

**SUBRECIPIENT CONTRACT – NONPROFIT CORPORATIONS
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PHYSICAL IMPROVEMENTS
FY 2012-2013**

THIS SUBRECIPIENT CONTRACT (“**Agreement**”) is executed this 25th day of February, 2013 by and between Central Arizona Shelter Services, Inc., an Arizona nonprofit corporation (“**Agency**”), and the City of Glendale, an Arizona municipal corporation (the “**City**”).

RECITALS

- A. Agency desires to provide services in accordance with this Agreement that will principally serve low and moderate-income persons within the community.
- B. City desires to provide funding to assist Agency in providing its services through the distribution of federal U.S. Department of Housing and Urban Development (“**HUD**”) Community Development Block Grants (“**CDBG Funds**”).
- C. City finds that a public purpose is served by the financial participation of the City and the funding with CDBG Funds designated for Agency’s services which constitutes reasonable and prudent assistance.

AGREEMENT

The parties agree as follows:

- 1. **Agency Services.**
 - 1.1 Agency will implement, operate, and complete – including providing all necessary or reasonable labor, materials, services, supervision, tools, equipment, licenses, and permits – Adult Emergency Shelter Improvements (**the “Program”**), which is further defined with specificity in Exhibit A, Scope of Services.
 - 1.2 City will provide technical assistance to Agency in order for Agency to assure it complies at all times with applicable federal provisions governing the use of CDBG Funds, and the City will complete all environmental review requirements as required by 24 C.F.R. Part 58.
- 2. **Term.** This Agreement is effective February 1, 2013 and will terminate on August 31, 2014.
- 3. **Financial Assistance.**
 - 3.1 The City’s sole and entire financial assistance to Agency will be the distribution of available CDBG funds for which the Program qualifies and which the City has allocated for use by Agency for the Program and will not exceed \$24,874.
 - 3.2 Financial assistance under this Agreement will be made in accordance with Exhibit B, Billing and Reporting Information, in such amounts and incremental distributions that are approved by the City for various phases of work.
 - 3.3 Agency’s final request for financial assistance under this Agreement must be submitted to the City within 15 days of the expiration or termination of this Agreement.
 - 3.4 Agency will return to the City, upon expiration or termination of this Agreement, any CDBG Funds that have not been expended, all Program Income, and any accounts receivable resulting from the use of CDBG Funds, including Program Income.

3.5 Program Income.

- a. Any Program Income, as that term is defined by 24 C.F.R. § 570.500(a), that is received by Agency prior to grant close-out will be used to offset payment due in an amount directly proportional to the prorated share of CDBG Funds used as set forth in 24 C.F.R. § 570.504(c).
- b. Under this Agreement, "Program Income" refers solely to those funds derived from Agency provided by the City and includes, but is not limited to, income received from the clients served for services performed or materials purchased. Documentation supporting the amount of Program Income received will be submitted with monthly billings.

4. **Compliance with Laws and Regulations.**

- 4.1 Agency will comply with all applicable federal, state and local laws, statutes, ordinances, administrative rules, building codes, regulations and lawful orders of any public authority bearing on the performance of activities pursuant to this Agreement, including but not limited to those listed in Exhibit C.
- 4.2 Uniform Administrative Requirements. Agency will comply with the following regulations, which will be subject to monitoring from time to time by the City or by HUD:
 - a. Requirements and standards of OMB Circular No. A-122, "Cost Principles for Non-Profit Organizations."
 - b. Accounting systems that meet the requirements for OMB Circular A-110 "Uniform Administrative Requirements for Grants and Contracts with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations."
 - c. Audit requirements of the Single Audit Act Amendments of 1996, and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
- 4.3 Community Development Act of 1974.
 - a. Agency acknowledges that the funds being provided by the City for the Program are distributed pursuant to the Housing and Community Development Act of 1974, as amended, and 24 C.F.R. Part 570 ("Act").
 - b. Agency's use of the Act's funds must be in accordance with the Act and all regulations that apply to the use and handling of the Act's funds by the Agency; and
 - c. Agency will comply with, and require all subcontractors paid with funds provided by this Agreement to comply with, all of the applicable provisions of the Housing and Community Development Act of 1974, as amended, 24 C.F.R. Part 570, and the Special Conditions for activities assisted pursuant to Title I of the Community Development Act of 1974.
- 4.4 Immigration and Naturalization Reform Act. Agency and its subcontractors will abide by all regulations pursuant to the Immigration and Naturalization Reform Act of 1986, specifically as it relates to employment and client services, and such other provisions as may be applicable.
- 4.5 The Resource Conservation and Recovery Act. Agency will comply with The Resource Conservation and Recovery Act ("RCRA"), specifically 42 U.S.C. § 6962, which requires preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by the Environmental Protection Agency ("EPA") (40 C.F.R. parts 247 through 254).

- 4.6 Certifications. Agency must execute the following certifications, which are attached as Exhibit E, Certifications:
- a. Policy of Nondiscrimination on the Basis of Disability.
 - b. Anti-Lobbying, Section 319 of Public Law 101-121.
 - c. Contracting with Small and Minority Firms, Women's Business Enterprises and Labor Surplus Area Firms.
 - d. Drug-Free Workplace Act of 1988.
- 4.7 Conflicting Provisions. If Agency discovers that any of the Agreement documents are in conflict with any laws, statutes, ordinances, rules, building codes, regulations or lawful orders of a public authority, Agency will promptly notify the City, in writing, of such conflict, specifying any necessary changes to the Agreement documents or work to eliminate the conflict.
- 4.8 Agency Indemnification. Should Agency perform any work knowing it to be contrary to the applicable laws, ordinances, rules, or regulations it will assume full responsibility for the on-going compliance and bear all costs, fees, or penalties resulting therefrom.

5. Recordkeeping.

- 5.1 Agency will record for statistics purposes:
- a. The ethnicity and racial background of all persons and families served by the Program;
 - b. The number of low and moderate-income persons, as these terms are defined by federal income limits, served by the Program, which are set forth in their current form in Exhibit D;
 - c. The number of elderly and disabled served by the Program; and
 - d. Information about family size and the number of female heads of household.
- 5.2 Reporting.
- a. Agency will provide to the City not later than the 15th of each month written progress reports of its activities related to the Program.
 - b. On or before July 15, 2013, or within 15 days of the date of termination, Agency will provide to the City a comprehensive report covering the agreed-upon objectives, activities, and expenditures for the prior fiscal year ending June 30, 2013.
- 5.3 Retention. Agency will retain all records of expenditures made under this Agreement for a period of six years from the date of the submission of the City's annual performance and evaluation report which reflects the Program's final activity report.
- a. Records for non-expendable property acquired with funds under this Agreement will be retained for six years after final disposition of such property.
 - b. Records for any displaced person must be kept for six years after receipt of final payment.
 - c. Notwithstanding the above, if there is investigation, administrative action, litigation, or similar actions involving the Program, all existing records must be maintained for one year after the final disposition of the matter or the expiration of the required six-year retention period, whichever occurs later.
- 5.4 Access to Records. Agency will provide City, HUD, or their representatives, access to records, books, documents, and papers of the Program and Agency's performance or

financial condition; provided however, nothing herein will be construed to require access to information made confidential by state or federal law.

6. **Agency Warranties and Representation.** Agency warrants and represents to the City the following:
 - 6.1 Agency is a duly organized corporation under the laws of Arizona.
 - 6.2 Agency maintains, and will continue to maintain throughout the term of this Agreement, a designation under state and federal law as a tax-exempt, nonprofit corporation.
 - 6.3 Agency's governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the person identified as the official representative of Agency to execute this Agreement.
7. **Independent Contractor.** Agency is independent of the City in all respects and is not an agent of the City and must not in any way represent itself as an agent of the City or allow any circumstances to exist that might be deemed to create an apparent agent relationship.
8. **Indemnification and Hold Harmless.**
 - 8.1 Agency will indemnify, defend, and hold harmless the City, and its elected officials, officers, agents and employees (collectively incorporated into the term the "City") from all claims and suits, actions, loss, damage, expense, costs or claims, of any character or any nature, including attorneys' fees and costs of litigation, which arises out of any act or omission of Agency, or those acting on behalf of Agency.
 - 8.2 It is the intent of the parties to this Agreement that the City will, in all instances, except for loss of damage resulting from the sole negligence of the City, be indemnified against all liability, loss, or damage of any nature whatever for or on account of any injuries to or death of person or damages to or destruction of property belonging to any person arising out of or in any way connected with the performance of this Agreement, regardless of whether or not the liability, loss or damage is caused in part by, or alleged to be caused in part by, but not solely, the negligence or fault of the City.
9. **Insurance.**
 - 9.1 Agency will provide evidence of insurance consistent with Exhibit F, Insurance Certificate.
 - 9.2 The City will be named in all insurance policies specifically relating to the Program as a named insured and as an additional named insured in all other required policies.
 - 9.3 Required certificates of insurance must provide for a 30-day notice to the City prior to the effectiveness of any cancellation, non-renewal, or material change.
10. **Physical Improvements.** Any physical improvements over \$1,000 must be secured by a promissory note, lien document, special warranty deed and deed of trust as specified in the Loan Documents attached as Exhibit G.
11. **Acknowledgment of City's Participation.** Agency will acknowledge the contribution of the City's CDBG Program in all published literature, brochures, programs, fliers, on-site signage, etc.
12. **Termination.**
 - 12.1 In accordance with 24 C.F.R. § 85.43, the City may suspend or terminate this Agreement should Agency violate any terms or conditions thereof.
 - 12.2 Agency's failure to comply with each term and condition of this Agreement is a default which may immediately terminate the Agreement and Agency to immediately refund the weekly (or monthly, in the City's sole discretion) pro-rated amount of the previously tendered CDBG or other grant funds.

- 12.3 Notwithstanding this Section, the City's decision to waive or defer compliance with any term or condition of this Agreement will not be deemed a waiver or deferment of the City's right to terminate this Agreement for any subsequent non-compliance.
- 12.4 The City or Agency may terminate this Agreement for convenience upon a 30-day notice; provided however, Agency may not terminate this Agreement during the first year for any reason.

13. Conflicts of Interest.

- 13.1 This Agreement is subject to the provisions of A.R.S. § 38-511 and may be canceled without penalty or further obligation by the City if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement on behalf of the City is, at any time while this Agreement or any extension thereof is in effect, an employee or agent of any other party to this Agreement in any capacity or consultant to any other party of this Agreement with respect to the subject matter of this Agreement.
- 13.2 Both parties acknowledge that no member of the governing body of the City or any employee of the City who exercises any functions or responsibilities in connection with the carrying out of the Program to which this Agreement pertains has any personal interest direct or indirect in this Agreement.

14. Right to Refuse Service. The City reserves the right to refuse, terminate, or suspend service or accounts to an individual, company, or agency, if the City believes that conduct or actions violate applicable law, is harmful to the interests of the City of Glendale and its affiliates, or meets the criteria covered under City's Right to Refuse Assistance Policy.

15. Notices. All notices required or permitted to be given under this Agreement may be personally delivered or mailed by certified mail, return receipt requested, postage prepaid, to the following addresses:

To City:	City Manager City of Glendale 5850 West Glendale Avenue Glendale, Arizona 85301
with a copy to:	City of Glendale Community Revitalization Division 5850 West Glendale Avenue Glendale, Arizona 85301
	City Attorney City of Glendale 5850 West Glendale Avenue Glendale, Arizona 85301
To Agency:	Central Arizona Shelter Services, Inc. 230 South 12th Avenue Phoenix, Arizona 85007

16. General Provisions.

- 16.1 This Agreement supersedes any and all other agreements or understandings, either oral or in writing, between the parties hereto and contains all the covenants and contracts between the parties with respect to such employment in any manner whatsoever.
- 16.2 Each party to this Agreement acknowledges that no representations, inducements, promises or contracts, orally or otherwise, have been made by any party, or anyone acting on behalf of

any party, which are not embodied herein, and that no other contract or amendment hereto will be effective unless executed in writing and signed by both the City and Agency.

- 16.3 This Agreement will be governed by and construed in accordance with the laws of the State of Arizona and all applicable federal laws and regulations.
- 16.4 The invalidity in whole or in part of any provision of this Agreement will not void or affect the validity of any other provision of this Agreement.

17. Immigration Law Compliance.

- 17.1 Agency warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
- 17.2 Any breach of warranty under this Section is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
- 17.3 The City retains the legal right to inspect the papers of Agency and sub-contractors who perform work under this Agreement to ensure that Agency or any sub-contractor is compliant with the warranty provided by this Section.
- 17.4 The City may conduct random inspections, and upon request of the City, Agency will provide copies of papers and records of Agency demonstrating continued compliance with the warranty under this Section. Agency agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with the City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this Section.
- 17.5 Agency agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon Agency and expressly accrue those obligations directly to the benefit of the City. Agency also agrees to require any sub-contractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.
- 17.6 Agency's warranty and obligations under this Section to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this Section is no longer a requirement.
- 17.7 The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

- 18. **Prohibitions.** Agency certifies under A.R.S. §§ 35-391 and 35-393 that it does not have, and during the term of this Agreement will not have "scrutinized" business operations, as defined by statute, in the countries of Sudan or Iran.

19. Exhibits:

- Exhibit A: Scope of Services
- Exhibit B: Billing and Reporting Information
- Exhibit C: Federal Laws and Regulations
- Exhibit D: Income Limits
- Exhibit E: Certifications
- Exhibit F: Insurance Certificate
- Exhibit G: Loan Documents

EXHIBIT "A"

EXHIBIT A
SCOPE OF SERVICES

1. The Scope of Services and the type of records that must be maintained are two elements of a Subrecipient Contract that vary most from activity to activity, and from grantee to grantee.
2. Agencies are required to prepare a Scope of Services, which is incorporated into the Subrecipient Contract with the City of Glendale. Each of the three sections of the Scope of Services (Description, Schedule, and Budget) must provide sufficient detail to permit effective monitoring of Agency's activities.
 - 2.1 Description: The description section details the activities to be carried out by the Agency. It should define the "who, what, where, and how" of the Program. It should specifically describe and quantify the services or products to be provided with City of Glendale funds. Where appropriate, it should specify how the Program will serve the intended beneficiaries.
 - 2.2 Schedule: A schedule is a required part of every Subrecipient Contract. It plays an essential role in the grant management system. The schedule should provide projected milestones and deadlines for accomplishment of tasks, or the delivery of services. These projected milestones and deadlines are a basis for measuring progress during the term of the Subrecipient Contract. For instance, the schedule for a public service activity may specify delivery of a certain number of staff-hours per quarter, or delivery of services to a certain number of persons per quarter. Other programs are likely to be more complex, requiring multiple tasks such as: establishing an office, developing program guidelines, taking applications, providing services to the client, outreach activities, and follow up. The schedule should include time frames for completing each task or activity.
 - 2.3 Budget:
 - a. The budget should provide a detailed presentation of projected revenues and expenses. The preparation of a detailed budget will help ensure that a project is adequately planned, in that, it will identify all expenses that are necessary to carry out the activities described in the program description, and quantify the resources required to cover these expenses.
 - b. The budget permits periodic comparisons of the projected use of funds with actual expenditures, as indicated on the monthly accomplishment reports submitted by the grantee. This comparison enables the City to seek corrective action where significant variations between the budget and actual expenditures are reported.

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Scope of Service FY 2012-2013

A. Program Activity

Central Arizona Shelter Services, Inc. ("Agency") will be responsible for administering the **Adult Emergency Shelter Physical Improvements** ("Program") in a manner satisfactory to the City of Glendale ("City"), and consistent with any standards required by Community Development Block Grant Program ("CDBG") Physical Improvement Program as a condition of providing these funds. The Program will include the following eligible activities.

Description:

Funding will be used to purchase and install commercial capacity washers and dryers to replace the units currently being used in the Single Adult Emergency Shelter at 230 South 12th Avenue in Phoenix, Arizona. The shelter provides a total of 410 beds for homeless adult men and women. For demographic reporting we provide 7000 nights of service and 200 persons per year. Laundering is performed on-site in two large commercial capacity washers and two large commercial capacity dryers. Providing clean bedding and towels requires staff to run 16 loads per 8-hour daytime shift (2 shifts each day) and 8 loads per 8-hour graveyard shift. This amounts to 40 loads per day or over 14,000 loads each year. In addition to providing clean linens and bedding for the homeless, the washers and dryers are used to reduce the threat of a bed bug infestation. The Agency certifies that the activity carried out will meet HUD National Objective #1 to benefit low-to-moderate income adults within the City area.

B. Schedule

This is an 18 month contract that will provide funding for the Program. This Contract is effective February 1, 2013 and will terminate on August 31, 2014.

<u>Program/Activity</u>	<u>Units of Services</u>	<u>Unduplicated City Residents/Households/Yr</u>
Single Adult Emergency Shelter	7000 nights	200 individuals annually

C. Budget

Physical Improvement Total Project Budget FY 2012-13			
Line Item	CDBG Allocation	Other Cash Resources	Total Project Budget
	\$24,874	0	\$24,874
Personnel Costs:		0	0
Salaries	0	0	0
Payroll Costs (SSI, Medicare, etc.)	0	0	0
Fringe Benefits (Ins., Retire., etc.)	0	0	0
Other Costs:			
Contractor Direct Cost for GHAP	0	0	0
Telephone	0	0	0
Utilities	0	0	0
Rent	0	0	0

Insurance	0	0	0
Travel/Mileage	0	0	0
Postage	0	0	0
Duplicating Services	0	0	0
Membership/Subscriptions	0	0	0
Advertising	0	0	0
Office Supplies	0	0	0
Office Equipment	0	0	0
Office Supplies & Materials	0	0	0
Other (Equipment Lease/Maint.)	\$24,874	0	\$24,874
Other (Client Assistance)	0	0	0
Other (Conference & Meetings)	0	0	0
Other (Management & General)	0	0	0
Other (Other Occupancy Costs)	0	0	0
TOTAL PROJECT EXPENSES	\$24,874	0	\$24,874

EXHIBIT "B"

EXHIBIT B
BILLING AND REPORTING INFORMATION

1. This section is very important to the expeditious processing of your Agency's request for reimbursement. Please carefully follow the summary of reimbursement requirements listed below.
2. Monthly Billings:
 - 2.1 A letter requesting reimbursement of expenditures must be prepared on the Agency's letterhead. This letter must be reviewed and signed by the Agency's executive director (or authorized signatory). Reimbursement requests must be submitted on a **MONTHLY** basis. (Note: Grants Administration may approve exceptions for "Quarterly billings" on a case-by-case basis.)
 - 2.2 The Project/Program Budget spreadsheet summarizing monthly and year-to-date expenses must be prepared and submitted with each request for reimbursement. This report should also account for other resources utilized under this activity.
 - 2.3 Copies of all supporting documents must be submitted with the reimbursement request. The Agency will work closely with the program/project liaison to establish the specific documentation requirements for this Agreement. Examples of supporting documentation include copies of timesheets, pay stubs, mileage reports, invoices, statements, receipts, etc.
 - 2.4 The City's reimbursement process takes approximately two to three weeks to complete. (The first reimbursement request can take a little longer to process.) If the reimbursement procedures noted above are not followed correctly, the program/project liaison may return the reimbursement request to the Agency for revisions, or hold the request until all reimbursement requirements have been met. This will delay the reimbursement process.
3. Monthly Report on Accomplishments and Demographics:
 - 3.1 A monthly demographic report on Glendale residents served, including accomplishments and units of service delivered, must be submitted by the 15th of the following month. Failure to file this demographic report timely could also delay the reimbursement process.
 - 3.2 Specific formats to be used for reimbursement requests/performance reports are attached. These formats must be used by the agency unless otherwise authorized.
4. Activity Final Completion Report:
 - 4.1 Public Service Activities: Report On "Performance Measures" for Actual Activity "Outcomes." The report on "Performance Measures for Actual Activity Outcomes," is due by July 31, 2013. This report is to identify the "actual outcomes" produced by your activity over the past program year. "Actual Outcomes" will be measured by and against the "proposed outcomes and performance measures" that were established by your agency at the beginning of the program year.
 - 4.2 Physical Improvement Activities: Report On "Performance Measures" for Actual Activity "Outcomes." The report on "Performance Measures for Actual Activity Outcomes," is due 30 days after completion of the physical improvement activity. This report is to identify the "actual outcomes" produced by your activity after completion of the physical improvement activity. "Actual Outcomes" will be measured by and against the "proposed outcomes and performance measures" that were established by your agency at the beginning of the program year.

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AGENCY LETTERHEAD (Required)

Sample

DATE

Gilbert Lopez
City of Glendale
Neighborhood Revitalization Division
5850 West Glendale Avenue
Glendale, Arizona 85301

RE: Community Development Block Grant Physical Improvements

Dear Mr. Lopez:

Enclosed is the project billing for the month of _____, 20____. The amount of reimbursement expenses being requested is \$_____. Also attached is the supporting documentation in accordance with our Agreement requirements.

If you have any questions, please call me at _____.

Sincerely,

(Authorized Signatory)
Executive Director

Enclosures

City of Glendale - Performance Report

Report Type:	-- Select Report Type --	Report Time Period:	-- Select Time Frame --
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	<i>Start Date</i>	<i>End Date</i>	Report Time Frame:	-- Select Time Frame --
Agency Name	Project Name		Contact Person	

Report for:	<input type="checkbox"/>	Persons	<input type="checkbox"/>	Households
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Total Number Assisted During Reporting Period	
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Clients served must be "unduplicated", reported only once during 12-month period.

Race/Ethnicity of Persons-Services	Current		Year to Date	
	Total	Hispanic	Total	Hispanic
11 White				
12 Black or African American				
13 Asian				
14 American Indian or Alaska Native				
15 Native Hawaiian or Other Pacific Islander				
16 American Indian or Alaska Native and White				
17 Asian and White				
18 Black or African American and White				
19 American Indian or Alaska Native and Black				
20 Other Multi-Racial				

Income Status (% of Median Family Income)	Current Total	YTD Total	Narrative of Program Status: Achievements for the period which can be used to further evaluate the program's success.
Extremely Low (0 - 30% of Median Income)			
Very Low (31 - 50% of Median Income)			
Low (51 - 80% of Median Income)			
Greater than 80% of Median Income			
Family Size	Current Total	YTD Total	
Small (4 or less)			
Large (5 or more)			
	Current Total	YTD Total	
Female Head of Household			
Elderly			
Disabled			
Youth			
Other (define) _____			
	Current Total	YTD Total	
# of Units Provided			
Service Unit			

	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Faith based?		

Actual Outcome as it relates to the Proposed Outcome, using the Performance Measure reported in the Annual Action Plan.

PROJECT/PROGRAM BUDGET & REIMBURSEMENT REQUEST

Agency Name: _____

Program/Project Name: _____

For the Month Of: _____

Fiscal Year: 2012-2013

	Total Contract Budget		
	CDBG-PI Funding	Other Cash Resources	Total Project Budget
LAND			
Land Acquisition			\$ -
Acquisition Services			-
Other (Specify)			-
Total Land Costs	\$ -	\$ -	\$ -
PROFESSIONAL SERVICES			
Architects/Engineering			\$ -
Consultants			-
Other Specify			-
Total Professional Services Costs	\$ -	\$ -	\$ -
CONSTRUCTION COSTS			
Site Clearance			\$ -
Site Improvements			-
New Construction (mat'ls & labor)			-
Rehabilitation (mat'ls & labor)			-
Equipment/Furnishings			-
Lead Paint/Asbestos Abatement			-
Permits and Fees			-
Other (Specify)			-
Total Construction Costs	\$ -	\$ -	\$ -
SOFT COSTS (cr rpts, specs, etc.)			\$ -
RELOCATION COSTS			
HOMEBUYER ASSISTANCE			
Downpayments			\$ -
Closing Costs			-
Other (Specify)			-
Total Homebuyer Assist. Costs	\$ -	\$ -	\$ -
TOTAL PROJECT EXPENSES	\$ -	\$ -	\$ -
Less Program Income			-
TOTAL REIMBURSEMENT REQUEST	\$ -	\$ -	\$ -

Total Expended Year-To-Date		
CDBG-PI Expenditures	Other Related Expenses	Total Expended Year-to-Date
		\$ -
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EXHIBIT "C"

EXHIBIT C
FEDERAL LAWS AND REGULATIONS

1. Applicability of Uniform Administrative Requirements.

- 1.1 Agencies that are governmental entities (including public agencies) will comply with the requirements and standards of OMB Circular A-87, "Cost Principles for State, Local and Indian tribal Governments;" OMB Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations" (implemented at 24 CFR Part 44); and with the following Sections of 24 CFR Part 85, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments":
- a. Section 85.3, "Definitions."
 - b. Section 85.6, "Additions and exceptions."
 - c. Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees."
 - d. Section 85.20, "Standards for financial management systems," except paragraph (a).
 - e. Section 85.21, "Payment," except as modified by Section 570.513.
 - f. Section 85.22, "Allowable costs."
 - g. Section 85.26, "Non-Federal audit."
 - h. Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds will be Program Income.
 - i. Section 85.33, "Supplies."
 - j. Section 85.34, "Copyrights."
 - k. Section 85.35, "Subawards to debarred and suspended parties."
 - l. Section 85.36, "Procurement," except paragraph (a)
 - m. Section 85.37, "Subgrants."
 - n. Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d), and paragraph (f).
 - o. Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e).
 - p. Section 85.42, "Retention and access requirements for records," except that the period will be four years.
 - q. Section 85.43, "Enforcement."
 - r. Section 85.44, "Termination for convenience."
 - s. Section 85.51, "Later disallowances and adjustments."
 - t. Section 85.52, "Collection of amounts due."
- 1.2 Agencies, except Agencies that are governmental entities, will comply with the requirements and standards of OMB Circular No. A-122, "Cost Principles for Nonprofit Organizations," or OMB Circular No. A-21, "Cost Principles for Educational Institutions," as applicable, and OMB Circular No. A-133, "Audits of States, Local Governments, and Nonprofit Organizations" (as set forth in 24 CFR part 45). Audits will be conducted annually. Such Agencies will also comply with the following provisions of the Uniform Administrative requirements of OMB Circular No. A-110 (implemented at 24 CFR part 84, "Uniform

Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Nonprofit Organizations”) or the related CDBG provision, as specified in this paragraph:

- a. Subpart A -- “General”;
- b. Subpart B -- “Pre-Award Requirements,” except for § 84.12, “Forms for Applying for Federal Assistance”;
- c. Subpart C -- “Post-Award Requirements,” except for:
 - (1) Section 84.22, “Payment.” Grantees will follow the standards of § 85.20(b)(7) and 85.21 in making payments to Agencies;
 - (a) Section 84.23, “Cost sharing and matching”;
 - (b) Section 84.24, “Program income.” In lieu of § 84.24, CDBG Agencies will follow § 570.504;
 - (c) Section 84.25, “Revision of budget and program plans”;
 - (d) Section 84.32, “Real property.” In lieu of § 84.32, CDBG Agencies will follow § 570.505;
 - (e) Section 84.34(g), “Equipment.” In lieu of the disposition provisions of § 84.34(g), the following applies:
 - (i) In all cases in which equipment is sold, the proceeds will be Program Income (prorated to reflect the extent to which CDBG funds were used to acquire the Program Income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment)); and
 - (ii) Equipment not needed by the Agency for CDBG activities will be transferred to the recipient for the CDBG program or will be retained after activities will be transferred to the recipient for the CDBG program or will be retained after compensating the recipient.
 - (f) Section 84.51(b), (c), (d), (e), (f), (g), and (h), “Monitoring and reporting program performance”;
 - (g) Section 84.52, “Financial reporting”;
 - (h) Section 84.53(b), “Retention and access requirements for records.” Section 84.53(b) applies with the following exceptions:
 - (i) The retention period referenced in § 84.53(b) pertaining to individual CDBG activities will be four years; and
 - (ii) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR § 91.520, in which the specific annual performance and evaluation report, as prescribed in 24 CFR § 91.520, in which the specific activity is reported on for the final time rather than from the 24 CFR § 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award; expenditure report for the award.

- (i) Section 84.61, "Termination." In lieu of the provisions of § 84.61 CDBG Agencies will comply with § 570.503(b)(7).
- d. Subpart D -- "After-the-Award Requirements," except for § 84.71, "Closeout procedures."

2. Equal Opportunity.

- 2.1 The Agency agrees to comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and the HUD regulations under 24 CFR Part 1, which provides that no person in the United States will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving Federal financial assistance by way of grant, loan, or contract and will immediately take any measures necessary to effectuate this Agreement. If any real property or structure thereof is provided or improved with the aid of Federal financial assistance extended to the Agency, this assurance will obligate the Agency, or in the case of any transfer of such property or structure is used for a purpose of which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.
- 2.2 The Agency agrees to comply with Title VIII of the Civil Rights Act of 1968 (P.L. 90-284), as amended by the Fair Housing Amendments Act of 1988 (P.L. 100-430), and will administer all programs and activities relating to housing and community development in a manner to affirmatively further fair housing within Constitutional limitations throughout the United States.
- 2.3 The Agency agrees to comply with Section 109 of the Housing and Community Development Act of 1974 and 1977, as amended, and in conformance with all requirements imposed pursuant to the regulations of the Department of HUD (24 CFR Part 570.602) issued pursuant to that Section; and in accordance with Equal Opportunity obligations of that Section, no person in the United States will, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, be subjected to discrimination under, any program or activity funded in whole or in part with the Community Development funds. Section 109 of the Act further provides that any prohibition against discrimination on the basis of age, under the Age Discrimination Act of 1975 (24 CFR Part 146), or with respect to an otherwise qualified handicapped person, as provided in Section 504 of the Rehabilitation Act of 1973 (24 CFR Part 8), will also apply to any program or activity funded in whole or in part with funds made available pursuant to the Act.
- 2.4 The Agency agrees to comply with Executive Order 11063 on equal opportunity in housing and related facilities owned or operated by the Federal Government or provided with Federal financial assistance.
- 2.5 The Agency agrees to comply with Executive Order 11246, as amended, requiring nondiscrimination and affirmative action to ensure nondiscrimination in employment by government contractors and subcontractors and under federally assisted construction contractors.
- 2.6 The Agency agrees to comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), as amended, the HUD regulations issued pursuant thereto (24 CFR Part 135) as follows:
 - a. The work to be performed under this Agreement is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3

of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u); Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns that are located in or owned in substantial part by persons residing in the area of the project.

- b. The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued there under prior to the execution of this Agreement. The parties to this Agreement certify and agree that they are under no contractual or other disability that would prevent them from complying with these requirements.
 - c. The contractor will send to each labor organization or representative or workers, with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advertising the said labor organization or workers' representative of his commitments under this Section 3 clause and will post copies of the notice in conspicuous places available to employees and applicants for employment or training.
 - d. The contractor will include this Section 3 clause to every subcontract for work in connection with the project and will, at the direction of the applicant or Community of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135. The contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
 - e. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued there under prior to the execution of this Agreement, will be a condition of the Federal financial assistance provided to the project.
3. **Subcontracting.** All work or services covered by this Agreement, which is subcontracted by the Agency, will be specified by written contract and subject to all provisions of this Agreement. All subcontracts must be approved by the City prior to execution.
4. **Interest of Certain Federal Officials.** No member of or delegate to the Congress of the United States shall be admitted to any share or part of this Agreement or to any benefit to arise from the same.
5. **Interest of Members, Officers or Employees of the Agency, Members of Local Governing Body, or Other Public Officials.** No member, officer, or employee of the Agency or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure or for one year thereafter, will have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this Agreement.
6. **Hatch Act.** The Agency agrees to comply with all provisions of the Hatch Act and that no part of the program will involve political activities, nor will personnel employed in the administration of the program be engaged in activities in contravention of Title V, Chapter 15, of the United States Code.

7. **Labor Standards Provisions.** The Agency agrees to comply with 24 CFR § 570.603, “Labor Standards” published by HUD for Community Development Block Grants.
8. **Compliance with Environmental Requirements.** The Agency agrees to comply with any conditions resulting from the City's compliance with the provisions of the National Environmental Policy Act of 1969 and the other provisions of law specified at 24 CFR § 58.5 insofar as the provisions of such Act apply to activities set forth in the Statement of Work.
9. **Compliance with Flood Disaster Protection Act.**
 - 9.1 This Agreement is subject to the requirements of the Flood Disaster Protection Act of 1973 (P.L. 93-234). No portion of the assistance provided under this Agreement is approved for acquisition or construction purposes as defined under Section 3(a) of said Act, for use in any area identified by the Secretary as having special flood hazards, which is located in a community not then in compliance with the requirements for participation in the national flood insurance program pursuant to Section 201(d) of said Act; and the use of any assistance provided under this Agreement for such acquisition or construction in such identified areas in communities then participating in the national flood insurance program will be subject to the mandatory purchase of flood insurance requirements of Section 102(a) of said Act.
 - 9.2 Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared, or improved with assistance provided under this Agreement shall contain, if such land is located in an area identified by the Secretary as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001 et seq., provisions obligating the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance required with respect to financial assistance for acquisition or construction purposes under Section 102(2) of Flood Disaster Protection Act of 1973. Such provisions will be required notwithstanding the fact that the construction of such land is not itself funded with assistance under this Agreement.
10. **Compliance with Air and Water Acts.**
 - 10.1 This Agreement is subject to the requirements of the Clean Air Act, as amended, 42 U.S.C. 1857 et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.; and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR Part 15, as amended from time to time.
 - 10.2 In compliance with said regulations, the City will cause or require to be inserted in full in all contracts and subcontracts with respect to any nonexempt transaction thereunder funded with assistance provided under this Agreement, the following requirements:
 - a. A stipulation by the contractor or subcontractor that any facility to be utilized in the performance of any nonexempt contract or subcontract is not listed on the list of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 CFR § 15.20.
 - b. Agreement by the contractor to comply with all the requirements of Section 114 of the Clear Air Act, as amended (42 U.S.C. 1857c-8), and Section 308 of the Federal Water Pollution Control Act, as amended, (33 U.S.C. 1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.

- c. A stipulation that as a condition for the award of the contract, prompt notice will be given of any notification received from the director, Office of Federal Activities EPA, indicating that a facility utilized or to be utilized for the contract is under consideration to be listed on the EPA list of Violating Facilities.
- d. Agreement by the contractor that he will include or cause to be included the criteria and requirements in paragraphs (a) through (d) of this section in every nonexempt subcontract and requiring the contractor to take such action as the Government may direct as means of enforcing such provisions.
- e. In no event will any amount of the assistance provided under this Agreement be utilized with respect to a facility that has given rise to a conviction under Section 113(c)(1) of the Clean Air Act or Section 309(c) of the Federal Water Pollution Control Act.

11. **Historic Preservation.** This Agreement is subject to the requirements of P.L. 89-665, the Archaeological and Historic Preservation Act of 1974 (P.L. 93-291), Executive Order 11593, and the procedures prescribed by the Advisory Council on Historic Preservation in 36 CFR Part 800. The City must take into account the effect of a project on any district, site, building, structure, or object listed in or found by the Secretary of the Interior, pursuant to 35 CFR Part 800, to be eligible for inclusion in the National Register of Historic Places, maintained by the National Park Service of the U. S. Department of the Interior, and must make every effort to eliminate or minimize any adverse effect on a historic property.
12. **Historic Barriers.** This Agreement is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151) and its regulations. Every building or facility (other than a privately owned residential structure) designed, constructed, or altered with CDBG funds must comply with requirements of the "American Standards Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped."
13. **Lead-Based Paint.** This Agreement is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821 et seq.), and Lead-Based Paint Regulations (24 CFR Part 35 and 24 CFR § 570.608 and/or 92.335), and related amendments thereto. The use of lead-based paint is prohibited whenever federal funds are used directly or indirectly for the construction, rehabilitation, or modernization of residential structures. All federally assisted residential structures and related property constructed prior to 1978, Homebuyer Programs, Tenant-Based Rental Assistance, and Special-Needs Housing (acquisition), will comply with existing and new Lead-Based Paint Hazard Reduction Requirements, effective September 15, 2000. As the Grantor or Participating Jurisdiction, the City of Glendale shall be consulted regarding the Agency/Grantee's compliance status.
14. **Property Disposition.** Real or personal property purchased in whole or in part with CDBG funds shall not be disposed through sale, use, or location without the written permission of the City. The proceeds from the disposition of real property will be considered Program Income and subject to 24 CFR § 570.504(c).
15. **Lobbying.** Block Grant funds shall not be used for publicity or propaganda purposes designed to support or defeat legislation proposed by federal, state, or local governments.
16. **Acquisition/Relocation.** This Agreement is subject to providing a certification that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, implementing regulations at 49 CFR Part 24, and 24 CFR Part 511.14, which govern the acquisition of real property for the project and provision of relocation assistance to persons displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

17. **Section 504.** The Agency agrees to comply with any federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against the handicapped in any federally assisted program.
18. **Federal Fire Prevention and Control Act of 1992.** The Fire Administration Authorization Act of 1992 added a new Section 31 to the Federal Fire Prevention and Control Act of 1974. This Section requires that approved smoke detectors be installed in all houses assisted under the Community Development Block Grant Program. To comply with this requirement and locally adopted codes Agency shall install smoke detectors in all sleeping areas and any hallway connecting these sleeping areas.

###

EXHIBIT "D"

EXHIBIT D
INCOME LIMITS

(See attached)

CDBG/ESG/HOME PROGRAMS

2013 Program Income Limits

EFFECTIVE: 12/11/2012

Household Size	Median Income (\$)	30% of Median Income (\$)	50% of Median Income (\$)	60% of Median Income (\$)	80% of Median Income (\$)
1 Person	44,200	13,300	22,100	26,520	35,350
2 Persons	50,500	15,200	25,250	30,300	40,400
3 Persons	56,800	17,100	28,400	34,080	45,450
4 Persons	63,100	18,950	31,550	37,860	50,500
5 Persons	68,200	20,500	34,100	40,920	54,550
6 Persons	73,200	22,000	36,600	43,920	58,600
7 Persons	78,300	23,500	39,150	46,980	62,650
8 Persons	83,300	25,100	41,650	49,980	66,700
9 Persons	89,900	27,100	44,950	54,000	72,050
10 Persons	97,100	29,250	48,550	58,350	77,850

Household Income Limits/Annual Gross Wages

(Revised per HUD 12-11-12)

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EXHIBIT "E"

EXHIBIT E
CERTIFICATIONS

See attached Certifications:

1. Policy of Nondiscrimination on the Basis of Disability.
2. Section 319 of Public Law 101-121.
3. Contracting with Small and Minority Firms, Women's Business Enterprises and Labor Surplus Area Firms.
4. Drug-Free Workplace.

###

**POLICY OF NONDISCRIMINATION ON THE
BASIS OF DISABILITY**

The undersigned representative agrees, on behalf of Client, to have or adopt a Policy of Nondiscrimination on the Basis of Disability. Such Policy will state that the Agency does not discriminate on the basis of disabled status in the admission or access to, or treatment or employment in, its federally assisted programs or activities.



Signature

2/19/13

Date

SECTION 319 OF PUBLIC LAW 101-121

The Undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of any Federal contract, the making of any federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned will require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements), and that all agencies will certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352. Any person who fails to file the required certification will be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.



Signature

2/19/13

Date

**CONTRACTING WITH SMALL AND MINORITY FIRMS,
WOMEN'S BUSINESS ENTERPRISES AND LABOR SURPLUS AREA FIRMS**

1. It is a national policy to award a fair share of contracts to small and minority business firms. Accordingly, affirmative steps must be taken to assure that small and minority businesses are utilized when possible as sources of supplies, equipment, construction, and services. Affirmative steps will include the following:
 - 1.1 Qualified small and minority businesses on solicitation lists.
 - 1.2 Assuring that small and minority businesses are solicited whenever they are potential sources, and to the greatest extent possible that these businesses are located within the metropolitan area.
 - 1.3 When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum small and minority business participation.
 - 1.4 Where the requirement permits, establish delivery schedules which will encourage participation by small minority businesses.
 - 1.5 Using the services and assistance of the Small Business Administration, and the Office of Minority Business Enterprises of the Department of Commerce and the Community Services Administration as required.
 - 1.6 If any subcontracts are to be let, requiring the prime contractor to take the affirmative steps in §§ 1.1 through 1.5. Grantees will take similar appropriate action in support of women's enterprises.
 - 1.7 To the greatest extent feasible, opportunities for training and employment will be given to low and moderate income persons residing within the metropolitan area.
2. The above-described equal opportunity requirements are obligations of the City of Glendale because federal funds are being utilized to finance the Project to which this Project pertains.
3. In executing any contract, the Agency agrees to comply with the requirements and to provide appropriate documentation at the request of the City.

Signature

2/19/13

Date

DRUG-FREE WORKPLACE

The Agency certifies that it will maintain a drug-free workplace in accordance with the requirements of 24 CFR Part 24, Subpart F by:

1. Publishing a statement notifying employees that the unlawful manufacturing, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Agency's workplace and specifying the actions that will be taken against employees for violation of such prohibition.
2. Establishing an ongoing drug-free awareness program to inform employees about:
 - 2.1 The dangers of drug abuse in the workplace;
 - 2.2 The Agency's policy of maintaining a drug-free workplace;
 - 2.3 Any available drug counseling, rehabilitation and employee assistance programs; and
 - 2.4 The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.
3. Making it a requirement that each employee engaged in the performance of the grant be given a copy of the statement required by paragraph 1.
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will:
 - 4.1 Abide by the terms of the statement; and
 - 4.2 Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction.
5. Notifying the City in writing, within ten calendar days after receiving notice under paragraph 4.2 from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice will include the identification number(s) of each affected grant.
6. Taking one of the following actions, within 30 calendar days of receiving notice under paragraph 4.2, with respect to any employee who is so convicted:
 - 6.1 Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - 6.2 Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, local health requirements, law enforcement, or other appropriate agency.
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of the above-described paragraphs.

Signature

Date

2/19/13

EXHIBIT "F"

EXHIBIT F
INSURANCE CERTIFICATE

The Certificate of Insurance will contain the following information:

Item One:

- A. Commercial General Liability coverage with limits not less than \$1 million per occurrence, \$100,000 for property damage liability, and \$2 million aggregate.
- B. Unless a sole proprietorship, Agency shall carry Arizona Statutory Workers Compensation and Employers' Liability coverage.

Item Two: City of Glendale will be named Certificate Holder.

Item Three: City of Glendale will be named as "additional insured."

Item Four: The Certificate of Insurance will provide a 30-day notice to the City of Glendale for cancellation, non-renewal, or material change and must be an "occurrence," not a "claims made" policy.

Item Five: General Requirement for the Insuring Company:

- A. The insurance company underwriting the policy will have a Best Rating of B++ or better. Please request that your insurance provider supply some form of verification of the best rating of B++ or better.
- B. The insurance company underwriting the policy will **be licensed in the State of Arizona**.
- C. If the Certificate of Insurance contains a section page which notes: "Important, if the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s)." Insurance Certificates containing this clause will not be accepted without an **"endorsement" stating, "the City of Glendale is included as an 'additional insured' on the policy."**

###



CERTIFICATE OF LIABILITY INSURANCE

CENTR-1

OP ID: LE

DATE (MM/DD/YYYY)

10/08/12

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Business Insurance Services 11811 N. Tatum Blvd #4012 Phoenix, AZ 85028 Lora Erickson	602-953-3100 602-953-3229	CONTACT NAME: Lora Erickson, C.I.C., C.R.M. PHONE (A/C No, EX): 602-953-3100 E-MAIL ADDRESS: guinc@aol.com	FAX (A/C No): 602-953-3229
INSURED Central Arizona Shelter Services 230 S. 12th Ave. Phoenix, AZ 85007		INSURER(S) AFFORDING COVERAGE INSURER A: Social Services Contractors INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	
		NAIC # 0776	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC		SS31232613	10/12/12	10/12/13	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		SS31232613	10/12/12	10/12/13	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$		SS31232613	10/12/12	10/12/13	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A				WC STATU-TORY LIMITS OTHER E L EACH ACCIDENT \$ E L DISEASE - EA EMPLOYEE \$ E L DISEASE - POLICY LIMIT \$
A	Professional Liability		SS31232613	10/12/12	10/12/13	Per Occ. 1,000,000 Per Agg. 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

*30 day notice of cancellation with a 10 day notice for non payment of premium. Certificate holder is an Additional Insured when required by a written and signed contract.

CERTIFICATE HOLDER

CANCELLATION

CITY OF 9 City of Glendale Community Revitalization Division 6829 North 58th Dr. #104 Glendale, AZ 85301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Lora Erickson
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EXHIBIT "G"

EXHIBIT G
LOAN DOCUMENTS

(See attached)

WHEN RECORDED, RETURN TO:

City of Glendale
City Clerk
5850 West Glendale Avenue
Glendale, Arizona 85301

DEED OF TRUST AND ASSIGNMENT OF RENTS

DATE: _____

TRUSTOR: Central Arizona Shelter Services, Inc.
(ADDRESS). 230 South 12th Avenue
Phoenix, Arizona 85007

BENEFICIARY: City of Glendale
(ADDRESS). 5850 West Glendale Avenue
Glendale, Arizona 85301

TRUSTEE: City of Glendale.
(ADDRESS). 5850 W. Glendale Ave
Glendale, AZ 85301

SUBJECT REAL PROPERTY in Maricopa County, State of Arizona, described in the Legal Description attached as Exhibit A ("Property")

This Deed of Trust and Assignment of Rents ("Deed of Trust") is made between the Trustor, Trustee and Beneficiary above named.

WITNESSETH: That Trustor irrevocably grants and conveys to Trustee in Trust, with Power of Sale, the above described real property, together with. (1) all buildings, improvements and fixtures now or hereafter placed thereon, (2) all existing leases, and all future leases executed with respect to such property; (3) all rents, issues, profits and income thereof (all of which are hereinafter called "property income"); (4) all classes of property now, or at any time hereafter, attached to or used in any way in connection with the use, operation or occupancy of such property; (5) all property, rights, permits and privileges now or hereafter owned by Trustor or now or hereafter appurtenant to such property, which entitle Trustor or such property to receive water or electrical power for use thereon, all property granted, transferred and assigned to Trustee hereunder is hereafter referred to as the "Property," and Trustor warrants that it is well and truly seized of a good and marketable title in fee simple to the real property hereby conveyed; that the title to all property conveyed by this Deed of Trust is clear, free and unencumbered, and Trustor will forever warrant and defend the same unto Beneficiary, its successors and assigns, against all claims whatsoever;

SUBJECT, HOWEVER, to the right, power, and authority hereinafter given to and conferred upon Beneficiary to collect and apply such property income,

AND SUBJECT TO any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Beneficiary's interest in the Property

1. For the Purpose of Securing:

- 1.1 Performance of each agreement of Trustor herein contained.
- 1.2 Payment of the indebtedness evidenced by promissory note or notes of even date herewith, and any extension or renewal thereof, in the principal sum of Twenty-Four Thousand Eight Hundred Seventy-Four Dollars and 00/100 (\$24,874) executed by Trustor in favor of Beneficiary or order.
- 1.3 Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes that are secured by this Deed of Trust.

2. To Protect the Security of this Deed of Trust, Trustor covenants and agrees:

- 2.1 To keep the Property in good condition and repair, not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged, or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof, not to commit, suffer, or permit any act upon said property in violation of law; and to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general.
- 2.2 To keep all improvements now or hereafter erected on said property continuously insured against loss by fire or other hazards specified by Beneficiary in an amount not less than the total obligation secured hereby. All policies will be held by Beneficiary and be in such companies as Beneficiary may approve and have loss payable first to Beneficiary, as his interest may appear and then to Trustor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured and in such order as Beneficiary may determine or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release will not cure or waive any default hereunder nor cause discontinuance of any action that may have been or may thereafter be taken by Beneficiary or Trustee because of such default.
- 2.3 To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses of Beneficiary or Trustee, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named, and in any suit brought by Beneficiary to enforce this Deed of Trust
- 2.4 To pay before delinquent, all taxes and assessments affecting said property; when due, all encumbrances, charges and liens, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees, and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release and Partial Reconveyance or Deed of Release and Full Reconveyance and all lawful charges, costs, and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured hereby.
- 2.5 Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge, or lien which in the judgment of either appears to be

prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel, and pay his reasonable fees. All amounts so paid, together with interest thereon at the same rate as is provided for in the note secured by this Deed of Trust or at the highest legal rate, whichever is greater, will be part of the debt secured by this Deed of Trust and a lien on the above property.

- 2.6 To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from date of expenditure at the same rate as is provided for in the note secured by this Deed of Trust or at the highest legal rate, whichever is greater. Any amounts so paid by Beneficiary or Trustee will become part of the debt secured by this Deed of Trust and a lien on the Property and immediately due and payable at option of Beneficiary or Trustee.

4. It is Mutually Agreed:

- 4.1 That any award of damages in connection with any condemnation or any taking, or for injury to the Property by reason of public use, or for damages for private trespass or injury thereto, is assigned and will be paid to Beneficiary as further security for all obligations secured hereby (reserving unto Trustor, however, the right to sue therefore and the ownership thereof, subject to this Deed of Trust), and upon receipt of such moneys Beneficiary may hold the same as such further security, or apply or release the same in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
- 4.2 That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay. Without affecting the obligation of Trustor to pay and perform as herein required; without affecting the personal liability of any person for payment of the indebtedness secured hereby; and without affecting the lien or priority of lien hereof on the Property, Beneficiary may, at its option, extend the time for payment of said indebtedness, or any part thereof, reduce the payment thereon, release any person liable on any of said indebtedness, accept a renewal note therefore, modify the terms of said indebtedness, take or release other or additional security, or join in any extension or subordination agreement. Any such action by Beneficiary or the Trustee at Beneficiary's direction may be taken without the consent of any junior lienholder, and will not affect the priority of this Deed of Trust over any junior lien. Time is of the essence of this Deed of Trust.
- 4.3 That at any time or from time to time, and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said note(s) for endorsement, and without liability therefore, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity that any sum representing the value or any portion thereof of the property affected by the Trustee's action be credited on the indebtedness, the Trustee may: (a) release and reconvey all or any part of said property; (b) consent to the making and recording, or either, of any map or plat of the property or any part thereof, (c) join in granting any easement thereon, (d) join in or consent to any extension agreement of any agreement subordinating the lien, encumbrance or charge hereof. Any Trustor signing this Trust as a surety or accommodation party or that has subjected the Property to this Trust to secure the debt of another, expressly waives the benefits of A.R.S. § 12-1641.
- 4.4 That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said note(s) to Trustee for cancellation and retention, and upon payment of its fees, Trustee will release and reconvey, without covenant

or warranty, express or implied, the property then held hereunder, the recitals in such reconveyance, of any matters or facts, will be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto "

- 4.5 That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power, and authority, during the continuance of this Trust, to collect the property income, reserving to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such property income as it becomes due and payable. Upon any such default Beneficiary may at any time, without notice either by person, by agent, or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured or the solvency of the Trustor, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such property income, including that past due and unpaid and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees of Beneficiary and Trustee, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such property income, and the application thereof as aforesaid, will not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice. Beneficiary will expressly have all rights provided for in A.R.S. §§ 33-702(B) and 33-807.
- 4.6 That upon default by Trustor in the payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice thereof, setting forth the nature thereof, and of election to cause to be sold the Property under this Deed of Trust. Beneficiary also will deposit with Trustee this Deed of Trust, said note(s), and all documents evidencing expenditures secured hereby.
- 4.7 Trustee will record and give notice of Trustee's sale in the manner required by law, and after the lapse of such time as may then be required by law, Trustee will sell, in the manner required by law, said property at public auction at the time and place fixed by it in said notice of Trustee's sale to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee at its discretion may postpone or continue the sale from time to time by giving notice of postponement or continuance by public declaration at the time and place last appointed for the sale. Trustee will deliver to such purchaser its Deed of Trust conveying the property so sold, but without any covenant or warranty, expressed or implied. Any persons, including Trustor, Trustee or Beneficiary, may purchase at such sale. The purchaser at the Trustee's sale will be entitled to immediate possession of the Property as against the Trustee or other persons in possession and will have a right to the summary proceedings to obtain possession provided in Title 12, Chapter 8, Article 4, Arizona Revised Statutes, together with costs and reasonable attorney's fees.
- 4.8 After deducting all costs, fees, and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and reasonable attorney's fees of Beneficiary and Trustee, Trustee will apply the proceeds of sale to payment of: all sums then secured hereby and all other sums due under the terms hereof, with accrued interest; and the remainder, if any, to the person or persons legally entitled thereto, or as provided in A.R.S. § 33-812. To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgment for any balance due hereunder. In lieu of sale pursuant to the power of sale conferred hereby, this Deed of Trust may be foreclosed in the same manner provided by law for the foreclosure of mortgages on real property. Beneficiary will also have all other rights and remedies available to it hereunder and at law or in equity. All rights and remedies will be cumulative.

- 4.9 That Beneficiary may appoint a successor Trustee in the manner prescribed by law. Trustor and Beneficiary authorize Trustee, in the event any demand or notice is made or tendered to it concerning this trust or the property, to hold any money and documents and to withhold action or performance until an action will be brought in a court of competent jurisdiction to determine the rights asserted or the property of the demand, notice or action requested and Trustee will be without liability or responsibility for awaiting such court action. A Successor Trustee herein will without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers, and duties. Trustee may resign at any time by mailing or delivering notice thereof to Beneficiary and Trustor and having so resigned will be relieved of all liability and responsibility to Trustor, Beneficiary or otherwise hereunder. "Trustee" herein will include all successor trustees. Trustee will not be liable for any action taken in its discretion and in good faith, or upon advice of counsel, or upon any information supplied or direction given by Beneficiary. Unless Trustee is adjudged grossly negligent or guilty of intentional wrongdoing or breach of contract, Trustor and Beneficiary will, upon demand, indemnify and hold harmless Trustee against all costs, damages, attorney's fees, expenses and liabilities which it may incur or sustain in connection with this Deed of Trust or any foreclosure or sale hereof or any court or other action or proceeding arising here from.
- 4.10 That this Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" will mean the owner and holder of the note(s) secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so required, the masculine gender includes the feminine and neuter, and the singular number includes the plural.
- 4.11 That Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee may but is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary, or Trustee will be a party, unless brought by Trustee.

The undersigned Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to him at his address set forth above

(See Next Page for Signatures)

Deed of Trust and Assignment of Rents
"Exhibit A"
Legal Description

The property at 230 South 12th Avenue in Phoenix is located on a subdivided parcel as follows:

HSC Parcel #1 Legal Description

BEGINNING AT THE SOUTHWEST CORNER OF LOT 1, HUMAN SERVICES CAMPUS, ACCORDING TO THE PLAT THEREOF RECORDED ON APRIL 19, 2005, IN BOOK 742, PAGE 25 OF THE MARICOPA COUNTY RECORDS (MCR); THENCE ALONG THE WEST LINE OF SAID LOT 1, N00°19'20"W, A DISTANCE OF 640.05 FEET TO THE NORTH LINE OF SAID LOT 1;

THENCE LEAVING SAID WEST LINE, ALONG SAID NORTH LINE, N89°40'43"E, A DISTANCE OF 354.03 FEET; TO THE EASTERLY LINE OF SAID LOT 1;

THENCE LEAVING SAID NORTH LINE, ALONG SAID EASTERLY LINE, S00°20'15"E, A DISTANCE OF 199.05 FEET, TO THE NORTHERLY LINE OF SAID LOT 1;

THENCE LEAVING SAID EASTERLY LINE, ALONG SAID NORTHERLY LINE, N89°39'57"E, A DISTANCE OF 326.00 FEET TO THE EASTERLY LINE OF SAID LOT 1;

THENCE LEAVING SAID NORTHERLY LINE, ALONG SAID EASTERLY LINE, S00°20'09"E, A DISTANCE OF 129.41 FEET TO THE NORTHERLY LINE OF SAID LOT 1;

THENCE LEAVING SAID EASTERLY LINE, ALONG SAID NORTHERLY LINE, N89°38'10"E, A DISTANCE OF 45.00 FEET;

THENCE LEAVING SAID NORTHERLY LINE, S00°20'09"E, A DISTANCE OF 310.92 FEET TO THE SOUTH LINE OF SAID LOT 1;

THENCE ALONG SAID SOUTH LINE, S89°37'03"W, A DISTANCE OF 725.18 FEET TO THE POINT OF BEGINNING.

CONTAINING 384,167 SQ. FT. (8.82 ACRES)

WHEN RECORDED, RETURN TO:

City of Glendale
City Clerk
5850 West Glendale Avenue
Glendale, Arizona 85301

PROMISSORY NOTE
DEFERRED LOAN

Loan Amount: \$24,874

Glendale, Arizona

Date: _____

FOR VALUE RECEIVED, the undersigned jointly and severally promise(s) to pay to the order of the City of Glendale, an Arizona municipal corporation (City), or its successors, the principal sum of Twenty-Four Thousand Eight Hundred Seventy-Four Dollars and 00/100 (\$24,874). This Promissory Note ("Note") is made on a 10-year Deferred Loan, non-interest bearing basis on and is secured by a Deed of Trust and Assignment of Rents ("Deed of Trust")

This Note shall become due and payable upon any transfer, voluntary, involuntary, or by operation of law, of the Property identified in the Deed of Trust within ten years from the date of this Note, or at any time within ten years from the date of this Note undersigned ceases to occupy or use the property to provide services to low or moderate income youth. This Note is secured by a Deed of Trust executed by the undersigned naming the City of Glendale as Beneficiary; which Deed of Trust and this Note are security for the obligations of the undersigned contained in the Subrecipient Contract – Nonprofit Corporations Community Development Block Grant Program Physical Improvements executed by the parties on _____.

The amount due at such time shall be the amount of the current fair market value of the property less any portion attributable to non-Community Development Block Grant ("CDBG") funds involved in the rehabilitation improvements to the Property. The current fair market value of the Property shall be established by independent appraisal. The portions of fair market value attributable to CDBG and non-CDBG funds shall be established at completion of the rehabilitation improvements through a subsequent appraisal. Appraisals completed to determine such values shall be at the sole cost and expense of the City.

If at the end of the term of this Note, the undersigned has continuously provided the services and complied with the provisions of the above referenced subrecipient agreement, the City shall consider the obligations of this Note to have been met and shall consider its security interest in the property to be released to the undersigned.

Should default be made in the payment of any amount when due, or should the undersigned default on any obligation owed to the City under the terms of this Note or the Deed of Trust providing security, therefore, the whole sum of principal shall become immediately due and payable at the option of the holder of this Note.

If suit or action is instituted by City to recover on this Note, the undersigned agrees to pay reasonable attorney's fees and costs in addition to the amount due on the Note.

Diligence, demand, protest and notice of demand and protest are hereby waived and the undersigned hereby waives, to the extent which otherwise would apply to the debt evidenced by this Note. Consent is hereby given to the extension of time of payment of this Note, without notice.

The undersigned reserves the right to repay at any time all of the principal amount of this Note in a single payment without the penalties, discount or premiums.

