pursuant to this Grant Agreement, as more particularly identified
19 on the cover page to this Grant Agreement.

20 (16) "Secretary" means the Secretary of Housing and Urban Development
21 or any other official of HUD to whom the Secretary has delegated authority to act
22 with respect to matters covered by this Grant Agreement.

23 (17) "UDAG Funded Activities" means those activities to be directly
24 assisted with UDAG Program funds, which activities are more particularly
25 described in Exhibit B to this Grant Agreement.

26 (18) "UDAG Program" means the Urban Development Action Grant Program
27 established by HUD pursuant to Section 119 of the Act.

28 (19) "UDAG Regulations" means the regulations set forth in 24 C.F.R.
29 Part 570, Subpart G, as the same may from time to time be amended.
30
31
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ARTICLE II

AMOUNT AND AUTHORIZED USES OF GRANT FUNDS

1 Section 2.01 Grant Assistance Provided

2 In consideration of the various obligations undertaken by the
3 Recipient pursuant to this Grant Agreement, and in consideration of the
4 obligations to be undertaken by Participating Parties, as represented by the
5 Recipient in the Application, the Secretary agrees, subject to the terms and
6 conditions set forth herein, to provide the Recipient with grant funds in the
7 amount specified in Exhibit A to this Grant Agreement.

8 Section 2.02 Authorized Uses of Grant Funds

9 The funds provided to the Recipient pursuant to this Grant Agreement
10 shall be used in connection with the UDAG Funded Activities described and
11 depicted in Exhibit B to this Grant Agreement and shall be so used solely for
12 the authorized purposes described in Exhibit D to this Grant Agreement.

13 Section 2.03 Adjustments to Grant Funds

14 The amount of grant funds which the Secretary has agreed to provide
15 to the Recipient under this Grant Agreement has been determined by the Secretary,
16 in part, in reliance upon the cost estimates of the Recipient with respect to
17 the UDAG Funded Activities set forth in the Application, and in part, in
18 reliance upon the investment estimates of Participating Parties with respect
19 to the Non-UDAG Funded Activities and UDAG Funded Activities set forth in the
20 Application. The Secretary reserves the right to reduce the amount of funds
21 granted under this Grant Agreement (i) to conform to any revision to which the
22 Recipient and the Secretary may agree with respect to Exhibits B, C or D to
23 this Grant Agreement, or (ii) if the actual costs for UDAG Funded Activities
24 are lower than those set forth in Exhibits B or D to this Grant Agreement.

25 Section 2.04 Recipient's Use of Grant Revenues

26 (a) The Secretary shall have the right to require all Grant
27 Revenues received by the Recipient, or by any Participating Party, prior to
28 the completion of all UDAG Funded Activities, to be deposited in escrow
29 under arrangements approved by the Secretary, in order to provide funds to
30 assure completion of the UDAG Funded Activities. The Secretary may exercise
31 said right either by specifying such requirement at Exhibit A to this Grant
32 Agreement, or by separate written instructions to the Recipient delivered

1 at any time prior to the completion of all UDAG Funded Activities and the draw
2 of funds to reimburse costs incurred for such activities.

3 (b) Unless otherwise specifically authorized or required at
4 Exhibit A to this Grant Agreement, all Grant Revenues which are received by the
5 Recipient, or by any Participating Party, during the term of this Grant Agreement
6 and prior to completion of all UDAG Funded Activities, shall be used to
7 reimburse costs incurred for UDAG Funded Activities. Such Grant Revenues shall
8 be so used in place and instead of any draw under the Letter of Credit, to the
9 extent adequate to reimburse costs so incurred.

10 (c) Unless otherwise specifically authorized or required at
11 Exhibit A to this Grant Agreement, all Grant Revenues received by the Recipient,
12 or by any Participating Party, after the completion of all UDAG Funded
13 Activities, shall be used by the Recipient, or by the Participating Party
14 subject to the approval of the Recipient, for community or economic development
15 activities which would be eligible for assistance under Title I of the Act.

ARTICLE III

DISBURSEMENT OF GRANT FUNDS

1 Section 3.01 Letter of Credit Procedures

2 (a) Promptly after it has become effective and the Secretary has
3 received, from the Recipient, not less than three (3) fully executed copies of
4 this Grant Agreement, the Secretary shall cause a Letter of Credit to be issued
5 to the Recipient by the Department of the Treasury, or shall cause the Letter
6 of Credit previously issued to the Recipient by the Department of the Treasury
7 with respect to the Community Development Block Grant Program under Title I of
8 the Act to be increased, in accordance with procedures established by the
9 Department of the Treasury, in an amount not to exceed the amount of grant funds
10 referenced in Section 2.01 and specified in Exhibit A to this Grant Agreement.

11 (b) The issuance or increase of a Letter of Credit shall not,
12 thereby, authorize the Recipient to use such Letter of Credit or to reimburse
13 any costs out of funds of this grant. The authorization to use the Letter of
14 Credit and to reimburse costs out of grant funds shall be governed by the
15 provisions of Section 3.05 of this Grant Agreement and shall be subject to all
16 conditions precedent to the Recipient's draw of funds which are specified in
17 Section 3.06 of this Grant Agreement. The Recipient shall not draw upon the
18 Letter of Credit unless and until the Secretary has so authorized the Recipient,
19 pursuant to Section 3.04 of this Grant Agreement.

20 (c) The Recipient is authorized to draw funds against the Letter of
21 Credit only in accordance with the provisions of this Grant Agreement and the
22 procedures established by the Secretary and the Department of the Treasury. No
23 payment by the Department of the Treasury of an improper or unauthorized draw
24 to the Recipient shall, to any extent, constitute a waiver of the right of the
25 Secretary subsequently to challenge the validity of such draw, to enforce all
26 rights and remedies set forth in Article VII of this Grant Agreement, or to take
27 corrective or remedial administrative action pursuant to the UDAG Regulations,
28 which action may include, without limitation, suspension or termination of the
29 Recipient's funding under this Grant Agreement.

30 (d) The disposition of any funds provided under this Grant Agreement
31 that remain available under the Letter of Credit following completion of the
32 UDAG Funded Activities or the termination of this Grant Agreement by the

1 Secretary or its termination for any cause shall be in accordance with close-out
2 procedures then in effect or established by the Secretary, and the Recipient
3 shall neither have nor retain any rights whatsoever with respect to such funds
4 by virtue of this Grant Agreement.

5 Section 3.02 Incurring Costs for UDAG Funded Activities

6 (a) This grant and the use of grant funds are conditioned upon the
7 Recipient incurring costs which are to be reimbursed under this grant only in
8 accordance with the authority specified in this Grant Agreement, or otherwise
9 approved by the Secretary in writing. The incurring of costs to be reimbursed
10 out of funds of this grant shall be governed by the following:

11 (1) Eligible administrative costs, including, but not limited
12 to, costs of Environmental Studies, may be incurred before or after the date
13 of this Grant Agreement.

14 (2) Except for eligible administrative costs, including costs
15 of Environmental Studies, and except as specified at paragraph (3) of this
16 subsection (a), below, no costs to be reimbursed out of funds of this grant may
17 be incurred by the Recipient or by any Participating Party, until all of the
18 Environmental Conditions of this Grant Agreement have been fully satisfied,
19 including the issuance by the Secretary of all required environmental releases,
20 in accordance with Section 8.02 of this Grant Agreement.

21 (3) If the Recipient has not satisfied all of the
22 Environmental Conditions, or the Secretary has not issued the required releases,
23 as aforesaid, then, after the effective date of this Grant Agreement and until
24 all of the Environmental Conditions have been satisfied and said releases issued,
25 the only costs to be reimbursed out of grant funds which may be incurred by the
26 Recipient or by Participating Parties (other than for administration and for
27 Environmental Studies) shall be as follows:

28 (i) Eligible Costs for the development of plans or designs,
29 or for the performance of other work necessary to support an application for any
30 Federal, State or local permits, or assistance, or to support an application
31 for debt financing.

1 (ii) Eligible Costs not affecting the environment which,
2 by their nature, in the ordinary course of events, involve critical time
3 limitations or requirements (e.g., long leadtime equipment or material purchase
4 orders; expiring purchase options; solicitations for bids).

5 (iii) Eligible Costs for any other activities which are
6 catagorical exclusions or are otherwise exempted from the Environmental
7 Requirements by any provision in 24 C.F.R. Part 58.

8 (4) After the Recipient has satisfied all of the Environmental
9 Conditions and the Secretary has issued the required environmental releases, as
10 aforesaid, then, at any time after the effective date of this Grant Agreement,
11 the Recipient and the Participating Parties may incur Eligible Costs which are
12 to be reimbursed out of funds of this grant.

13 (b) The authorization in subsection (a) of this Section 3.02, above,
14 to incur costs, is not an authorization to reimburse those costs and does not
15 mean or imply that such costs will, in fact, be reimbursed out of grant funds.
16 It means the Recipient and Participating Parties may, voluntarily, and at their
17 own risk, and upon their own credit and expense, incur costs as authorized at
18 said subsection (a), above, but their authority to reimburse or to be reimbursed
19 out of grant funds shall be governed by the provisions of this Grant Agreement
20 applicable to the reimbursement of costs and the release of funds by the
21 Secretary.

22 (c) Neither the Recipient nor any Participating Party shall incur
23 any costs in connection with any UDAG Funded Activity, even though such costs
24 or action will not be reimbursed or funded out of grant funds, unless such costs
25 could be incurred pursuant to subsection (a) of this Section 3.02, above, if such
26 costs were to be reimbursed or funded out of grant funds.

27 Section 3.03 Incurring Costs for Non-UDAG Funded Activities

28 The Recipient shall not incur any costs, in connection with any Non-
29 UDAG Funded Activity, other than any costs which could be incurred pursuant to
30 subsection (a) of Section 3.02, in the case of a UDAG Funded Activity, until all
31 of the Environmental Conditions of this Grant Agreement have been satisfied,
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1 including the issuance by the Secretary of all required environmental releases
2 in accordance with Section 8.02 of this Grant Agreement.

3 Section 3.04 Authorization by the Secretary for the Recipient
4 to Draw Funds

5 (a) If Exhibits E or F to this Grant Agreement do not require or
6 authorize the phasing or staging of the Recipient's draw of funds, then upon a
7 finding by the Secretary that the Recipient has submitted, in a timely manner
8 and in acceptable form and content, all of the evidentiary materials required by
9 this Grant Agreement to be submitted to and accepted by the Secretary; and upon
10 acceptance and approval by the Secretary of said evidentiary materials; and if
11 no event of default has occurred, as defined at subsection (a) of Section 7.01
12 of this Grant Agreement, the Secretary shall promptly issue to the Recipient a
13 written authorization to draw grant funds under the Letter of Credit, for all
14 of the UDAG Funded Activities specified at Exhibit B to this Grant Agreement.

15 (b) If Exhibits E or F to this Grant Agreement do require or
16 authorize the phasing or staging of the Recipient's draw of funds, then upon a
17 finding by the Secretary that the Recipient has submitted, in a timely manner and
18 in acceptable form and content, all of the evidentiary materials specified and
19 required at said Exhibit E to be submitted to and accepted by the Secretary
20 respecting any particular phase or stage of the draw of funds; and upon
21 acceptance and approval by the Secretary of said evidentiary materials; and if
22 no event of default has occurred, as defined at subsection (a) of Section 7.01
23 of this Grant Agreement, the Secretary shall promptly issue to the Recipient
24 a written authorization to draw funds under the Letter of Credit in accordance
25 with any requirements or authorizations described at said Exhibit E respecting
26 the particular phase or stage of the draw of funds.

27 Section 3.05 Reimbursement of Costs

28 (a) No costs shall be reimbursed by the Recipient out of grant funds
29 prior to the issuance by the Secretary of a written authorization to draw funds
30 under the Letter of Credit, pursuant to Section 3.04 of this Grant Agreement.
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1 (b) All evidentiary materials required by this Grant Agreement to be
2 submitted to and approved or accepted by the Secretary, as conditions precedent
3 to the Recipient's authority to reimburse costs, shall be so submitted by the
4 Recipient and approved or accepted by the Secretary before the Secretary will
5 issue any authorization to the Recipient to draw funds under the Letter of
6 Credit.

7 (c) All certifications and other materials required by this Grant
8 Agreement to be submitted to the Secretary as conditions precedent to the
9 Recipient's authority to reimburse costs shall be so submitted by the Recipient
10 prior to any draw of funds under the Letter of Credit.

11 (d) Notwithstanding any of the foregoing subsections (a), (b) and
12 (c) of this Section 3.05, and notwithstanding the issuance by the Secretary of
13 any unconditional authorization to the Recipient to draw funds under the Letter
14 of Credit, the Recipient is prohibited from reimbursing any costs and from
15 drawing any funds under the Letter of Credit, unless and until the Recipient
16 has satisfied all of the Environmental Conditions of this Grant Agreement and
17 the Secretary has issued all of the required environmental releases, in
18 accordance with Section 4.02 of this Grant Agreement.

19 Section 3.06 Conditions Precedent to Recipient's Draw of Funds
20 Under Letter of Credit

21 Prior to the Recipient's reimbursement of any costs with grant funds,
22 and prior to the Recipient's drawing of any grant funds under the Letter of
23 Credit, the following conditions shall have been satisfied:

24 (a) General: Conditions Applicable in All Cases

25 (1) The Recipient shall have satisfied all of the Environmental
26 Conditions of this Grant Agreement.

27 (2) The Secretary shall have issued all of the required
28 environmental releases, in accordance with Section 4.02 of this Grant
29 Agreement.

1 (3) The Recipient shall not have been served by the Secretary
2 with any notice suspending the Recipient's authority to draw funds under the
3 Letter of Credit, pursuant to Section 7.02 of this Grant Agreement, nor be in
4 breach of the Recipient's obligation to report an event of default, pursuant to
5 subsection (a) of Section 5.05 of this Grant Agreement.

6 (b) Specific: Conditions Applicable When Authorization to Draw
7 Funds is Not Phased or Staged

8 (1) The Recipient shall have submitted to the Secretary, no
9 later than the date specified at Exhibit F to this Grant Agreement, all of the
10 evidentiary materials required by Exhibit E to this Grant Agreement to be
11 submitted to and approved or accepted by the Secretary.

12 (2) The Secretary shall have approved and accepted said
13 evidentiary materials and shall have issued to the Recipient a written
14 authorization to draw funds under the Letter of Credit.

15 (3) The Recipient shall have submitted to the Secretary all
16 certifications and other materials required by Section 8.01 of this Grant
17 Agreement to be submitted by the Recipient prior to any draw of funds under the
18 Letter of Credit.

19 (c) Specific: Conditions Applicable When Authorization
20 to Draw Funds is Phased or Staged

21 (1) As to each phase or stage of a draw of funds which is
22 described at Exhibits E or F to this Grant Agreement, the Recipient shall have
23 submitted to the Secretary, no later than the date specified at Exhibit F to
24 this Grant Agreement, all of the evidentiary materials required by Exhibit E to
25 this Grant Agreement to be submitted to and approved or accepted by the
26 Secretary.

27 (2) As to each such phase or stage of a draw of funds, the
28 Secretary shall have approved and accepted said evidentiary materials and
29 shall have issued to the Recipient a written authorization to draw funds under
30 the Letter of Credit to reimburse costs applicable to that phase or stage.
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1 (3) The Recipient shall have submitted to the Secretary all
2 certifications and other materials required by Section 8.01 of this Grant
3 Agreement to be submitted by the Recipient prior to any draw of funds under
4 the Letter of Credit.

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ARTICLE IV
COMPLIANCE WITH FEDERAL PROTECTIVE RULES

1 Section 4.01 Delegation and Acceptance of Responsibilities
2 Under Federal Protective Rules

3 By its execution of this Grant Agreement, the Recipient represents
4 and warrants that it has the legal capacity to assume the responsibilities
5 for compliance with all applicable Federal Protective Rules and agrees and
6 undertakes to assume and carry out all such responsibilities in accordance
7 with all the requirements which are or may be established by the Secretary.

8 Section 4.02 Environmental Requirements

9 (a) The Project which is the subject of this grant is subject to
10 the Environmental Requirements contained in 24 C.F.R. Part 58, as the same may
11 from time to time be amended, and to the requirements of 40 C.F.R. Parts 1500,
12 et seq.

13 (b) The Environmental Requirements contained in 24 C.F.R. Part 58
14 set forth the responsibilities to be assumed and carried out by the Recipient
15 with respect to applicable Federal Protective Rules.

16 (c) No grant funds may be committed by the Recipient, except as
17 provided at Section 3.02 of this Grant Agreement, until all applicable
18 Environmental Requirements have been completed by the Recipient; all required
19 environmental certifications and requests for release of funds have been
20 submitted to the Secretary by the Recipient; and the Secretary has issued all
21 required written environmental releases of funds, as provided at 24 C.F.R.
22 Part 58.

ARTICLE V

REPRESENTATIONS, WARRANTIES, AND SPECIFIC OBLIGATIONS

1 Section 5.01 Recipient's Representations and Warranties

2 The Recipient has, by and through consultations had among all
3 members of the Recipient's governing body, chief executive officer, chief
4 community development officer, chief financial officer, chief clerk, and chief
5 legal officer, and each of them, examined into each of the following and by its
6 execution of this Grant Agreement the Recipient does, upon their information
7 and belief, represent and warrant to the Secretary that: .

8 (1) The Recipient is duly organized and validly existing under the
9 laws of the jurisdiction of which the Recipient is a part, and has all requisite
10 power and authority to enter into this Grant Agreement.

11 (2) A resolution, motion or ordinance has been duly adopted, passed
12 or enacted as an official act of the Recipient's governing body, authorizing the
13 execution and delivery of this Grant Agreement by the Recipient and authorizing
14 and directing the person executing this Grant Agreement to do so for and on
15 behalf of the Recipient.

16 (3) This Grant Agreement has been executed and delivered by the
17 Recipient, and by the person executing it for and on behalf of the Recipient,
18 in such manner and form as to comply with all laws of the jurisdiction of which
19 the Recipient is a part, and the Charter and ordinances of the Recipient, which
20 are necessary to be complied with in order to make this Grant Agreement the valid
21 and legally binding act and agreement of the Recipient.

22 (4) Except as set forth in Exhibit A to this Grant Agreement, there
23 is no action, proceeding, or investigation now pending, nor any basis therefor,
24 known or believed to exist by the Recipient, which (i) questions the validity
25 of this Grant Agreement, or any action taken or to be taken under it; or
26 (ii) is likely to result in any material adverse change in the authorities,
27 properties, assets, liabilities, or conditions (financial or otherwise) of the
28 Recipient which would materially and substantially impair the Recipient's
29 ability to perform any of the obligations imposed upon the Recipient by this
30 Grant Agreement.

1 (5) The representations, statements, and other matters contained
2 in the Application were true and complete in all material respects as of the
3 date of filing. Except as set forth in Exhibit A to this Grant Agreement, the
4 Recipient is aware of no event which has occurred since the date of such
5 filing which would require any amendment of the Application (other than an
6 amendment which has been filed with and approved by the Secretary) in order
7 to make such representations, statements, and other matters true and complete
8 in all material respects and not misleading in any material respect. The
9 Recipient is aware of no event or other fact which should have been, and has
10 not been, reported in the Application as material information.

11 (6) The Recipient has obtained or has reasonable assurance that
12 there will be obtained all Federal, State and local government approvals and
13 reviews required by law to be obtained by the Recipient for the Project; and
14 all Participating Parties have obtained, or the Recipient has reasonable
15 assurances there will be obtained by such Participating Parties all such
16 approvals and reviews required by law to be obtained by the Participating Parties
17 for the Project.

18 (7) Insofar as the capacity of the Recipient to carry out any obliga-
19 tion under this Grant Agreement is concerned, (i) the Recipient is not in
20 material violation of its Charter, or any mortgage, indenture, agreement,
21 instrument, judgment, decree, order, statute, rule or regulation and (ii) the
22 execution and performance of this Grant Agreement will not result in any such
23 violation.

24 (8) None of the principal officials, officers, agents or employees
25 of the Recipient is a Participating Party, or owns or controls any substantial
26 interest in any Participating Party, excepting only as shall have been disclosed
27 in the Application, and, as to any such disclosure, the Recipient acknowledges
28 and agrees that the facts set forth at Exhibit A to this Grant Agreement
29 constitute all of the facts concerning such ownership, control or interest
30 which have been disclosed to the Secretary by the Recipient. An interest in
31 a Participating Party is "substantial", within the meaning of this subsection,
32 if it would violate any conflict of interest law of the jurisdiction of which

1 Recipient is a part, in the event Recipient and the Participating Party were to
2 enter into any contract, or if it consists of more than 3% ownership of the
3 Participating Party, or if the official, officer, agent or employee receives
4 more than 5% of his or her total annual income from the Participating Party.

5 Section 5.02 Obligation to Complete UDAG Funded Activities

6 As Scheduled

7 (a) In consideration of the selection of the Recipient for the award
8 of this grant and of the funds provided pursuant to this Grant Agreement, the
9 Recipient undertakes and assures the Secretary, by its execution of this Grant
10 Agreement, that Recipient shall use its best efforts to assure the completion
11 of the UDAG Funded Activities described at Exhibit B to this Grant Agreement
12 within the time periods specified at Exhibit F to this Grant Agreement.

13 (b) The Recipient understands and by its execution of this Grant
14 Agreement agrees that the foregoing undertaking and assurance means that
15 Recipient shall, to the maximum extent permitted by law, use and apply all of
16 its governmental and proprietary powers, including but not limited to those
17 powers governing taxes, other revenues, credit, eminent domain and appropria-
18 tions, if necessary, for the purpose of providing any shortfall between funds
19 available under this grant and otherwise, and funds necessary to complete all
20 of the UDAG Funded Activities described at Exhibit B to this Grant Agreement.

21 Section 5.03 Obligation to Achieve Projected Jobs

22 (a) In approving the Application and in selecting the Recipient for
23 the award of this grant, the Secretary considered certain representations by
24 Recipient to the Secretary that the use of funds of this grant is expected to
25 create a specific number of both temporary and permanent new job opportunities,
26 including a specific number of new permanent job opportunities for persons who,
27 at the time of their employment, will be persons of low or moderate income,
28 within the meaning of Section 570.3 of 24 C.F.R. Part 570, as the same may be
29 from time to time amended.

30 (b) By its execution of this Grant Agreement, the Recipient
31 acknowledges its representations in the Application pertaining to the creation
32 of jobs and obligates itself to use its best efforts to create, or cause to be

1 created, during the existence of this Grant Agreement, the numbers and kinds of
2 jobs represented in the Application as being expected to be created through the
3 use of funds of this grant.

4 (c) By its execution of this Grant Agreement, the Recipient obligates
5 itself to use all powers available to Recipient to enforce the undertakings or
6 assurances of Participating Parties respecting the creation of jobs which are
7 specified at Exhibit A to this Grant Agreement.

8 Section 5.04 Obligation to Cure Title Defects

9 (a) During the term of this Grant Agreement and until completion of
10 all of the UDAG Funded Activities, the Recipient shall use its best efforts to
11 promptly cure, or cause to be cured, any defect in the title to any real
12 property necessary to the completion of said activities, where such defect will
13 or may have any material adverse effect on the use of such real property for the
14 purposes intended under the Grant Agreement.

15 (b) The Recipient understands and by its execution of this Grant
16 Agreement agrees that the foregoing obligation means that the Recipient shall,
17 to the maximum extent permitted by law, use and apply all of its governmental
18 and proprietary powers, including, but not limited to, those powers governing
19 taxes, other revenues, credit, eminent domain and appropriations, if necessary,
20 for the purpose of assuring the availability, free and clear of adverse and
21 inhibiting title defects, of all real property which is necessary to assure and
22 effect the completion of all of the UDAG Funded Activities.

23 Section 5.05 Notification and Action Upon Events of Default

24 (a) The Recipient shall promptly give written notice to the
25 Secretary upon the discovery by the Recipient of any event of default involving
26 any Participating Party, as described at Section 7.01 of this Grant Agreement.

27 (b) Promptly upon the discovery of any such event of default, the
28 Recipient shall vigorously pursue all remedies which are available to the
29 Recipient under any agreement with any Participating Party, or otherwise, to
30 remove or cure such event of default, or to seek redress or relief from its
31 effects and to prevent or mitigate any adverse effects on the Project.

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ARTICLE VI
INSPECTION AND REVIEW

1 Section 6.01 Duty to Maintain, and Rights to Inspect and Copy,
2 Books, Records and Documents

3 (a) Except as otherwise provided in this Section 6.01, the Recipient
4 shall keep and maintain such books, records and other documents as shall be
5 required under rules and regulations now or hereafter applicable to grants made
6 under the UDAG Program, including but not limited to 24 C.F.R. 570.907, and as
7 may be reasonably necessary to reflect and disclose fully the amount and dis-
8 position of the funds provided under this Grant Agreement, the total cost of the
9 UDAG Funded Activities, and the amount and nature of all investments related to
10 the UDAG Funded Activities which are supplied or to be supplied by other sources.

11 (b) All such books, records and other documents shall be available at
12 the offices of the Recipient (except that books, records, and other documents of
13 a Participating Party which are subject to this Section 6.01 may be maintained
14 at the offices of such Participating Party) for inspection, copying, audit and
15 examination at all reasonable times by and duly authorized representative of
16 the Secretary or the Comptroller General of the United States.

17 Section 6.02 Site Visits

18 Any duly authorized representative of the Secretary shall, at all
19 reasonable times, have access to all portions of the Project.

20 Section 6.03 Duration of Inspection Rights

21 The rights of access and inspection described in this Article VI
22 shall continue until the completion of all close-out procedures respecting this
23 grant, and until the final settlement and conclusion of all issues arising out
24 of this grant or under this Grant Agreement.

25 Section 6.04 Reports

26 The Recipient shall promptly furnish to the Secretary all reports
27 required to be filed in accordance with any directives of the Secretary or any
28 statute, rule or regulation of HUD.

ARTICLE VII

DEFAULTS AND REMEDIES

1 Section 7.01 Defaults

2 (a) An event of default shall consist of any use of grant funds for
3 any purpose other than as authorized at Section 2.02 of this Grant Agreement,
4 without the Secretary's prior written approval, or any other material failure
5 in the performance by, or breach of any covenant, agreement, provision, or
6 warranty of (i) the Recipient, made in this Grant Agreement; or, (ii) the
7 Recipient, made pursuant to any agreement entered into between the Recipient and
8 any Participating Party relating to the Project; or, (iii) any Participating
9 Party, made pursuant to any agreement between such Participating Party and the
10 Recipient relating to the Project; or, (iv) any Participating Party, made pursuant
11 to any agreement between Participating Parties relating to the Project.

12 (b) Continuance of an event of default described in subsection (a) of
13 this Section 7.01 for a period of thirty (30) consecutive days after delivery to
14 the Recipient of a written notice issued by the Secretary specifying such
15 default or breach and requiring it to be remedied shall constitute a Default
16 under this Grant Agreement.

17 Section 7.02 Remedies Upon Event of Default and Default

18 (a) Upon the occurrence of any event of default as described in sub-
19 section (a) of Section 7.01, above, the Secretary may suspend the Recipient's
20 authority to draw any funds under the Letter of Credit at any time by notice
21 to the Recipient. If such event of default is not cured within the time and in
22 the manner described in subsection (b) of said Section 7.01, the Secretary shall
23 have the right to continue such suspension or, at any time thereafter while such
24 Default shall be continuing, to notify the Recipient that the Secretary, by
25 delivery of such notice, is terminating this Grant Agreement. In the event of
26 a termination, the Recipient's authority to draw any funds under the Letter of
27 Credit shall be deemed to have terminated at the time of the notice suspending
28 such authority, and thereafter the Recipient shall have no right, title or
29 interest in or to any funds remaining under the Letter of Credit.
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1 (b) If an event of default consists of the Recipient's failure to
2 satisfy the conditions of paragraph (1) of subsection (b) or paragraph (1) of
3 subsection (c) of Section 3.06 by the date specified in Exhibit F to this Grant
4 Agreement, the Secretary shall have the right, in the Secretary's sole and
5 absolute discretion and notwithstanding any other provision of this Article VII
6 to terminate this Grant Agreement and the award of UDAG Program funds to which
7 this Grant Agreement relates by delivery of written notice thereof to the Reci-
8 pient. In the event of such termination, all obligations of the Secretary
9 pursuant to this Grant Agreement and such award shall cease and the Recipient
10 shall neither have nor retain any rights whatsoever with respect to the UDAG
11 Program funds provided under this Grant Agreement or such award.

12 (c) In case a Default shall have occurred and be continuing, the
13 Secretary may at any time or from time to time proceed to protect and enforce
14 all rights available to the Secretary under this Grant Agreement by suit in
15 equity, action at law, or by any other appropriate proceedings, whether for
16 specific performance of any covenant or agreement contained in this Grant Agree-
17 ment, or damages, or other relief, or proceed to take any action authorized or
18 permitted under applicable law or regulations.

19 (d) The rights and remedies available to the Secretary under this
20 Article VII in the event of a suspension or termination of this Grant Agreement,
21 and any related rights and remedies set forth in this Grant Agreement, shall
22 survive such suspension or termination.
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ARTICLE VIII
CERTIFICATIONS BY RECIPIENT

1 Section 8.01 Certifications Upon Draw of Funds

2 Prior to each and every draw of grant funds under the Letter of Credit,
3 the Recipient shall submit to the Secretary a written certification, executed by
4 the chief executive officer of the Recipient, certifying to the Secretary that:

5 (1) All of the representations and warranties of the Recipient as set
6 forth in Section 5.01 of this Grant Agreement continue to be valid, true, and in
7 full force and effect.

8 (2) The Recipient has carried out all of the Recipient's obligations
9 specified at Sections 5.02, 5.03, 5.04 and 5.05 of this Grant Agreement which,
10 by their terms or intent, will be applicable at the time of the draw of grant
11 funds.

12 (3) Upon the submittal of the within certification to the Secretary,
13 all conditions precedent to the Recipient's authority to draw the grant funds
14 shall have been satisfied, in accordance with Section 3.06 of this Grant Agree-
15 ment.

16 (4) The grant funds to be drawn will reimburse Eligible Costs actually
17 incurred by the Recipient, in accordance with the provisions of Exhibits B and D
18 to this Grant Agreement.

19 (5) All Grant Revenues which have been received by the Recipient and
20 by any Participating Party have been deposited or used in accordance with the
21 provisions of Section 2.04 of this Grant Agreement.

22 Section 8.02 Environmental Certifications

23 (a) The Recipient shall submit to the Secretary and the Secretary shall
24 have approved and accepted all certifications relating to compliance with Federal
25 Protective Rules which are required to be so submitted and approved and accepted
26 by the provisions of 24 C.F.R. Part 58, as the same may from time to time be
27 amended, or by any other regulation of the Secretary.

28 (b) The approval of such environmental certifications by the
29 Secretary does not, thereby, authorize the Recipient to draw funds under the
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1 Letter of Credit. The authorization to draw grant funds is subject to the
2 compliance by the Recipient with all other conditions of this Grant Agreement
3 which affect the use of grant funds and to the issuance of the written authori-
4 zation of the Secretary pursuant to Section 3.04 of this Grant Agreement.

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ARTICLE IX

THIRD PARTY CONTRACT REQUIREMENTS

1 Section 9.01 Escrow of Grant Revenues

2 The Recipient shall cause to be included in all contracts with Partici-
3 pating Parties engaged in UDAG Funded Activities, a provision that upon instruc-
4 tion by the Secretary, all Grant Revenues received by the Participating Party,
5 prior to the completion of all UDAG Funded Activities, shall be deposited in
6 escrow under arrangements approved by the Secretary, in order to provide funds to
7 assure the completion of the UDAG Funded Activities.

8 Section 9.02 Grant Revenues Applied to Costs

9 Unless Exhibit A to this Grant Agreement authorizes or requires to the
10 contrary, the Recipient shall cause to be included in all contracts with Partici-
11 pating Parties engaged in UDAG Funded Activities, a provision that all Grant
12 Revenues received by the Participating Party prior to the completion of all UDAG
13 Funded Activities, shall be transmitted to the Recipient for use in reimbursing
14 costs incurred for UDAG Funded Activities.

15 Section 9.03 Grant Revenues for Title I Activities

16 Unless Exhibit A to this Grant Agreement authorizes or requires to the
17 contrary, the Recipient shall cause to be included in all contracts with
18 Participating Parties engaged in UDAG Funded Activities, a provision that all
19 Grant Revenues received by the Participating Party after the completion of all
20 UDAG Funded Activities, shall, at the option of the Recipient, either be
21 transmitted to the Recipient, or used by the Participating Party, subject to the
22 approval of the Recipient, for community and economic development activities
23 which would be eligible for assistance under Title I of the Act.

24 Section 9.04 Assurance of Governmental Approvals

25 The Recipient shall cause to be included in all contracts with
26 Participating Parties and in all contracts between Participating Parties to the
27 Project, a provision in the nature of a representation and warranty that each
28 Participating Party has obtained, or has reasonable assurance that there will be
29 obtained, all Federal, State and local governmental approvals and reviews
30 required by law to be obtained by the Participating Party for the Project.

1 Section 9.05 Completion of Project

2 The Recipient shall cause to be included in all contracts with
3 Participating Parties and in all contracts between Participating Parties to the
4 Project, a representation on the part of each Participating Party that the
5 Participating Party acknowledges that the Secretary, in selecting the Recipient
6 for the award of this grant, relied in material part upon the assured completion
7 of the activities to be undertaken by the Participating Party in connection with
8 the Project; and that the Participating Party assures the Recipient that such
9 activities will be completed by the Participating Party.

10 Section 9.06 Assurances of Projected Jobs

11 The Recipient shall cause to be included in all contracts with
12 Participating Parties, or shall secure in the most legally binding and enforceable
13 form for such assurance available under the laws of Recipient's State, written
14 assurances from each Participating Party, that such Participating Party will use
15 its best efforts to create or cause to be created, within a specified time not
16 exceeding forty-eight (48) months after the date of the assurance, a specified
17 number of new job opportunities, including a specified number of permanent new
18 job opportunities for persons who, at the time of their employment, will be
19 persons of low and moderate income. Each assurance shall state that in order to
20 assist and enable the Recipient to report to the Secretary, as the Secretary may
21 require, the assuring Participating Party consents to report to the Recipient, as
22 the Recipient may from time to time require, on the numbers and kinds of such
23 jobs created or caused to be created and filled. The assurances shall contain
24 such other provisions as may be required by the Recipient to enable the Recipient
25 to comply with any reporting requirements of the Secretary and to cause the
26 assurances to be legally binding and enforceable to the maximum extent available
27 under the applicable law.

28 Section 9.07 Maintaining Records and Rights to Inspect

29 The Recipient shall include in all contracts with Participating Parties
30 receiving, directly or indirectly, funds provided under this Grant Agreement,
31 provisions requiring to the effect that (i) each such Participating Party shall
32 keep and maintain books, records and other documents relating directly to the

1 the receipt and disbursement of such grant funds; and (ii) any duly authorized
2 representative of the Secretary or Comptroller General of the United States shall
3 at all reasonable times, have access to and the right to inspect, copy, audit,
4 and examine all such books, records and other documents of such Participating
5 Party until the completion of all close-out procedures respecting this grant,
6 and until the final settlement and conclusion of all issues arising out of this
7 grant or under this Grant Agreement.

8 Section 9.08 Access to Project

9 The Recipient shall include in all contracts with Participating Parties
10 a provision to the effect that each Participating Party agrees that any duly
11 authorized representative of the Secretary shall, at all reasonable times, have
12 access to any portion of the Project in which such Participating Party is
13 involved. The period of such right to access shall be the same as that set forth
14 in Section 9.07 of this Grant Agreement.

15 Section 9.09 No Assignment or Succession

16 The Recipient shall include in all contracts with Participating Parties
17 receiving, directly or indirectly, funds provided under this Grant Agreement, an
18 acknowledgement and agreement by the Participating Party that no transfer of
19 grant funds by the Recipient to the Participating Party shall be or be deemed an
20 assignment of grant funds, and such Participating Party shall neither succeed
21 to any rights, benefits or advantages of the Recipient under this Grant Agree-
22 ment, nor attain any rights, privileges, authorities or interests in or under
23 this Grant Agreement.

24 Section 9.10 Secretary Approval of Amendments

25 The Recipient shall include in all contracts with Participating
26 Parties and shall cause to be included in all contracts between Participating
27 Parties, which are required to be submitted to and approved or accepted by the
28 Secretary, a provision that during the term of this Grant Agreement such
29 contract shall not be amended in any material respect, after such approval and
30 acceptance, without the prior written approval of the Secretary, and that an
31 amendment shall be deemed "material," within the meaning of said provision, if
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1 it cancels or reduces any developmental, construction, job creating, or financial
2 obligation of any Participating Party by more than ten (10%) percent, or if it
3 changes the situs or character of any development activity, or if it increases
4 any time for performance by any Participating Party by more than ten (10%) per-
5 cent; provided, that an increase in any time for performance which does not
6 exceed thirty (30) days, shall not be deemed "material."

7 Section 9.11 Disclaimer of Relationship

8 The Recipient shall include in all contracts with Participating Parties,
9 and in all contracts with any party involving the use of grant funds or connected
10 with the Project, an acknowledgement by all parties to such contracts that no-
11 thing contained in this Grant Agreement, or in the contract between the parties,
12 nor any act of the Secretary, or of the Recipient, or of any of the parties,
13 shall be deemed or construed by any of the parties, or by the third persons, to
14 create any relationship of third-party beneficiary, or of principal and agent,
15 or of limited or general partnership, or of joint venture, or of any association
16 or relationship involving the Secretary.

ARTICLE X

EVIDENTIARY MATERIALS

1 Section 10.01 Opinions of Recipient's Attorney

2 (a) Whenever, at Exhibit E of this Grant Agreement, or otherwise, the
3 opinion of an attorney is required as part of any evidentiary material to be
4 submitted to the Secretary, the opinion shall be in writing and shall be that of
5 the attorney for the Recipient, unless otherwise specified.

6 (b) In the formulation or rendering of any statement or opinion,
7 Recipient's counsel may rely upon the certification of other persons, or the
8 written statements or opinions of other counsel; provided, that in any such case,
9 Recipient's counsel shall attach a copy of each such certification, statement,
10 or opinion, to the opinion submitted by Recipient's counsel.

11 (c) If, in the formulation and rendering of any statement or opinion,
12 the Recipient's counsel predicates the statement or opinion upon "information and
13 belief," then in all such cases the statement and opinion submitted by Recipient's
14 counsel shall contain, or have attached thereto, a statement or description of all
15 of the information upon which the belief of counsel is predicated.

16 Section 10.02 Commitments of Participating Parties - In General

17 (a) In selecting the Recipient for the award of this grant, the
18 Secretary has relied, in material part, upon the representations of the Recipient
19 that Participating Parties (i) will carry out certain activities connected with
20 the Project; and (ii) will complete those activities; and (iii) have, or will
21 have, the financial capability to assure the carrying out of the activities to
22 their completion; and (iv) will invest, or cause to be invested, a specific
23 value amount in the Project. The Secretary has also relied upon the Recipient's
24 representations that such Participating Parties will, prior to any use of grant
25 funds for the Project, enter into legally binding undertakings evidencing the
26 commitments which were so relied upon by the Secretary.

27 (b) All evidentiary materials to be submitted to, and approved and
28 accepted by, the Secretary, in support of the commitments of Participating Parties,
29 should include, in accordance with the foregoing: (i) the legally binding and
30 enforceable promise of the Participating Party, in unequivocal terms, to under-
31 take and carry out and complete specified activities connected with the Project,
32 and to invest or inject into the Project a specified minimum amount of funds or

1 other form of investment; and (ii) clear and convincing proof that the Partici-
2 pating Party has on hand, or will have available to said party, any finances or
3 other things of value necessary to carry out the promise by completing the
4 activities and making the specified investment in connection with the Project.

5 (c) Evidentiary materials in support of the commitments of Recipient
6 or of Participating Parties, which have been submitted to and approved by the
7 Secretary, shall not thereafter be amended in any material respect, without the
8 prior written approval of the Secretary.

9 Section 10.03 Form of Documentary Evidence - General

10 All documentary evidence of commitments submitted to the Secretary
11 for approval or acceptance shall be in the form of (i) either a duplicate ori-
12 ginal, or (ii) a photographic copy of the fully executed original, of the
13 documents.

14 Section 10.04 Evidence of Contracts - Form

15 (a) Evidence of contractual commitments submitted to the Secretary
16 shall be in the form specified at Section 10.03; shall include all of the docu-
17 ments evidencing the contractual commitment; and shall have attached the written
18 statement and opinion of an attorney, made in accordance with Section 10.01.

19 (b) The attorney's statement shall certify that the documents comply
20 with Section 10.03; that the attorney has examined into the authority of all
21 parties to the documents, and of all persons executing the documents on behalf
22 of the parties; and that said parties and persons were authorized to enter into
23 and execute the documents.

24 (c) The attorney's opinion shall be that the documents constitute a
25 valid and legally enforceable contract under the laws of the Recipient's state
26 and that the documents conform to the provisions of this Grant Agreement,
27 excepting as to any particulars specified in the opinion.

28 Section 10.05 Evidence of Loan Commitment - Form

29 (a) Evidence of loan commitments from private lending institutions
30 shall be in the form specified at Section 10.03; shall include all of the docu-
31 ments evidencing the loan commitment, an acceptance by the borrower, the purposes
32 of the loan, the authorized use of loan funds, and all other terms and conditions

1 of the loan commitment, the acceptance, and the loan; and shall have attached
2 the written statement and opinion of an attorney, made in accordance with
3 Section 10.01.

4 (b) A loan commitment may specify contingencies or conditions which
5 must be satisfied before the closing of the loan, or the disbursement of loan
6 funds, but the commitment shall be an irrevocable commitment, enforceable by the
7 borrower upon satisfaction of all contingencies or conditions.

8 (c) The attorney's statement shall certify that the documents comply
9 with Section 10.03; that the attorney has examined into the authority of all
10 parties to the loan commitment and the acceptance, and of all persons executing
11 the loan commitment and acceptance on behalf of the parties; and that said
12 parties and persons were authorized to make the loan commitment and acceptance.

13 (d) The opinion of the attorney shall be that, subject only to such
14 contingencies and conditions as are expressed in the documents, the lending
15 institution is irrevocably committed to loan, and the borrower to accept upon
16 the terms and conditions specified, the principal amount specified in the loan
17 commitment; and that the loan commitment, and the acceptance, and all of the
18 terms and conditions of the loan commitment, and the loan, are lawful and
19 enforceable under the laws of the Recipient's state; and that the documents
20 conform to the provisions of this Grant Agreement, excepting in any particulars
21 specified in the opinion.

22 (e) If, under the terms of the loan commitment, the making of the
23 loan is contingent upon the happening of any condition precedent, then the
24 acceptance and approval of the commitment, as the evidence required under this
25 Grant Agreement, may be conditioned by the Secretary upon the submittal and
26 acceptance of further evidence that such contingencies have been satisfied, or
27 that the contingencies have been otherwise removed, or that the loan has closed.

28 (f) In all cases wherein evidence of a loan commitment is required to
29 be submitted to the Secretary under this Grant Agreement, evidence of the actual
30 closing of the loan shall be acceptable, in lieu of the foregoing, provided such
31 evidence complies with Section 10.06.

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1 Section 10.06 Evidence of Loans - Form

2 (a) Evidence of a loan having been made or closed shall be in the
3 form specified at Section 10.03; shall be on the letterhead of the lending
4 institution; shall state the principal amount of the loan, its purposes (interim
5 or permanent), and the authorized uses of loan funds; shall describe or identify
6 the security for the loan; shall state the term of the loan; shall identify all
7 parties to the loan; shall be executed by an authorized officer of the lending
8 institution; and shall either be duly notarized, or shall have attached the
9 written statement of an attorney, made in accordance with Section 10.01, certi-
10 fying that the documents comply with Section 10.03, and that the officer of the
11 lending institution was authorized to execute the documents.

12 (b) Evidence of a loan having been made or closed may also be
13 submitted in the form of copies of recorded notes, deeds, bonds, indentures and
14 other documents which may comply with Section 10.03 and which contain sufficient
15 evidence, including evidence of recordation, to enable the Secretary to determine
16 to the satisfaction of the Secretary, the matters specified above at subsection
17 (a) of this Section 10.06 and that the loan has been made or closed.

18 Section 10.07 Evidence of Investor's Equity - Form

19 Whenever, at Exhibit E of this Grant Agreement, or otherwise, a
20 Participating Party is required to provide evidence of equity or equity invest-
21 ment funds in an amount and manner satisfactory and acceptable to a lending
22 institution, such evidence shall be in the form specified at Section 10.03; shall
23 be on the letterhead of the lending institution; shall identify the Participating
24 Party; and shall state that the Participating Party has, on hand, or immediately
25 available to the Participating Party, equity, or equity investment funds, of a
26 value and in an amount satisfactory and acceptable to the lending institution,
27 and that the availability and use of the equity or funds for the activities to be
28 carried out by the Participating Party in connection with the Project, is assured
29 to the satisfaction of the lending institution. The document shall be executed
30 by an authorized officer of the lending institution; and shall either be
31 notarized, or shall have attached the written statement of an attorney, made in
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1 accordance with Section 10.01, that the documents comply with Section 10.03 and that
2 the officer of the lending institution was authorized to execute the same.

3 Section 10.08 Evidence of Finances Satisfactory to Counsel - Form

4 (a) Whenever, at Exhibit E of this Grant Agreement, or otherwise,
5 evidence is required in the form of a statement and opinion of an attorney that a
6 Participating Party will provide a specific amount of finances for purposes of
7 carrying out the commitment of that Participating Party in connection with the
8 Project, such evidence shall be in the form of a written statement and opinion of
9 an attorney made in accordance with Section 10.01.

10 (b) The attorney's statement shall certify that the attorney has ex-
11 amined into the availability to the Participating Party of equity investment funds
12 and/or of debt financing; shall state the amount and the source of equity funds on
13 hand or immediately available to the Participating Party for use in the Project;
14 and shall state the amount and the source of debt financing which is available, or
15 irrevocably committed to the Participating Party for use in the Project. The
16 attorney shall be guided by the provisions of Sections 10.05, 10.06 and 10.07 in
17 making these determinations.

18 (c) The attorney's opinion shall be that the Participating Party has on
19 hand, or immediately available, or irrevocably committed to the Participating
20 Party, for use in carrying out the commitments of the Participating Party to the
21 Project, equity investment funds and/or debt financing in a sum equal to the
22 specified amount of finances required in this Grant Agreement to be invested by
23 that Participating Party.

24 Section 10.09 Anti-Speculation Provisions - Sale of Real Property

25 (a) Whenever, at Exhibit E of this Grant Agreement, or otherwise, a
26 document is required to contain a provision for the prevention or discouragement of
27 speculation in the purchase and sale of property by a purchaser who receives the
28 benefits of the use of grant funds, then, unless otherwise specified, such provision
29 shall comply with Section 10.09.

30 (b) The document shall provide that the purchaser shall not sell the
31 property within a period of three (3) years after the date of the purchase, for
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1 an amount in excess of the purchase price paid, plus the actual costs of any
2 improvements to the property by the purchaser. This provision in the document
3 shall specify that in the event of any attempted sale, in violation of the pro-
4 vision, the Recipient shall be entitled to the ex parte issuance of an injunction
5 restraining such sale. The provision in the document shall provide that the
6 prohibition against sale shall have the same force and effect as a lis pendens.
7 The document shall be in form and substance as to have the effect under the laws
8 of the Recipient's state; shall be executed and authenticated in such manner
9 and form as may be required to authorize its recordation at the place of
10 recordation of deeds, as if a lis pendens; and the document shall be so recorded.

11 (c) The provision in the document may, in conjunction with the fore-
12 going, or in lieu thereof, describe a procedure whereunder, in the event of any
13 sale of the property within the three (3) year period, the amount of grant funds
14 which benefited the purchaser shall be repaid by the purchaser to the Recipient.
15 Such procedure may include a pro-rata reduction of the amount to be repaid,
16 based upon the time elapsing between the date of the initial purchase of the
17 property and its sale by the initial purchaser. The provision should either
18 specify the amount of grant funds which benefited the purchaser, or set forth a
19 formula or agreed method for determining such amount. In any event, the pro-
20 vision shall be contained in a document which is executed and authenticated in
21 such manner and form as may be required to authorize its recordation, as if a
22 lis pendens; and the document shall be so recorded.

23 Section 10.10 Evidence of Title to Real Property - Form

24 (a) Whenever, at Exhibit E of this Grant Agreement, or otherwise, a
25 Participating Party or the Recipient is required to acquire title to real
26 property, and proof of such commitment is required, evidence of such commitment
27 may be in the form of a written statement and opinion of an attorney, made in
28 accordance with Section 10.01.

29 (b) The attorney's statement shall certify that on a specified date,
30 either an original ALTA policy of land or mortgage title insurance, or other
31 records identified in the statement, were examined by the attorney; that said
32 policy or other records identified the Participating Party, or a wholly-owned

1 subsidiary of the Participating Party, or the Recipient (whichever be the case)
2 as the owner of record, in fee simple, of said property.

3 (c) The attorney's opinion shall be that on the date specified by the
4 attorney, the record title to said real property was vested, in fee simple, in
5 the Participating Party, or such subsidiary thereof, or in the Recipient, as the
6 case may be.

7 (d) Proof of title to real property may also be submitted in the form
8 of documents which comply with Section 10.03 and which contain sufficient evi-
9 dence, including evidence of recordation, to enable the Secretary to determine,
10 to the satisfaction of the Secretary, that the Participating Party or the
11 Recipient did acquire the title, as required.

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ARTICLE XI
MISCELLANEOUS

1 Section 11.01 Notices

2 (a) All amendments, notices, requests, objections, waivers, rejections,
3 agreements, approvals, disclosures and consents of any kind made pursuant to this
4 Grant Agreement shall be in writing.

5 (b) Any such communication shall be deemed effective for all purposes
6 as of the date such communication is mailed, postage prepaid, by registered or
7 certified mail, return receipt requested, to be delivered only to the office of
8 the addressee, addressed as follows:

9 (1) Communications to the Secretary, shall be mailed simulta-
10 neously to: The Director, Office of Urban Development Action Grants, U. S.
11 Department of Housing and Urban Development, P. O. Box 23756, L'Enfant Plaza
12 Station, Washington, D. C. 20024; and to: The Area Office Manager, of the HUD
13 Area Office authorized to receive the Application of the Recipient for the grant
14 hereunder; and/or such other persons or at such other addresses as may be fur-
15 nished by the Secretary to the Recipient.

16 (2) Communications to the Recipient, shall be addressed to the
17 Recipient, at the address set forth in Exhibit A to this Grant Agreement, or
18 such other address as may be furnished by the Recipient to the Secretary.

19 Section 11.02 Assignment

20 No right, benefit, or advantage inuring to the Recipient under this
21 Grant Agreement and no burden imposed on the Recipient hereunder may be assigned
22 without the prior written approval of the Secretary. An authorization by the
23 Secretary for the transfer of grant funds by Recipient to a Participating Party
24 shall not be deemed an authorization for an assignment, and such Participating
25 Party shall not succeed to any rights, benefits or advantages of the Recipient
26 hereunder.

27 Section 11.03 Successors Bound

28 This Grant Agreement shall bind, and the rights, benefits and advantages
29 shall inure to, the Recipient's successors.

30 Section 11.04 Remedies Not Impaired

31 No delay or omission of the Secretary in exercising any right or remedy
32 available under this Grant Agreement shall impair any such right or remedy or

1 or constitute a waiver of any event of default, or Default, or an acquiescence
2 therein.

3 Section 11.05 Indemnification

4 To the fullest extent permitted by law, the Recipient at its sole cost
5 and expense, will indemnify, defend, satisfy all judgments, and hold harmless
6 the Secretary and any officers, agents, and employees of HUD, in their capacities
7 as such, from and against all claims, actions, judgments, costs, liabilities,
8 damages, losses, and expenses arising out of or relating to the Project.

9 Section 11.06 Cumulative Remedies

10 Except as otherwise specifically set forth herein, all rights and
11 remedies of the Secretary under this Grant Agreement shall be cumulative.

12 Section 11.07 Severability

13 The invalidity of any Article, Section, subsection, clause or provision
14 of this Grant Agreement shall not affect the validity of the remaining Articles,
15 Sections, subsections, clauses or provisions hereof.

16 Section 11.08 Entire Agreement

17 This Grant Agreement constitutes the entire agreement between the
18 Secretary and the Recipient and supersedes all prior oral and written agreements
19 between the parties hereto with respect to the subject matter hereof. Notwith-
20 standing the provisions of Section 1.01 of this Grant Agreement, in the event
21 of any inconsistency between the provisions of this Grant Agreement, including
22 all exhibits hereto, and anything contained in the Application, as defined at
23 paragraph (2) of Section 1.03, then the provisions of this Grant Agreement shall
24 prevail.

25 Section 11.09 Execution in Counterparts

26 This Grant Agreement may be executed in any number of counterparts.
27 All such counterparts shall be deemed to be originals and together shall con-
28 stitute but one and the same instrument.

29 Section 11.10 Table of Contents; Titles and Headings

30 Any table of contents, the title of the Articles, and the headings of
31 the Sections and subsections set forth herein are not a part of this Grant Agree-
32

1 ment and shall not be deemed to affect the meaning or construction of any of
2 its provisions.

3 Section 11.11 Amendment of this Grant Agreement

4 This Grant Agreement, or any part hereof including its exhibits, may
5 be amended from time to time hereafter only in writing executed by the Secretary
6 and the Recipient.

7 Section 11.12 Disclaimer of Relationships

8 The Recipient acknowledges that the obligation of the Secretary is
9 limited to providing grant funds in the manner and on the terms set forth in
10 this Grant Agreement. Nothing in this Grant Agreement, nor any act of either
11 the Secretary or of the Recipient, shall be deemed or construed by either of
12 them, or by third persons, to create any relationship of third-party beneficiary,
13 or of principal and agent, or of limited or general partnership, or of joint
14 venture, or of any association or relationship whatsoever involving the Secretary.

15 Section 11.13 Governing Law

16 This Grant Agreement as it may affect the rights, remedies, duties,
17 and obligations of the Secretary shall be governed by and construed in accordance
18 with federal law. Insofar as federal law does not apply, the provisions of this
19 Grant Agreement shall be governed by and construed in accordance with the laws
20 of the Recipient's state.

21 Section 11.14 Waiver by Secretary

22 The Secretary reserves and shall have the exclusive right to waive, at
23 the sole discretion of the Secretary, and to the extent permitted by law, any
24 requirement or provision under this Grant Agreement. No act by or on behalf of
25 the Secretary shall be, or be deemed or construed to be, any waiver of any such
26 requirement or provision, unless the same be in writing, signed by the Secretary,
27 and expressly stated to constitute such waiver.

28 Section 11.15 Effective Date

29 (a) This Grant Agreement shall, when executed and dated by the Sec-
30 retary, constitute an offer by the Secretary to the Recipient to make the within
31 grant and to enter into this Grant Agreement. When delivered to the Recipient
32 so executed and dated, the same shall constitute a tender of said offer, which

1 shall be promptly accepted, if at all, by the Recipient. The Secretary may
2 revoke the tender and rescind the offers at any time prior to their acceptance
3 by the Recipient, by written notice of the Secretary to the Recipient, given as
4 specified at Section 11.01 of this Grant Agreement.

5 (b) This Grant Agreement shall be deemed to have been accepted, and
6 shall become effective, as of the date of this Grant Agreement is executed and
7 dated by the Recipient.

8 Section 11.16 Termination of Grant Agreement

9 Unless otherwise terminated by the Secretary pursuant to Article VII
10 of this Grant Agreement, or by the mutual consent of Recipient and the Secretary,
11 this Grant Agreement shall terminate upon the completion of all close-out
12 procedures respecting this grant and the final settlement and conclusion between
13 Recipient and the Secretary of all issues arising out of this grant or under
14 this Grant Agreement.

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UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
 ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT

Office of Urban Development Action Grants

UDAG GRANT AGREEMENT

Urban Development Action Grant
 Under Section 119
 of the
 Housing and Community Development Act of 1974
 (Public Law 93-383, as Amended)

MS

<p>A <u>Name of Recipient</u> Seattle, Washington</p>	<p>C <u>UDAG Grant Number</u> B-80-AA-53-0019</p>
<p>B <u>Address of Recipient</u> 400 Yesler Building Seattle, Washington 98104</p>	<p>D <u>Preliminary Approval Date</u> July 9, 1980</p>

<p>E <u>Amount of Grant</u> \$250,000</p>
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UDAG OFFICE USE ONLY

F

Attorney		
M	D	S

G

Devel Off.		
C	R	M

H

Typed By			Date		
M	T	G	07	14	80

J

Obligation Date		

K

Grant Category		
C	I	N
		X

L

Ratio	
UDAG	PVT
1	3.9

New Permanent Jobs

Total	Lo/Mod	CETA	Minority
M	N	O	P

Pockets of Poverty

Lo/Mod Resident Jobs
Q

Recipient: Seattle, Washington

Grant No. B-80-AA-53-0019

EXHIBIT A

SUPPLEMENTARY PROVISIONS

1
2 Rider to Section 1.03(2). In addition to Recipient's Application
3 for Federal Assistance (SF 424), the "Application" shall include the following
4 submittals:

5 Supplementary ^{1/}information dated June 25, 1980 Letters and attachments from
6 John Finke to Christine McElligott dated June 19, 17, 13, 1980.
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16 Rider to Section 1.03(12). The term "Participating Party" consists
17 of the following persons, firms, corporations and entities:

18 "Partnership" shall mean I. Kirk and Rhea Schlamp of Hansville, Washington
19 and Seattle First National Bank, as personal representative of the Estate of
20 Mary Mildred Jagoe.

21 "Fluorocarbon" shall mean the Fluorocarbon Company, Inc., a California
22 Corporation, of Seattle, Washington.

23 "Lender" shall mean Confederation Life Insurance Company, a mutual company
24 incorporated in Canada, of Toronto, Canada.

25 "Ferguson" Hugh S. Ferguson Company, a Corporation.
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30 Rider to Section 2.01. The amount of this UDAG grant is:
31 TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000).
32

Recipient: Seattle, Washington

Grant No. B-80-AA-53-0019

Continuation Sheet — EXHIBIT A

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3 Rider to Sections 5.03 and 9.06. The jobs referenced at Section 5
4 and the assurances required at Section 9.06 shall aggregate:

5 Total Permanent Jobs: 70

6 Total Permanent Jobs for Low and Moderate Income Persons: 70

7 Total Permanent Jobs for CETA-Eligible Persons: 30

8 Total Permanent Jobs for Minorities: 20

9 For Pockets of Poverty Projects only,

10 Total Permanent Jobs for Low and Moderate Residents
11 of the Pocket:

12 Job Requirements shall be completed within 24 Months from Date of
13 Preliminary Approval

14
15 Rider to Section 11.01. The address of the Recipient for the
16 purposes of communications relating to this Grant Agreement shall be the
17 following:

18 City of Seattle
19 Office of Economic Development
20 400 Yesler Building
Seattle, Washington 98104

21 Rider to Section 2.04(c) and 9.03. Recipient shall apply all
22 repayment proceeds (including principal and interest) from loaned grant funds,
23 for economic and community development activities in Southeast Seattle eligible
24 under Title I of the ~~EA~~ Act and that said repayment shall be deemed "Program
25 Income" within the meaning of this Grant Agreement.

Recipient: Seattle, Washington

Grant No. B-80-AA-53-0019

EXHIBIT B

DESCRIPTION OF RECIPIENT ACTIVITIES

Rider to Section 1.03(17). The "Recipient Activities" for the Project shall consist of the following:

I.

Making of a \$250,000 ~~construction~~ permanent loan by Recipient to Partnership for the purpose of ^{financing} ~~constructing~~ an approximately 36,500 sq. ft. industrial facility as more fully described in the Application, which Partnership will lease to Fluorocarbon, all at terms and conditions specified in Exhibit E of this Grant Agreement.

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Recipient: Seattle, Washington

Grant No. B-80-AA-53-0019

EXHIBIT C

DESCRIPTION OF NON-RECIPIENT ACTIVITIES

Rider to Section 1.03(11). The "Non-Recipient Activities" for the project shall consist of the following:

I

Construction by Partnership, through a construction agreement/interim financing agreement with Furgeson, of an approximately 36,500 square foot industrial facility at the northeast corner of South Dawson St. and 37 Avenue South, Seattle, at a cost of not less than \$900,000, ^{and lease of the} premises, including said facility, to Fluorocarbon for ten year period at terms described in Exhibit E.

II

Lease by Fluorocarbon of the industrial facility from Partnership at terms described in Exhibit E, and the five year extension by Fluorocarbon of their three existing leases expiring in 1983 at minimum terms at least equal to existing terms of \$1,040 per month for the 14,000 sq. ft. parcel \$1,860 per month for the 12,000 sq. ft. parcel and \$2,080 per month for the 22,500 sq. ft. parcel.

III

Contribution by Partnership of equity in amount of not less than \$100,000.

IV

Loan by Lender to Partnership of permanent first mortgage loan in principal amount of not less than \$550,000.

EXHIBIT D

PROJECT BUDGET — SUMMARY OF PROPOSED EXPENDITURES				
Line Item Activity	SOURCES OF FUNDS			
	UDAG Funds	Private Funds	Other Funds	Total Costs
a. Land Acquisition				
b. Streets & Site Improvements				
c. Parking Facilities				
d. Foundations and Platforms				
e. Pedestrian Malls				
f. Water and Sewer Facilities				
g. Clearance and Demolition				
h. Relocation of Persons and Businesses				
i. Professional Fees		27,000		27,000
j. Taxes, Interest Etc. during Construction		48,000		48,000
k. Construction	250,000*	552,500		802,500
l. Contingencies		22,500		22,500
m. Discounted value of Fluoro-carbon's 5 yr. lease extensions		153,332		
n. Administration				
o. Subtotal (Sum of lines a. - n.)	250,000	803,332		900,000
p. Contingencies				
q. Grant Amount (Sum of lines o. + p.)				
r. Program Income (Revenue from UDAG Funds)				
s. TOTAL PROJECT COSTS (Sum of lines q. + r.)	250,000	803,332*		900,000

*Private investment also includes discounted value of UDAG repayment of \$161,077 with total private investment of \$964,409.

Recipient: Seattle, Washington

Grant No. B-80-AA-53-0019

EXHIBIT E

REQUIRED EVIDENTIARY MATERIALS

The evidentiary materials to be submitted by the Recipient for the approval of the Secretary shall include the applicable provisions of Article IX of this Grant Agreement and shall consist of the following:

I

(a) All governmental approvals and permits necessary for the commencement of the Recipient and Non-Recipient Activities shall have been obtained.

(b) Evidence of this commitment shall be a written certification for Recipient, signed by the chief executive officer, in accordance with Section 10.02 of this Grant Agreement, that all such governmental approvals and permits have been obtained.

II

(a) Title to all land necessary for the Project, except land to be acquired with Grant Funds, shall be held by Recipient or the appropriate Participating Party.

(b) Evidence of this commitment shall be in accordance with Section 10.10 of this Grant Agreement.

III

(a) An agreement between Recipient, I. Kirk and Rhea Schlamp and the Seattle First National Bank as personal representative of the Mary M. Jogoe Estate, that provides to the legal effect that, in consideration of Recipient's loan to Partnership of up to \$250,000, Partnership shall:

1. Construct an approximately 36,500 sq. ft. industrial facility at a total cost of not less than \$900,000 at the northeast corner of South Dawson St. and 37 Avenue South all as further described in Application and lease the premises containing said facility to Fluorocarbon at terms described in subparagraph 2 below.

2. Borrow grant funds, not to exceed \$250,000, from Recipient, for permanent financing of the 36,500 square foot facility, consistent with the following terms and conditions:

EXHIBIT E

Page 1 of 4

Revised 6/80

Continuation Sheet — EXHIBIT E

1 i. The loan shall be amortized over a 27 year term, with a
2 15 year call option by Recipient.

3 ii. The loan shall bear interest at an annual rate of 3% during
4 the first five years from disbursement of loan funds, and at 10% for the remainder
5 of the loan term.

6 iii. The loan shall be secured by a valid second mortgage on the
7 facility premises, and all improvements thereto, and said security interest may
8 be subordinated only to a security interest pursuant to the financing specified
9 at ~~Exhibit E~~, Paragraph IV.VI.

10 iv. Disbursement of loan funds shall be simultaneous with funds
11 of ~~Lender~~ as specified at Exhibit E, Paragraph VI.

12 v. Each partner of Partnership shall jointly and severally,
13 personally guarantee the repayment of the UDAG loan.

14 3. Extend Fluorocarbon's three current leases expiring in 1983 for
15 a ~~minimum~~ of five years, at terms to be negotiated at a later date, provided
16 said leases shall contain terms as favorable to Partnership as the existing terms
17 of \$1,040 per month for the 14,000 sq. ft. parcel \$1,860 per month for the 12,000
18 sq. ft. parcel and \$2,080 per month for the 22,500 sq. ft. parcel.

19 4. Cause Fluorocarbon to meet the job assurances included in the
20 Rider to Sections 5.03 and 9.06 of this Grant Agreement.

21 5. Perform the above specified activities consistent with the
22 schedule set forth in Exhibit F of this Grant Agreement.

23 (b) *6. The agreement shall contain appropriate Article IV clauses.*
24 Evidence of this commitment shall be in a form consistent with
25 Section 10.04 of this Grant Agreement.

IV

26 (a) Partnership and Fluorocarbon shall enter into an agreement that
27 provides to the legal effect that, for Partnership's construction of the 36,500
28 square foot industrial facility, Fluorocarbon shall:

29 1. Enter into a lease with Partnership for the premises described
30 more fully in application including the real property and industrial facility,
31 for a term of ten (10) years, commencing upon completion of construction of said

32 (Continued on page 3)

Continuation Sheet — EXHIBIT E

1 facility, at a monthly rental of \$9,490.00 for the first five years and a monthly
2 rental of \$11,862.50 during the next five years of the lease term.

3 2. Agree to extend three current leases expiring in 1983, for a
4 minimum of five years, at terms to be negotiated at a later date, provided said
5 terms shall be at least as favorable to Partnership as the existing terms of
6 \$1,040 per month for the 14,000 sq. ft. parcel \$1,860 per month for the 12,000 sq.
7 ft. parcel and \$2,080 per month for the 22,500 sq. ft. parcel.

8 3. Agree to meet the job assurances included in the Rider to Section
9 5.03 and 9.06 of this Grant Agreement.

10 *4. The agreement shall contain appropriate Article IX clauses.*
(b) Evidence of this commitment shall be in a form consistent with

11 Section 10.04 of this Grant Agreement.

12 V

13 (a) Partnership shall commit not less than \$100,000 in equity funds to
14 construction of said industrial facility.

15 (b) Evidence of this commitment shall be in accordance with Section 10.07
16 of this Grant Agreement.

17 VI

18 (a) Lender shall commit to Partnership not less than \$550,000 in
19 permanent loan funds.

20 (b) Evidence of this commitment shall be in the form consistent with
21 Section 10.05 of this Grant Agreement.

22 VII

23 (a) Partnership and Ferguson shall enter into an agreement for the con-
24 struction and interims financing, by Ferguson, of the 36,500 square foot facility
25 described at Exhibit C, paragraph I.

26 (b) Evidence of this commitment shall be in a form consistent with
27 Section 10.04 of this Grant Agreement.

28 VIII

29 (a) Ferguson shall available funds sufficient to interim finance the con-
30 struction of the 36,500 square foot facility described at Exhibit C, paragraph I.

31 (b) Evidence of this commitment shall be in accordance with Section 10.07
32 of this Grant Agreement.

(Continued on page 4)

Continuation Sheet — EXHIBIT E

IX

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(a) Recipient shall certify that Partnership has completed construction of the 36,500 square foot facility at a cost of not less than \$650,000 and that the permanent loan of Lender has closed and been funded.

(b) Evidence of this certification shall be in accordance with Section 10.03 of this Grant Agreement.

Recipient: Seattle, Washington Grant No. B-80-AA-53-0019

EXHIBIT F

PROJECT PERFORMANCE SCHEDULE

I

(a) The evidentiary materials required at Paragraphs I, II, III, IV, V, VI, VII and VIII of Exhibit E to this Grant Agreement shall be submitted by Recipient no later than July 31, 1980.

(b) The evidentiary material required at Exhibit E, paragraph IX of this Grant Agreement shall be submitted by Recipient no later than August 15, 1981.

(c) Upon acceptance by the Secretary of the evidentiary materials submitted in accordance with subparagraph (a) and (b) of this paragraph I the Recipient shall be authorized to use grant funds not to exceed \$250,000 for eligible project costs consistent with this Grant Agreement and Letter of Credit Procedures.

II

(a) Partnership shall commence construction of the industrial facility by August 15, 1980 and shall complete construction by August 15, 1981.