



See Res. 01-34
02-326
02-560
04-05

RESOLUTION No. 97518

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

(A RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT OR AGREEMENT)

BE IT HEREBY RESOLVED by the Board of Supervisors, of the County of Nevada, State of California, that the Chairman of the Board of Supervisors be and he is hereby authorized to execute, on behalf of the County of Nevada, that certain _____
Loan Agreement

dated the 2nd day of December, 1997, and between said County and
Nevada County Housing Development Corporation

pertaining to Community Development Block Grant Re-Use funds in the
amount of \$195,000 for the period December 2, 1997, to December 1,
2037. Auditor is directed to disburse funds from 645-000-5000
(CDBG Program Income).

PASSED AND ADOPTED by the Board of Supervisors of the County of Nevada at a regular meeting of said Board, held on the 2nd day of December, 1997, by the following vote of said Board:

- Ayes: Supervisors Peter Van Zant, Karen Knecht, Fran Grattan, Rene Antonson, Sam Dardick.
- Noes: None.
- Absent: None.
- Abstain: None.

ATTEST;

CATHY R. THOMPSON

Clerk of the Board of Supervisors

By Cathy R. Thompson

Renew Cotton
Chairman

DATE	COPIES SENT TO
12-3-97	HCS <input checked="" type="checkbox"/>
	HCD <input checked="" type="checkbox"/>
	A-C <input checked="" type="checkbox"/>
2/3/00	Counsel

**COUNTY OF NEVADA
COMMUNITY DEVELOPMENT BLOCK GRANT
LOAN AGREEMENT**

This Community Development Block Grant (CDBG) Loan Agreement, dated December 2, 1997, is entered into between Nevada County Housing Development Corporation, a non-profit housing development corporation (the "Borrower") and the County of Nevada (the "County"). Borrower has received a loan in an amount of up to \$195,000 for the purchase of a parcel to be used for the development of 22 to 36 low and very low income rental units. (The total number of units shall be determined by County site development approvals.) The parcel is located at:

17729 Penn Valley Drive, Lot 11, Penn Valley, Nevada County, CA.
(APN 51-151-43)

Borrower and County agree as follows:

1. The Loan. Borrower has agreed to borrow and County has agreed to make a loan up to and not to exceed \$195,000 to Borrower pursuant to the terms of this agreement (the "Agreement"). The source of funds is the Community Development Block Grant Re-Use Funds (County of Nevada Trust Account #645-000-5000) provided by the State Department of Housing and Community Development ("HCD") to the County. The Loan will be secured by a Promissory Note and Deed of Trust to be signed herewith. Term shall be 30 years with an interest rate of 2% per annum.
2. Note, Deed of Trust: Borrower agrees to execute a Promissory Note evidencing its obligation to repay the Loan made under this Agreement (the "Note"). The Borrower further agrees to execute a Deed of Trust securing the Note naming the County as beneficiary, (the "Deed of Trust"). Borrower further agrees to be bound by all terms and conditions of the Note and Deed of Trust.
3. Site Purchase and Construction Plans and Cost. Borrower shall purchase the property and cause the completion of the construction of the 22 to 36 rental units planned for the Borrower's property to be performed in accordance with the final plans and specifications which have been approved by County and are on file with the County.
4. CDBG COMPLIANCE. As a recipient of CDBG funds, Borrower shall comply with the CDBG regulations as provided in EXHIBIT "A" - Attachment A and Attachment B.

5. Time for Completion - The work the Borrower is required to perform under this Agreement shall be fully completed, unless modified by Section 7, "Excusable Delays" as follows:
 - A. Site purchase - within 90 calender days from the execution date of this Agreement; and
 - B. Construction of 22 to 36 low and very income rental units - all units must be completed and be issued Certificates of Occupancy within 30 calender months of the execution date of this agreement.
6. Liquidated Damages - As actual damages for any unexcused delays in completion of the work (site purchase and construction of 22 to 36 low and very low income rental units) which the Borrower is required to perform under this Agreement are impossible to determine, the Borrower shall be liable for and shall pay to the County the sum of \$100 (one-hundred) per day as fixed, agreed and liquidated damages for each calender day past the stipulated "Time for Completion" dates until such date that the work required under this Agreement is satisfactorily completed and accepted by the County. The requirement of this section may be modified by Section 7, "Excusable Delays."
7. Excusable Delays - Borrower may submit to County for approval a written request for extention of completion dates under Section 6, "Time for Completion." Borrower must include in the request documentation of the reasons, or basis, of the "Excusable Delays" and submit a revised schedule for completion. County Director of Housing and Community services shall review the request and provide a written response to the Borrower within seven calender days of receipt of the request.
8. USE of CDBG LOAN FUNDS The CDBG funds shall be used for site purchase. Interest on the loan amount shall be at the rate of 2% per annum and shall be accrued on the unpaid loan balance. Principle and interest payments shall be deffered for the term of the loan except as stated herein. At years seven and ten after the execution date of the Agreement, the Borrower shall submit to the County a statement of project cash flow. County Housing and Community Services shall review the cash flow statement and determine if there is sufficient net positive cash flow that could be used for CDBG loan servicing. Should the subject project yield net positive cash flow, the Borrower shall repay to the County 50% of the net cash flow starting at year eight or eleven and continue until year thirty and reduce the outstanding CDBG loan balance. Any payments shall be paid by check to the CDBG trust account #645-000-5000 and sent to:

The County of Nevada, Audtor/Controller
950 Maidu Avenue
Nevada city, CA 95959

9. Income Qualified Tenants - Borrower shall market the low and very income rental units to income qualified households pursuant to the Income Guidelines for Nevada County published annually by the U. S. Department of Housing and Urban Development (HUD) in effect at the time of Borrower's qualification of tenant applicants. Income verification documents of tenants accepted by the Borrower for occupancy of Penn Vally Gardens apartments are subject to annual review by the County to assure income eligibility pursuant to the HUD Income Guidelines. Units shall be occupied by income qualified household members only and shall not be sublet. Units shall not be used for any purpose other than low rent housing for income qualified households.
10. Continued Affordability Requirements - Pursuant to Section L-II 3.50 D. of the County of Nevada Zoning code, the Borrower shall assure that all units shall be rented and occupied by low and very income qualified tenants and shall maintain the availability of the low and very low income units for a minimum of 30 years and as required by California Government Code Section 65915 (c) or longer pursuant to the requirements of other state and/or federal funding sources provided to the subject low and very low income renters.

Such continued affordability requirements shall be set forth in a deed restriction instrument provided by the County to be recorded with the County of Nevada Recorder at the time of purchase of Borrower purchase of the subject parcel. The deed restriction shall require that the low income units be retained by the Borrower as affordable for the minimum term. The deed restrictions and long-term affordability provisions shall be retained in the event of a re-sale or transfer of the subject parcel and improvements prior to the end of the affordability term by the Borrower. In addition, the deed restriction shall prohibit the subject housing units to be sub-rented, except in emergency situations subject to a written request to and the approval of the Director of housing and Community Services, County of Nevada, or his/her successor.

11. Loan Security/Property Appraisal - Borrower shall submit to the County an appraisal of the parcel to be purchased prior to County's release of funds for CDBG loan. The total loan to value ratio shall not exceed 100% of the appraised value, including the County provided CDBG loan, during the term of the CDBG loan.
12. Assumption of CDBG Loan - The CDBG loan to the Borrower shall not be assumable by any other entity except as otherwise indicated herein or in the Promissory Note.
13. General Contractor. The Borrower agrees to use only licensed, insured contractors and subcontractors. If the Borrower elects to serve as its own General Contractor then Borrower must enter into the "Owner Participation Agreement" with the County.

14. Construction Contract. When the Borrower enters into a contract for construction on the Borrower's property with a licensed general contractor (the "General Contractor") it shall be in a form and in accordance with procedures approved by the County (the "Construction Contract").
15. Supervision of Work. Borrower and County shall be responsible for monitoring all construction work and enforcing the terms of the Construction Contract. The County may inspect the construction work solely for the purpose of monitoring the loan security and enforcing the terms of this Loan Agreement.
16. Additional Funds. In the event that the Loan is not sufficient to cover all costs of completing the site purchase and construction of 22 to 36 low and very low income rental units, the Borrower shall provide necessary additional funds. Borrower shall provide the County with documentation of commitment or receipt of other such funds.
17. Method of Disbursement. All Loan proceeds disbursed to the Borrower shall be considered on an advance basis under the Note and secured by the Deed of Trust. Funds to be disbursed are County CDBG loan funds in the amount of \$195,000. Loan funds shall be disbursed in accordance with the following terms:
 - A. Form of Disbursement. County CDBG loan funds will be disbursed by the County Auditor/Controller in the form of a Check. Said check will be issued to the Borrower. The County of Nevada will disburse all funds.
 - B. Disbursement Account: The source of funding by the County for this work shall be: CDBG ReUse Trust Fund 645-000-5000

All County CDBG funds to be disbursed shall be deposited into the Borrower's account held by the County.
 - C. Responsibility for Disbursement. County shall oversee disbursement of all funds from the Disbursement Account. No disbursements shall be made unless authorized by County and Borrower.
 - D. Procedures for Disbursement. Procedures for Disbursement for Borrowers shall be disbursed as follows:
 1. Borrower shall request disbursement by submitting to the County a Demand for Payment issued by a title signed by the borrower;
 2. Upon determination by the County that all conditions precedent (outlined in Section 18 "Conditions Precedent of this Agreement)

have been completed, County staff shall process the payment request; and

3. County Department of Housing and Community shall request a check in the amount of \$195,000 of the County Auditor/Controller and shall issue Escrow Instructions to the Escrow Agent representing a title company determined by the Borrower to transact the subject site purchase.
4. The County Auditor/Controller shall issue a check, or County warrant, to the Escrow Agent who shall deposit such funds into an escrow account established for the subject parcel purchase.
5. The Escrow Agent shall deposit the County check, or warrant, into the escrow account for the subject parcel purchase and disburse such funds pursuant to escrow instructions to be provided by the County.

18. Conditions Precedent to Disbursement. County shall not be obligated to make the disbursement of Loan proceeds to the Borrower's escrow account unless all of the following have been complied with:

- A. Borrower has signed this Loan Agreement, and the Borrower has signed the Note and Deed of Trust and The Deed of Trust has been recorded.
- B. All insurance coverage and certificates required by this Loan Agreement are in place and copies of the policies or binders have been transmitted to the County.
- C. County is in receipt of all of the following documents:
 - 1.) Real Estate Purchase Agreement signed by the seller and the buyer (Borrower) fixing the purchase price of the subject parcel at \$195,000;
 - 2.) Copy of the current preliminary title report for the subject parcel;
 - 3.) Copy of the property appraisal for the subject parcel;
 - 4.) Legal Description of the subject parcel; and
 - 5.) A Promissory Note and Deed of Trust signed by the Borrower prepared pursuant to Escrow Instructions to be provided by the County.

- D. Borrower is not in default of any of the terms of this Loan Agreement, the Note or the Deed of Trust.
19. Protect the Public Interest. The Borrower shall not allow any employee or official of the County to have any interest, direct or indirect, in the proceeds of the loan.
20. Records. Borrower shall keep such records as may be required by the County in connection with the off-site improvement construction work and subsequent building of the required 22 to 36 low and very low income homes. The Borrower shall maintain on a current basis complete books and records relating to this agreement. Such records shall include, but not be limited to, documents supporting all bids, all income and all expenditures. The books and records shall be original entry books with a general ledger itemizing all debits and credits for the work on this Agreement. In addition, the Borrower shall maintain detailed payroll records as applicable including all subsistence, travel, and field expenses, and cancelled checks, receipts and invoices for all items. These documents and records shall be retained for at least five years from the completion of this Agreement. Borrower will permit County to audit all books, accounts or records relating to this Agreement, or all books, accounts or records of any business entities controlled by Borrower who participated in this Agreement in any way. Any audit may be conducted on Borrower's premises or, at County's option, Borrower shall provide all books and records within a maximum of fifteen (15) days upon receipt of written notice from County. Borrower shall refund any moneys erroneously charged. If County ascertains that it has been billed erroneously by Borrower for an amount equaling 5% or more of the original loan amount, Borrower shall be liable for the costs of the audit in addition to any other penalty to be imposed.
21. Maintenance. Borrower agrees to maintain the Property which is the security under the Deed of Trust in a decent, safe and sanitary condition during and following the completion of the construction work and during the term of the CDBG Loan.
22. Default. Upon occurrence of any one or more of the following, the County may at its sole discretion declare all loan funds and accrued interest disbursed immediately due and payable, and County's obligation to make further disbursements of loan proceeds shall terminate:
- A. Borrower fails to commence and complete the construction work on Borrower's property within the time specified herein;
- B. Borrower fails to carry out and complete construction on Borrower's

property in accordance with the plans and specifications approved by the County.

- C. County discovers that Borrower in any application or documentation in connection with the Loan, had failed to disclose or misrepresented any fact deemed by the County to be material or which would have prevented the Borrower from being eligible for the Loan.
- D. Borrower defaults or breaches any of the terms of Loan Agreement, the Note or Deed of Trust.
- E. Borrower fails to perform any covenant, term or condition in any instrument creating a lien upon the property which is the security under the Deed of Trust, or any part thereof, which lien shall have priority over the lien of the Deed of Trust securing this Loan.
- F. Borrower transfers title upon death of all borrowers or sells property.
- G. Borrower permits or allows subject affordable units to be occupied by non-income qualified households, or persons not members of income qualified households.
- H. Borrower has multiple owners on title of the CDBG assisted parcel and owners refuse to submit or fraudulently complete annual certifications of income and occupancy.
- I. Borrower fails to maintain fire insurance coverage naming the County of Nevada as loss payee.

In the event any of the above occurs Borrower shall notify: Director, County of Nevada Housing and Community Services Department, 10433 Willow Valley Road, Suite C, Nevada City, CA 95959.

- 23. Insurance. The Borrower shall maintain fire insurance and flood insurance, if required by FEMA or the County, if property is in an area designated as a mandatory flood zone, adequate to cover all encumbrances on the property. The County shall be designated as loss payee. Borrower shall provide County with an original Certificate of Insurance certifying that coverage as required herein has been obtained and remains in force for the term of this agreement.
- 24. Worker's Compensation - The Borrower acknowledges that it is aware of the provisions of the Labor Code of the State of California which requires every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that Code and it certifies that it will comply with such provisions before commencing the

performance of the work of this Agreement. A copy of the certificates evidencing such insurance shall be provided to County prior to commencement of work.

25. Nondiscriminationary Employment - In connection with the execution of this Agreement, the Borrower shall not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, national origin, political affiliation, ancestry, marital status or disability. This policy does not require the employment of unqualified persons.
26. Assignment - The rights, responsibilities and duties under this Agreement are personal to the Borrower and may not be transferred or assigned without the express prior written consent of the County.
27. Relationship Between the Parties - It is expressly understood that in the performances of the work specified herein, the Borrower, and the agents and employees thereof, shall act in an independent capacity and as an independent contractor and not as officers, employees or agents of the County.
29. Amendment - This Agreement may be amended or modified only by written agreement of all parties.
30. Jurisdiction and Venue - This Agreement shall be constructed in accordance with the laws of the State of California and the parties hereto agree that venue shall be in Nevada County, California.
31. Compliance with Applicable Laws - The Agreement shall comply with any and all federal, state, and local laws affecting the work covered by this Agreement.
32. Term of This Agreement. This agreement will be 30 years, or terminated when the CDBG loan is fully re-paid to Nevada County. Should the Borrower maintain the property as affordable to low and very low income households for the entire 30 year the CDBG loan shall be forgiven by the County.
33. Indemnification. Borrower and her/his successor in interest agrees to idemnify, defend and hold harmless the County and its agents, employees and officers from any and all claims, losses, liabilities or causes of action, including reasonable attorney's fees, arising from or in connection with Borrower's performance in connection with this Agreement.
34. Remedies Cumulative. This Agreement is not intended to supersede any other right or remedy provided by the Note and Deed of Trust, nor is it intended to override any federal, state, or local statutes or regulations.
35. Time Waiver - Time is of the essence in this Agreement. No waiver or any default or breach by Borrower hereunder shall be implied from any omission

by the County to take action on account of such default if such default persists or is repeated, and no express waiver shall effect any default other than the default specified in the waiver. Such waiver shall be in writing and shall be operative only for the time and to the extent therein stated.

36. Partial Invalidity - If any provision of this Agreement shall be invalid, illegal or non enforceable, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

37. Notices - Notices shall be given to County at the following location:

County of Nevada,
Department of Housing and Community Services
10433 Willow Valley Road, Suite C
Nevada City, CA. 95959

Notices shall be given to Borrower at the following address:

President, Board of Directors
Nevada County Housing Development Corporation
P.O. Box 1164
Grass Valley, CA 95945

38. Non-Profit Status - Borrower certifies that it is a non-profit corporation with the Secretary of State's office and possesses a "Letter of Good Standing" from the Secretary of State's office. Non-profit Borrower covenants that it will keep such status in effect during the full term of this Agreement.

IN WITNESS HEREOF the parties agree to and execute this CDBG Loan Agreement as set forth below.

BORROWER

Marilyn C. Sifford

President, Board of Directors
Nevada County Housing Development Corporation
P.O. Box 1164
Grass Valley, CA 95945

December 1, 1997

Date
Federal Tax I.D. # *94-2799613*
Telephone # *272-3252*

LENDER

COUNTY OF NEVADA

Reverie Peterson

Chairman, Board of Supervisors
County of Nevada
950 Maidu Avenue
Nevada City, CA. 95959

12-2-97
Date

APPROVED AS TO FORM:

James D. Fitzgerald
County Counsel

ATTEST:

Kathy R. Thompson
Clerk of the Board

CDBG LOAN AGREEMENT

EXHIBIT "A" BORROWER CDBG COMPLIANCE

Borrower shall comply with the following state and federal requirements, unless otherwise noted that the specific requirement is required of the County:

Attachment A: Compliance Requirements - State Law Regulations

1. Drug-Free Workplace Certification
2. Nondiscrimination Clause

Attachment B: Compliance Requirement - Federal Laws and Regulations

1. Anti-Lobbying Certification
2. Bonus or Commission, Prohibition Against Payments
3. Citizen Participation - N/A - Required of County
4. Clean Air and Water Acts
5. Conflict of Interest of Certain federal Officials
6. Environmental Requirements - N/A - Completed by County
7. Equal Opportunity - must be required of any subcontractors funds be the subject CDBG funds.
8. Flood Disaster Protection - site within a designated Flood Zone
9. Labor Standards - - Federal Labor Standards Provision - N/A for site acquisition.
10. Lead-Based Paint Hazards
11. NLBR Certification - N/A - Required of County
12. Procurement - N/A - Required of County
13. Program Income - N/A - Required of County
14. Relocation, Displacement, and Acquisition - N/A

1. Drug-Free Workplace Certification

By signing this agreement, the Grantee hereby certifies under penalty of perjury under the laws of the State of California that the Grantee will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:

- a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355 (a).
- b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355 (b) to inform employees about all of the following:
 - 1) the dangers of drug abuse in the workplace;
 - 2) the person's or organization's policy of maintaining a drug-free workplace;
 - 3) any available counseling, rehabilitation and employee assistance programs; and,
 - 4) penalties that may be imposed upon employees for drug abuse violations.
- c. Provide, as required by Government Code Section 8355 (c), that every employee who performs grant activities under this agreement:
 - 1) will receive a copy of the company's drug-free policy statement; and
 - 2) will agree to abide by the terms of the company's statement as a condition of employment on this agreement.

Failure to comply with these requirements may result in suspension of payments under this agreement or termination of the agreement or both, and the Grantee may be ineligible for award of any future state agreements if the State determines that any of the following has occurred: the Grantee (1) has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

2. Nondiscrimination Clause

- a. During the performance of this agreement, the Grantee and its contractors and subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), medical condition (cancer), age, marital status, denial of family and medical care leave and denial of pregnancy disability leave. The Grantee and its contractors and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.

The Grantee and its contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this agreement by reference and made a part hereof as if set forth in full.

The Grantee and its contractors and subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

- b. The Grantee and its contractors and subcontractors shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform grant activities under this agreement.

1. Anti-Lobbying Certification

The Grantee shall require that the language of this certification be included in all contracts or subcontracts entered into in connection with this grant activity and that all subrecipients shall 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 Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and no more than \$100,000 for such failure.

"The undersigned certifies, to the best of his or her knowledge or belief, that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, 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;
- b. 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, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions."

2. Bonus or Commission, Prohibition Against Payments of

The assistance provided under this agreement shall not be used in the payment of any bonus or commission for the purpose of:

- a. obtaining the State's approval of the application for such assistance, or
- b. the State's approval of the applications for additional assistance, or
- c. any other approval or concurrence of the State required under this agreement, Title I of the Housing and Community Development Act of 1974, or the State regulations with respect thereto;

Provided, however, that reasonable fees for bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.

3. Citizen Participation

The Grantee is subject to the requirements concerning citizen participation contained in Federal regulations at 24 CFR 570.486, Local Government Requirements.

4. Clean Air and Water Acts

This agreement is subject to the requirements of the Clean Air Act, as amended, 42 USC 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 USC 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.

5. Conflict of Interest of Certain Federal Officials

No member of or delegate to the Congress of the United States, and no resident commissioner, shall be admitted to any share or part of this agreement or to any benefit to arise from the same.

6. Environmental Requirements

The Grantee shall comply with the provisions of the National Environmental Policy Act (NEPA) by following the procedures contained in 24 CFR Part 58.

7. Equal Opportunity

a. The Civil Rights, Housing and Community Development, and Age Discrimination Acts Assurances

During the performance of this agreement, the Grantee assures that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subjected to discrimination based on race, color, national origin, sex, age, handicap, religion, familial status, or religious preference, under any grant activity funded by this agreement, as required by Title VI of the Civil Rights Act of 1964, Title I of the Housing and Community Development Act of 1974, as amended, the Age Discrimination Act of 1975, the Fair Housing Amendment Act of 1988, and all implementing regulations.

b. Rehabilitation Act of 1973 and the "504 Coordinator"

The Grantee further agrees to implement the Rehabilitation Act of 1973, as amended, and its regulations, 24 CFR Part 8, including, but not limited to, for Grantees with 15 or more permanent full or part time employees, the local designation of a specific person charged with local enforcement of this Act, as the "504 Coordinator."

c. The Training, Employment, and Contracting Opportunities for Business and Lower Income Persons Assurance of Compliance

- 1) The grant activity 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 sets forth numerical goals for meeting the greatest extent feasible requirement, opportunities for training and employment be given lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project.

- 2) 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 thereunder prior to the execution of this agreement. The parties to this agreement certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
- 3) The Grantee will include these Section 3 clauses in every contract and subcontract for work in connection with the grant activity and will, at the direction of the State, take appropriate action pursuant to the contract or subcontract upon a finding that the Grantee or any contractor or subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135 and, will not let any contract unless the Grantee or contractor or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
- 4) 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 thereunder, prior to the execution of this agreement shall be a condition of the Federal financial assistance provided to the grant activity, binding upon the Grantee, its successors, and assigns. Failure to fulfill these requirements shall subject the Grantee, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the agreement through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

d. Americans with Disabilities Act (ADA) of 1990

By signing this agreement, the Grantee assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA

e. Assurance of Compliance with Requirements Placed on Construction Contracts of \$10,000 or more

The Grantee hereby agrees to place in every contract and subcontract for construction exceeding \$10,000 the Notice of Requirement for Affirmative Action to ensure Equal Employment Opportunity (Executive Order 11246), the Standard Equal Employment Opportunity, Construction Contract Specifications. The Grantee furthermore agrees to insert the appropriate Goals and Timetables issued by the U.S. Department of Labor in such contracts and subcontracts.

8. Flood Disaster Protection

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 an 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.

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 shall be subject to the mandatory purchase of flood insurance requirements of Section 102(a) of said Act.

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 certain provisions. These provisions will apply 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.

These provisions shall obligate the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under Section 102(s) of the Flood Disaster Protection Act of 1973. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this agreement.

9. Labor Standards--Federal Labor Standards Provisions

The Grantee shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of:

Davis-Bacon Act (40 USC 276a - 276a-5) requires that workers receive no less than the prevailing wages being paid for similar work in their locality. Prevailing wages are computed by the Department of Labor and are issued in the form of federal wage decisions for each classification of work. The law applies to most construction, alteration, or repair contracts over \$2,000.

Copeland "Anti-Kickback" Act (47 USC 276(c)) requires that workers be paid at least once a week without any deductions or rebates except permissible deductions.

Contract Work Hours and Safety Standards Act - CWHSSA (40 USC 327 - 333) requires that workers receive "overtime" compensation at a rate of 1-1/2 times their regular hourly wage after they have worked 40 hours in one week.

Title 29, Code of Federal Regulations, Subtitle A, Parts 1, 3 and 5 are the regulations and procedures issued by the Secretary of Labor for the administration and enforcement of the Davis-Bacon Act, as amended.

10. Lead-Based Paint Hazards

The construction or rehabilitation of residential structures with assistance provided under this agreement is subject to the HUD Lead-Based Paint regulations, 24 CFR Part 35. Any grants or loans made by the Grantee for the rehabilitation of residential structures with assistance provided under this agreement shall be made subject to the provisions for the elimination of lead-based paint hazards under subpart B of said regulations, and the Grantee shall be responsible for the inspections and certifications required under Section 35.14(f) thereof.

11. NLRB Certification

The Grantee warrants by execution of this agreement and does swear under penalty of perjury that no more than one final unappealable finding of contempt of court by a Federal Court has been issued against the Grantee within the immediately preceding two-year period because of the Grantee's failure to comply with an order of a Federal Court which orders the Grantee to comply with an order of the National Labor Relations Board (Public Contract Code Section 10296).

12. Procurement

The Grantee shall comply with the procurement provisions in 24 CFR Part 85.36, Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.

13. Program Income

"Program Income" means gross income earned by the Grantee from grant-funded activities and is subject to CDBG regulatory requirements pursuant to 24 CFR 570.489 (e), Program Administrative Requirements, Program Income.

These regulations include the requirement that the Grantee record receipt and expenditure of program income as part of the financial transactions of the grant activity.

Prior to closing out this agreement, the Department shall review the actual national objective and/or public benefit achievements of the Grantee. In the event that the national objective and/or public benefit requirements are not met, the Department may, in its sole discretion, impose any or all of the following remedies: recapture of part or all of the program income; reimbursement of part or all of the grant amount; and/or exclusion of the Grantee from further CDBG funding for a period of time to be determined by the State.

14. Relocation, Displacement, and Acquisition

The provisions of the Uniform Relocation Act, as amended, 49 CFR Part 24, and Section 104(d) of the Housing and Community Development Act of 1974 shall be followed where any acquisition of real property is carried out by the Grantee and assisted in whole or in part by funds allocated by CDBG.

In addition, where the rehabilitation of residential rental units results in increased rents for members of the targeted income group, the Grantee shall also comply with the requirements of the above-cited laws. Relocation expenses which may, by law, be paid are eligible expenses for use of CDBG funds.