

Supplemental Material # 2

For City of Sacramento

City Council
Financing Authority
Housing Authority
Redevelopment Agency

Agenda Packet

PLEASE DISCARD PREVIOUS SUPPLEMENTAL MATERIAL

Submitted: 5/10/11

For the Meeting of: 5/12/11

- Additional Material
 Revised Material

TITLE: BROWNFIELD GRANT AGREEMENT: 800 K AND L STREETS
ENVIRONMENTAL CLEAN-UP

1. CONTRACT
2. CONTRACT STATUS FORM
3. EXHIBIT A – BROWNFIELD REVOLVING LOAN FUNDS
(BRLF)IMPLEMENTATION PLAN/LOAN POLICIES
4. EXHIBIT B – PRE-QUALIFICATION AND APPLICATION LETTER
5. EXHIBIT C – LOCATION MAP – 8—BLOCKS OF K & L STREETS

Contact Information: DENISE MALVETTI, SR. PROJECT MANAGER, EXT. 7064

Please include this supplemental material in your agenda packet. This material will also be published to the City's Internet. For additional information, contact the City Clerk Department at Historic City Hall, 915 I Street, First Floor, Sacramento, CA 95814-2604, (916) 808-7200.

**CITY OF SACRAMENTO
BROWNFIELDS CLEANUP REVOLVING LOAN FUND PROGRAM
SUBGRANT AGREEMENT FOR SITE REMEDIATION**

THIS AGREEMENT is entered as of the ___ day of _____, 2011, by and between the Redevelopment Agency of the City of Sacramento (hereinafter called "SUBGRANTEE"), and the CITY OF SACRAMENTO, (hereinafter ("CITY")), as of the date first above written.

WHEREAS, CITY is a recipient of U.S. Brownfields Cleanup Revolving Loan Funds (U.S. RLF) and is authorized to make certain low-interest loans and subgrants from these funds; and

WHEREAS, using said U.S. RLF, CITY has established guidelines for the Sacramento Brownfields Cleanup Revolving Loan Fund Program (hereinafter the "BCRLF Program") (Exhibit A) to assist property owners and developers to remediate properties in the City of Sacramento; and

WHEREAS, the SUBGRANTEE has completed the SUBGRANT pre-qualification and application requirements for the BCRLF program (Exhibit B); and

WHEREAS, SUBGRANTEE wishes to receive a SUBGRANT from CITY to be used for remediation of SUBGRANTEE's Property; and

WHEREAS, CITY is willing to subgrant to SUBGRANTEE certain of the BCRLF Program funds for that purpose on the terms and conditions herein contained; and

NOW, THEREFORE, CITY and SUBGRANTEE, intending to be legally bound, agree as follows:

I. SUBGRANT

A. SUBGRANT. CITY hereby agrees to SUBGRANT to SUBGRANTEE the principal sum of Two Hundred and Fifty Thousand and No Cents Dollars (\$250,000) to be used for the purpose described herein.

B. COLLATERAL TERMS. In accepting the SUBGRANT, the SUBGRANTEE agrees:

1. The SUBGRANT funds shall be maintained in the custody of CITY until said funds, or portions thereof, are disbursed to SUBGRANTEE, or any Contractor for the benefit of SUBGRANTEE, in accordance with the terms of this AGREEMENT.

2. SUBGRANTEE shall have no control over the SUBGRANT funds that are in the custody of CITY
 3. In the event of SUBGRANTEE's material default of this AGREEMENT, the CITY shall retain any undisbursed SUBGRANT funds, and SUBGRANTEE will be required to return all previously disbursed SUBGRANT funds in accordance with Sections IV and VII of this AGREEMENT.
- C. TERM. The term of this AGREEMENT shall be one year.
- D. PURPOSE.
1. The SUBGRANT funds shall be used only for approved removal of hazardous substances from SUBGRANTEE's property located at 800-816K and 801-815 L Street (APNs 006-0098-022; 006-098-003 and 004; 006-0098-024; 006-0098-006, 007 and 008; 006-0096-021; and 006-0098-014) (the "Property", Exhibit "C"), except that up to 15% of the SUBGRANT funds may be used for developing the following required documents (collectively referred to as the "Project Documents"):
 - a. Work Plans
 - b. Engineering Evaluation/Cost Analysis (EE/CA)
 - c. Project Budget
 - d. Responsiveness Summary
 - e. Schedule
 2. The Project Documents are subject to the CITY's approval, which approval shall not be unreasonably withheld. SUBGRANTEE shall submit the Project Documents to the CITY not later than [pick a date]. SUBGRANTEE shall not begin removal of the hazardous substances unless the CITY has approved the Project Documents.
 3. SUBGRANTEE understands and agrees that any and all work performed on the Property for which SUBGRANT funds are used and the receipt of the SUBGRANT under this Agreement is conditioned upon the SUBGRANTEE's full compliance with the Project Documents and this AGREEMENT.

- E. REMEDIATION AGREEMENT. SUBGRANTEE intends to enter into an agreement with a qualified contractor (hereinafter referred to as “Contractor”) to execute the Work Plan. SUBGRANTEE shall attach and incorporate a copy of this AGREEMENT and the BCRLF Program guidelines to any agreement between SUBGRANTEE and the Contractor.
- F. CONTRACTOR QUALIFICATIONS AND INSURANCE. SUBGRANTEE affirms that Contractor will be required to examine the Property, will be fully familiar with local conditions, and will be able to execute the Work Plan. Contractor shall perform the Work Plan consistent with the level of care and skill exercised by similar contractors performing comparable services under comparable circumstances. Contractor shall possess a Hazardous Substance Removal and Remedial Action License Certification and the appropriate license from the California Contractor’s State License Board for the past twenty-four (24) months prior to date of the Remediation Agreement. Contractor shall maintain and keep in force insurance, including, but not limited to pollution, general liability, and automobile insurance with a minimum of \$1,000,000 coverage per accident or claim, property insurance and workman’s compensation. Insurance shall be placed with an insurer with an AM. Bests’ rating of no less than A:VII
- G. TRANSACTION FEES AND CLOSING COSTS.
1. SUBGRANTEE shall pay all closing costs, if any, by cash or check at the occurrence of closing of the SUBGRANT.
 2. Before closing of the SUBGRANT, the SUBGRANTEE shall submit the following documents, any of which may be waived by the CITY:
 - a. Property Appraisal
 - b. Opinion of SUBGRANTEE’s legal counsel that SUBGRANTEE, if a corporation, is in good standing and that all documents executed by SUBGRANTEE are valid and enforceable in accordance with their respective terms.
 - c. Written authorization in the form of a resolution, authorizing the SUBGRANT to SUBGRANTEE, and authorizing the SUBGRANTEE’s representatives to execute the SUBGRANT documents on behalf of SUBGRANTEE.
 - d. Title Report, and evidence that no outstanding taxes, fees,

charges, mortgages, liens, encumbrances or other assessments have been filed or recorded against the Property, or that the CITY waives exceptions on the Title Report.

- e. Title Insurance provided at the expense of the SUBGRANTEE.
 - f. Evidence of insurance coverage with limits of liability determined by the CITY. All insurance coverage required by the section shall remain in full force and effect during the term of the SUBGRANT.
 - g. Performance Bond
 - h. CITY's receipt of Project Cost breakdown based upon estimates and prices supplied by SUBGRANTEE.
 - i. Evidence of a firm commitment for a construction loan and permanent financing from an accredited lending institution.
3. Transaction Fees. CITY, may, at its option, charge transaction fees for document preparation and recording and all other services related to the Property including, but not limited to subordination, sale or other transfer, demand notices, refinancing, reconveyance, and litigation. SUBGRANTEE shall pay or reimburse CITY on demand for all present or future documentary stamp taxes, if any, required by any state as a condition of filing a financial statement covering collateral which is the subject of this AGREEMENT.
4. Upon Default. Upon default arising from provisions of Section VI, SUBGRANTEE promises to pay CITY all collection and attorney's fees and expenses actually incurred by the CITY, whether or not litigation is commenced, including but not limited to attorney's fees and penalties and/or fees due under this AGREEMENT.
- H. SECURITY. As security for SUBGRANTEE's obligation to repay disbursed SUBGRANT funds in the event of default, CITY reserves the right to require SUBGRANTEE to execute a PROMISSORY NOTE and a DEED OF TRUST to secure such indebtedness if it arises.
- I. INSPECTION AND RIGHT TO STOP WORK. CITY may inspect work at the Property during and upon completion of remediation, with SUBGRANTEE to provide notice to CITY when completion is imminent

(not later than five days prior). CITY shall select a Site Manager who shall perform duties including, but not limited to, coordination, oversight and inspection of the BCRLF Project Response Action. CITY shall, at all times, have the right, but not the obligation, to enter the Property during the execution of the Work Plan. If CITY finds that the work is unsatisfactory or is not substantially in accordance with the Work Plan, CITY shall have the right to stop work, and order work replacement by SUBGRANTEE at SUBGRANTEE's expense. CITY shall not be obligated to make any disbursements of the SUBGRANT funds until all work is satisfactory to the CITY.

J. DISBURSEMENT OF SUBGRANT FUNDS. The SUBGRANT funds shall be disbursed to SUBGRANTEE or the Contractor in monthly installments as reimbursement for allowable expenses incurred by SUBGRANTEE or the Contractor based upon the progress of the work and in accordance with the approved Project Budget and Schedule. No installments shall be advanced to SUBGRANTEE or the Contractor without the written approval of the Site Manager.

K. PROGRESS PAYMENTS AND RETENTION. All requests by SUBGRANTEE for progress payments will be on a reimbursement basis and shall be approved by the SUBGRANTEE's Licensed Environmental Professional (LEP) and submitted to the CITY for review and approval of the Site Manager and CITY. The reimbursement payment will be made within 30 days of receipt of the request. The CITY reserves the right to withhold up to ten percent (10%) of each payment as retention. Any withheld funds will be released after submitting a Construction Completion Report and receipt of a Certificate of Completion, approved by the Site Manager, and receipt of properly executed lien waivers.

L. ADHERENCE TO BUDGET. SUBGRANTEE agrees to keep all expenditures from SUBGRANT funds within the approved Budget. SUBGRANTEE shall not exceed any of the costs enumerated in the approved Project Budget without the prior written approval of the Site Manager and CITY.

II. REPRESENTATIONS AND WARRANTIES. SUBGRANTEE makes the following representations and warranties to CITY, which representations and warranties shall survive the execution of this AGREEMENT.

A. CLEANUP PLANNING REQUIREMENTS. The following provisions will apply for AGREEMENTS executed prior to the preparation of an Engineering Evaluation and Cost Analysis.

1. SUBGRANTEE shall comply with Executive Order 11246, Equal

Employment Opportunity, and implementing regulations 41 CFR 60-4 relating to Federally assisted construction contracts.

2. SUBGRANTEE shall provide the CITY with a copy of Phase I and Phase II Environmental Assessment of the Property performed according to the American Society of Testing and Materials (ASTM) Standards. SUBGRANTEE shall be responsible for the payment of all costs and expenses related to the Assessment, and SUBGRANT funds shall not be used for payment of any such costs or expenses. The Assessment shall include, but is not limited to site background, the threat posed to by the contaminant to public health, welfare, and the environment and all past activities conducted by any government agency, and the site testing results.
3. CITY shall prepare and implement a Community Relations Plan or Public Participation Plan (CRP) with the assistance and cooperation of SUBGRANTEE. The CRP shall be submitted to the U.S. Environmental Protection Agency (EPA) for review prior to implementation. The CRP shall include the following:
 - a. Copies of interviews conducted with residents and community leaders, local officials, and public interest groups.
 - b. Copies of news releases and other information which explains the proposed project to be disseminated throughout the area surrounding the affected area.
 - c. Procedures for the establishment of a local information repository at or near the potential site that includes public information supplied by both the CITY and the SUBGRANTEE related to the proposed response action. SUBGRANTEE shall supply CITY with any additional information that would assist CITY in documenting the BCRLF Response Action.
4. After CITY has prepared the CRP, the SUBGRANTEE shall draft an 'analysis of brownfields cleanup alternatives' document that contains information about the site and contamination issues (i.e., exposure pathways, identification of contaminant sources, etc.); cleanup standards; applicable laws; alternatives considered; and the proposed cleanup. The evaluation of alternatives must include effectiveness, implementability, and the cost of the cleanup proposed.

5. SUBGRANTEE shall make the draft analysis of brownfields cleanup alternatives document available for review and public comment for a period of not less than thirty (30) days from the date of publication of a public notice which announces the availability of the document for public review.
6. SUBGRANTEE shall also submit copies of the draft analysis of brownfields cleanup alternatives to the State for review and approval and to CITY's designated Site Manager, if applicable, for review and comment.
7. After the public comment period, SUBGRANTEE shall incorporate all appropriate comments into a final analysis of brownfields cleanup alternatives document and prepare a written response to the public comments if appropriate.
8. SUBGRANTEE shall prepare remedial design and engineering documents and submit them to the State for review and approval and to CITY's designated Site Manager, if applicable, for review and comment. This may occur simultaneously with the submittal of the analysis of cleanup alternatives document.
9. Prior to the initiation of any cleanup activities, SUBGRANTEE shall prepare a detailed budget for the proposed cleanup activities and submit it to CITY and EPA for approval.

B. ENVIRONMENTAL WARRANTIES. The SUBGRANTEE certifies that:

1. The Property is not listed, or proposed for listing on the National Priorities List of the EPA;
2. SUBGRANTEE is not responsible for the existing environmental hazards as generator or transporter of the contamination pursuant to the Comprehensive Environmental Response Compensation and Liability Act of 1980 as amended (CERCLA);
3. SUBGRANTEE certifies that it is not an owner operator of the site pursuant to CERCLA. If SUBGRANTEE is or becomes an owner operator of the site pursuant to CERCLA prior to the execution of this AGREEMENT, the SUBGRANTEE shall certify that it falls under a CERCLA statutory exemption from liability, or that EPA could use its enforcement discretion as deemed necessary and appropriate by the said agency.
4. SUBGRANTEE has entered into an appropriate State response

program and has received approvals required by that program and has or will submit copies of the State approvals to CITY and EPA.

5. If SUBGRANTEE will collect environmental samples using SUBGRANT funds, SUBGRANTEE shall prepare a Quality Assurance Project Plan which sets forth the manner and method of collecting samples to assure the complete removal of all hazardous substances and submit it to EPA for review and approval.
- C. LEGAL STATUS. SUBGRANTEE is a public body, corporate and politic permitted to operate in the State of California.
- D. NO VIOLATION. The making and performance by SUBGRANTEE of this AGREEMENT does not violate any provision of Federal or State law, or City of Sacramento ordinance, or result in a breach of or constitute a default under any agreement, indenture or other instrument to which SUBGRANTEE is a party or by which SUBGRANTEE may be bound.
- E. AUTHORIZATION. This AGREEMENT has been duly authorized, executed and delivered, and is a valid and binding agreement of SUBGRANTEE.
- F. LITIGATION. There are no pending or threatened actions or proceedings before any court or administrative agency which may adversely affect the financial condition or operation of SUBGRANTEE other than those heretofore disclosed by SUBGRANTEE to CITY in writing.
- G. CORRECTNESS OF FINANCIAL STATEMENT. The financial statement dated June 2, 2010, heretofore delivered by SUBGRANTEE to CITY presents fairly the financial condition of SUBGRANTEE, and has been prepared by a Certified Public Accountant in accordance with generally accepted accounting principles consistently applied. SUBGRANTEE shall provide CITY with the financial statement for the most recent fiscal year ending December 31, 2010, not more than 30 days after it is completed. As of the date of such financial statement, and since such date, there has been no material adverse change in the condition or operation of SUBGRANTEE, nor has SUBGRANTEE mortgaged, pledged or granted security interest in or encumbered any of SUBGRANTEE's assets or properties since such date.
- H. NO ADDITIONAL SUBORDINATION. The obligations of SUBGRANTEE under this AGREEMENT will not be further subordinated in right of payment to any obligation of SUBGRANTEE, other than that which may be provided under this AGREEMENT, unless otherwise acknowledged or agreed to by CITY in writing.

- III. **CONDITIONS PRECEDENT.** The obligation of CITY to make this SUBGRANT contemplated hereunder is subject to the following conditions:
- A. **EPA APPROVALS.** The execution of the SUBGRANT is subject to the approval of the U.S. Environmental Protection Agency of this AGREEMENT.
 - B. **APPROVAL OF CITY'S LEGAL COUNSEL.** All legal matters incidental to CITY's commitment to issue the SUBGRANT hereunder shall be satisfactory to the CITY's City Attorney, including the form, validity and enforceability of this AGREEMENT.
 - C. **COMPLIANCE.** The representations and warranties contained herein shall be true on and as of the date of the signing of this AGREEMENT with the same effect as though such representations and warranties had been made on and as of such date, and on such date no event of default as defined in Article VI herein ("EVENTS OF DEFAULT") and no condition, event or act which, with the giving of notice or the lapse of time or both would constitute an EVENT OF DEFAULT, shall have occurred and be continuing or shall exist.
 - D. **SUBMISSION OF REMEDIATION CONTRACTS.** SUBGRANTEE shall submit to CITY copies of all bids and remediation contracts to be conducted by Contractors and Subcontractors for all work required under the Work Plan approved by the appropriate regulatory agency.
- IV. **AFFIRMATIVE COVENANTS.** SUBGRANTEE covenants that so long as this AGREEMENT is in effect, or SUBGRANTEE is obligated to return any funds disbursed hereunder, SUBGRANTEE shall do the following:
- A. **ACCOUNTING RECORDS.** SUBGRANTEE shall document all the uses of the SUBGRANT funds, and maintain adequate books and accounts in accordance with generally accepted accounting principles consistently applied. SUBGRANTEE shall seek the written approval of CITY prior to disposing of records. SUBGRANTEE shall maintain documentation on the use of the SUBGRANT funds for a minimum of three (3) years after the completion remediation activities supported by the SUBGRANT, or for the term of the SUBGRANT, whichever is greater, except as follows:
 - 1. Records that are subject to audit findings shall be retained three years after such findings have been resolved.
 - 2. SUBGRANTEE shall permit any representative of CITY, at any reasonable time, to inspect, audit and examine such books and

inspect the properties of SUBGRANTEE. All such records and supporting documents shall be made available, upon request, for inspection or audit by the CITY or its representatives.

B. FINANCIAL STATEMENTS AND ONGOING REPORTING.

SUBGRANTEE shall furnish to CITY:

1. Quarterly reports which document that they are in compliance with all relevant Federal and State environmental regulations and that they meet the requirements of the BCRLF Program.
2. Project Specific quarterly financial statements to the BCRLF Program, including basic accounting and control mechanisms to track use of funds and document that the funds are spent for legitimate authorized uses. SUBGRANTEE's accounting system must track site-specific costs, and track cost activity and operable unit if applicable.
3. Such other information as CITY may reasonably request from time to time.

C. INSPECTION OF RECORDS. SUBGRANTEE agrees to permit the CITY or its designated representative to inspect and/or audit its records and books relative to this AGREEMENT at any time during normal business hours and under reasonable circumstances, and to copy therefrom any information that CITY desires relevant to this AGREEMENT. CITY shall provide written notice to the SUBGRANTEE prior to the execution of this provision. SUBGRANTEE agrees to deliver the records or to have the records delivered to CITY or its designated representative at an address designated by such party within the City of Sacramento. If CITY or its representative finds that the records delivered are incomplete, SUBGRANTEE agrees to pay CITY's or its representative's cost to travel to the SUBGRANTEE's office, or to other location where books or records are located, to audit or retrieve the complete records.

D. COMPLIANCE WITH ALL LAWS. SUBGRANTEE shall carry out the Project in accordance Federal cross-cutting requirements of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) 104 (k), and all other applicable provisions of Federal, State, and Local laws, including, but not limited to: Uniform Administrative Requirements for Grants and Cooperative Agreements to States and Local Governments (40 CFR Part 31); Cooperative Agreements for Superfund Response Actions (40 CFR Part 35, Subpart O); the National Oil and Hazardous Substances Pollution Contingency Plan (NCP) (40 CFR Part

300); Minority Business Enterprises and Women-Owned Business Enterprises (MBE/WBE) requirements (40 CFR 30.44(b) or 31.36(e); Occupational Health and Safety Administration (OSHA) Worker Safety Standard (29 CFR 1910.120); Permits required by Section 404 of Clean Water Act; Executive Order 11246, Equal Opportunity; and implementing regulations at 41 CFR 60-4; Contract Work Hours and Safety Standards Act (40 USC 327-333); the Anti-Kickback Act (40 USC 276c); Section 504 of the Rehabilitation Act of 1973 as implemented by Executive Orders 11914 and 11250; and the EPA RLF Administrative Manual, EPA Publication xxx, Chapter 7.

E. PREVAILING WAGES.

1. SUBGRANTEE shall carry out the Project in accordance with the Davis-Bacon Act of 1931 (CERCLA 104(g)(1), 40 U.S.C. 276a-276a-5 and 42 U.S.C. 3222). The Davis-Bacon Act requires payment of Federal prevailing wage rates for construction, repair or alteration work funded in whole or in part with BCRLF funds. SUBGRANTEE must obtain recent and applicable wage rates from the U.S. Department of Labor and incorporate them into the construction contract.
2. SUBGRANTEE and its Contractor shall comply with the requirements of the California Labor Code including but not limited to hours of labor, nondiscrimination, payroll records, apprentices, workers' compensation and prevailing wages. SUBGRANTEE shall ensure that all workers, laborers and mechanics employed in construction, alteration, installation, demolition or repair work done under this AGREEMENT are paid not less than the general prevailing rate of per diem wages, including holidays and overtime work, for each craft, classification or type of worker by the Contractor or by any Subcontractor doing the work. The appropriate wage determinations can be obtained from the California Department of Industrial Relations (<http://www.dir.ca.gov>) and are available for inspection at CITY's offices. SUBGRANTEE or its Contractor shall post, at each job site, a copy of the prevailing rate of per diem wages. SUBGRANTEE and/or its Contractor shall forfeit fifty dollars (\$50.00) for each calendar day or portion thereof for each worker paid less than the stipulated prevailing rates.
3. In the event of a conflict between the Federal prevailing wages and State prevailing wages, the higher wage rate shall be paid.
4. If SUBGRANTEE or its Contractor or Subcontractor fails to pay

the applicable prevailing wage rate, SUBGRANTEE shall indemnify, defend and hold harmless CITY and its officials, officers, employees and agents against any resulting actions, demands, suits, claims or losses.

- F. INSURANCE. In addition to Contractor's insurance requirements, SUBGRANTEE shall maintain and keep in force insurance of the types and amounts necessary to protect the security for SUBGRANTEE's obligation or indebtedness to CITY, including, but not limited to general liability and automobile liability insurance with a minimum of \$1,000,000 coverage per accident or claim, property insurance and workman's compensation, if applicable, and fire insurance for the value of the property, and coverage for pollution incidents that may be evidenced by pollution legal liability insurance. The workman's compensation policy shall include a waiver of subrogation in favor of CITY. Insurance coverage shall be primary as respects any other insurance or self-insurance available to the CITY. Insurance shall be placed with an AM. Bests' rating of no less than A:VII. The City of Sacramento, its officers, employees and agents, shall be named as "Loss Payee" on a property insurance policy and "Additional Insured" on a general liability policy; and SUBGRANTEE shall deliver to CITY from time to time at CITY's request certificates of insurance or policies setting forth all business insurance then in effect. Policies shall be endorsed to provide that the CITY shall be provided with thirty (30) days written notice of any cancellation, suspension or reduction in limits.
- G. MAINTENANCE. SUBGRANTEE shall keep the Property and business operations in good repair and condition, and from time to time make necessary repairs, renewals and replacements thereto so that the Property shall be fully and efficiently preserved and maintained.
- H. TAXES AND OTHER LIABILITIES. SUBGRANTEE shall pay and discharge when due any and all indebted obligations, assessments, taxes real and personal, including federal and state payroll and income taxes, except such as SUBGRANTEE may in good faith contest or as to which a bona fide dispute may arise; provided provision is made to the satisfaction of CITY for eventual payment thereof in the event that it is found that the same is an obligation of SUBGRANTEE.
- I. LITIGATION. SUBGRANTEE shall promptly give notice in writing to CITY of any litigation pending or threatened against SUBGRANTEE or the Property in excess of Five Thousand Dollars (\$5,000.00).
- J. NON-DISCRIMINATION AND EQUAL OPPORTUNITY. SUBGRANTEE will comply with all Federal, State and Local laws prohibiting discrimination on the grounds of race, color, national origin,

sex and disability. In addition, SUBGRANTEE will undertake good faith efforts to give opportunities for qualified Small Business Enterprises (SBE), Minority Business Enterprises (MBE) and Women-Owned Business Enterprises (WBE) to submit proposals, bids, and provide services on contracts and subcontracts for services and supplies. SUBGRANTEE shall submit a report of such efforts on the CITY-provided form.

K. DEBARMENT AND SUSPENSION. The SUBGRANTEE certifies that SUBGRANTEE and Contractor:

1. Are not presently or proposed to be debarred or suspended, declared ineligible, or voluntarily excluded from Federal, State or local (hereinafter "public) transactions;
2. Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offence in connection with obtaining, attempting to obtain, or performing a public transaction or contract under a public transaction; violation of Federal or State antitrust or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
3. Are not presently indicted for or otherwise criminally or civilly charged by a public entity with commission of any of the offenses enumerated under paragraph IV.K.2, above; and
4. Have not within the preceding three years had a public transaction terminated for cause or default.

L. ENVIRONMENTAL COMPLIANCE. SUBGRANTEE certifies that SUBGRANTEE and Contractor are not currently, nor have been, subject to any penalties resulting from environmental non-compliance at the Property. SUBGRANTEE further certifies that they will conduct their remediation activities in accordance with the BCRLP Program Guidelines, and will modify the cleanup activities, as necessary and as determined by CITY, based on unforeseen site conditions or public involvement requirements.

M. NOTICE TO CHANGE IN WORK PLANS. SUBGRANTEE will immediately report in writing any potential changes to the Work Plan referenced in Section I.D and the discovery of pollutants not identified in the Work Plan. All changes or modification to the Project or the Project Documents shall be approved in writing by the Site Manager and/or the

State regulatory Agency, where appropriate, and CITY prior to such change or modification becoming effective. All additional costs incurred as the result of any Change Orders shall be the responsibility of SUBGRANTEE. In the event that unforeseen conditions are discovered during the project implementation, CITY reserves the right to revise the BCRLF Response Action and the Project Documents, which the SUBGRANTEE must implement.

N. START AND COMPLETION OF PROJECT. SUBGRANTEE will begin the project within thirty days after execution of this AGREEMENT and will complete all work included in the Work Plan within twelve (12) months following the commencement of work. SUBGRANTEE agrees to complete the work in a timely manner in accordance with the Work Plan and Budget. SUBGRANTEE shall notify CITY when the Project is complete. The notice shall contain certification or documentation necessary to establish the following, and shall be submitted to the Site Manager and/or the State regulatory Agency, where appropriate, for review and approval:

1. Certificate of Completion has been issued for the Project by SUBGRANTEE's LEP;
2. A Construction Completion Report developed by the SUBGRANTEE's LEP in accordance with Section 300.165 of the NCP and all applicable EPA guidance (40 CFR 300.165). This report shall summarize the actions taken, the resources committed and the problems encountered in completion of the Project, if any.
3. Identify any institutional controls required.

O. PROJECT SIGNAGE. SUBGRANTEE shall erect a sign on the Property stating that work is being financed in part by the U.S. BCRLF and the Sacramento BCRLF and appropriate contacts for obtaining information about the activities being conducted on the Property. The sign shall comply with all State and Local law applicable to signs.

P. RETURN OF SUBGRANT FUNDS. If SUBGRANTEE is required to return any SUBGRANT funds to CITY due to SUBGRANTEE's defaulting on this AGREEMENT, the SUBGRANTEE shall punctually pay the principal and any interest of the amount required to be repaid (the "LOAN") at the times and place and in the manner specified by CITY pursuant to Section VII.C of this AGREEMENT.

V. NEGATIVE COVENANTS. SUBGRANTEE further covenants that so long as this AGREEMENT is in effect, SUBGRANTEE will not without prior written

consent of CITY use SUBGRANT funds other than for activities approved under the BCRLF Program Guidelines and for the activities stated under Section I.D. SUBGRANT funds will not be used for administrative or programmatic activities.

VI. **EVENTS OF DEFAULT.**

A. The following shall constitute EVENTS OF DEFAULT:

1. SUBGRANTEE assigns this AGREEMENT or any proceeds advanced hereunder or any interest herein to a third party, or if the Property or any interest conveyed, assigned or otherwise transferred, without the prior written consent of CITY.
2. SUBGRANTEE fails to pay any principal or interest due on the LOAN under this AGREEMENT.
3. Any representation or warranty made by SUBGRANTEE hereunder proves to be false or misleading in any material respect.
4. Use of the proceeds of the SUBGRANT for a purpose other than that stated in Section I.D.
5. Default by SUBGRANTEE in the performance of any other term, covenant or agreement contained herein which is not cured within 30 days from its occurrence.
6. Default by SUBGRANTEE under the terms of any agreement or instrument pursuant to which SUBGRANTEE has borrowed money from any person or entity.
7. The failure of SUBGRANTEE to promptly pay and discharge any judgment or levy of any attachment, execution or other process against the assets of SUBGRANTEE, and such judgment be not satisfied, or such levy or other process be not removed within 30 days after the entry or levy thereof, or at least 5 days prior to the time of any proposed sale under any such judgment or levy.
8. SUBGRANTEE shall be adjudicated as bankrupt or insolvent, or shall consent to or apply for the appointment of a receiver, trustee or liquidator of itself or any of its property, or shall admit in writing its inability to pay its debts generally as they become due, or shall make a general assessment for the benefit of creditors, or shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization or arrangement in a proceeding under any bankruptcy law, or SUBGRANTEE or its

directors or majority stockholders shall take action looking into the dissolution, liquidation, or reorganization of SUBGRANTEE.

9. Sale or transfer of the Property prior to completion of the remediation work, without prior approval of CITY.
10. Failure of SUBGRANTEE to complete WORK PLAN.

- B. SURRENDER OF FUNDS. If an EVENT OF DEFAULT shall occur, any undisbursed SUBGRANT funds under this AGREEMENT shall be surrendered by SUBGRANTEE and shall become immediately due and payable to CITY without presentment, notice or demand, all of which are hereby expressly waived by SUBGRANTEE, and the obligations, if any of CITY to permit further disbursements hereunder shall immediately cease and terminate.
- C. SECURE SITE. In the EVENT OF DEFAULT, the SUBGRANTEE shall secure the site. The cost of securing the site is the responsibility of SUBGRANTEE. If SUBGRANTEE fails to secure the site within 24 hours, CITY may do so at the SUBGRANTEE's sole cost.
- D. CITY ACCESS. In the EVENT OF DEFAULT or failure to complete the Work Plan, SUBGRANTEE grants CITY site access to, at CITY's discretion, complete the Work Plan.

VII. REMEDIES OF CITY. Upon the occurrence of any one or more of the EVENT OF DEFAULT and at any time thereafter:

- A. CITY may exercise, singly or in combination, any or all of the rights, powers and privileges provided in this Article VII and all other remedies available to CITY under this AGREEMENT, at law or in equity, at any time and from time to time, and such exercise shall not constitute a waiver of any of CITY's rights or remedies thereunder whether or not the SUBGRANTEE is required to return any of the SUBGRANT funds and whether or not CITY shall have instituted any foreclosure proceedings or other actions for the enforcement of its rights under this AGREEMENT.
- B. CITY shall be entitled to exercise all other remedies provided to CITY under this AGREEMENT or otherwise available under California law, including, but not limited to:
 1. The appointment of a receiver;
 2. The institution of a suit in equity or other appropriate proceedings for specific performance or an injunction against a violation of this

AGREEMENT; and

3. Taking possession of the Property and performing any and all work and labor necessary to complete the Work Plan in which event expenditures therefore may be deemed a LOAN to SUBGRANTEE, payable on demand, bearing interest at the maximum rate allowed by law.
- C. If, as the result of any EVENTS OF DEFAULT, the SUBGRANTEE is required to return previously disbursed SUBGRANT funds under Section IV.P, such amounts shall be deemed a LOAN payable on demand, bearing interest at the maximum rate allowed by law.
 - D. CITY may, but shall not be obligated to, set-off against any and all SUBGRANTEE's property in which it has a security interest.

VIII. **INDEMNIFICATION.** SUBGRANTEE shall, at SUBGRANTEE's expense, defend, indemnify, and otherwise hold CITY, its officers, employees and agents harmless against any and all claims, demands, losses, expenses, damages (general, punitive or otherwise) and causes of action (whether legal or equitable in nature) asserted by any person, firm, corporation, or other entity and arising out of or caused by this AGREEMENT, or SUBGRANTEE's actions or inactions with regard to the Property, or by the use of the SUBGRANT funds. SUBGRANTEE shall pay CITY upon demand all claims, judgments, damages, lawsuits or expenses (including legal expenses) incurred by CITY as a result of any legal action arising out of or caused by this AGREEMENT, or by the use of the SUBGRANT funds.

IX. **MISCELLANEOUS.**

- A. **WAIVER.** No delay or failure of CITY shall affect any right, power or privilege hereunder; nor shall any single or partial exercise thereof of any abandonment or discontinuance of steps to enforce such a right, power or privilege affect such right, power or privilege. The rights and remedies of CITY hereunder are cumulative and not exclusive. Any waiver, permit, consent or approval of any kind by CITY of any breach or default hereunder, or any such waiver of any provisions or conditions hereof, must be in writing and shall be effective only to the extent set forth in writing.
- B. **SUCCESSORS.** This AGREEMENT shall be binding upon the permitted assigns or successors of SUBGRANTEE and CITY. This AGREEMENT shall not be assigned or transferred by SUBGRANTEE without the written consent of CITY and any purported assignment or transfer without such prior written consent shall be void.

- C. NOTICES. All notices, requests and demands given to or made upon the respective parties under this AGREEMENT shall be deemed to have been given or made when deposited in the mail, first class postage prepaid, and addressed as follows:

SUBGRANTEE: Redevelopment Agency of the City of Sacramento
 801 12th Street
 Sacramento, CA 95814

CITY: The City of Sacramento
 Economic Development Department
 915 I Street, 3rd Floor
 Sacramento, CA 95814

- D. COSTS AND ATTORNEY'S FEES. SUBGRANTEE will reimburse CITY for all costs, expenses and reasonable attorneys' fees expended or incurred by CITY in enforcing this AGREEMENT, in actions for declaratory relief in any way related to this AGREEMENT, or in collecting any sum which becomes due the CITY as a LOAN under Section VII.C.
- E. CALIFORNIA LAW APPLICABLE. This AGREEMENT shall be construed in accordance with the laws of the State of California. Venue for any actions arising from this AGREEMENT shall be Sacramento County.
- F. EXHIBITS. All Exhibits mentioned in this AGREEMENT shall be deemed incorporated herein by reference as though fully set forth herein.
- G. RELATIONSHIP. The relationship of CITY and SUBGRANTEE is that of subgrantor and subgrantee. No party hereto intends to create any other relationship hereby, and the parties disavow and negate any intention to create a partnership or joint venture hereby.

H. ENTIRE AGREEMENT.

1. The terms and conditions of this AGREEMENT, all exhibits attached and any documents expressly incorporated by reference represents the entire AGREEMENT between the parties with respect to the subject matter of this AGREEMENT. This AGREEMENT shall supersede any prior SUBGRANT agreements, oral or written, regarding the subject matter of this AGREEMENT between CITY and SUBGRANTEE. No other SUBGRANT agreement, contract, statement, or promise relating to

the subject matter of this AGREEMENT shall be valid or binding except by a written amendment to this AGREEMENT.

2. If any conflicts arise between the terms and conditions of this AGREEMENT and the terms and conditions of the attached exhibits or any documents expressly incorporated by reference, the terms and conditions of this AGREEMENT shall control.
3. If any part of this AGREEMENT is determined to be illegal or unenforceable, all other parts shall be given effect separately and shall be in effect.

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IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed the date first hereinabove written.

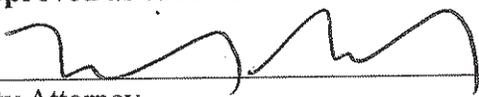
CITY OF SACRAMENTO ("CITY")

By: _____
William H. Edgar, Interim City Manager

Attested By:

City Clerk

Approved as to form:



City Attorney

**Redevelopment Agency of the City of
Sacramento ("SUBGRANTEE")**

By: _____
La Shelle Dozier, Executive Director

Approved as to form:

Agency Counsel

Status of Contract Requiring Council Approval

**** Form to be completed by City Attorney****

- The contract is signed by the other party(ies), is approved as to form by the City Attorney, and is attached as an exhibit to the Resolution.

Contract Title

- The contract recommended for award by the City Council is for a public project (SCC Ch. 3.60); is NOT signed by the contractor; is in a form that the City Attorney will approve upon proper execution by the contractor; and is attached as an exhibit to the Resolution.

Contract Title

- The contract is with another governmental agency or agencies that require approval and execution by the City prior to execution by the other agency(ies). In this case, the contract is NOT signed by the other agency(ies), but is in a form that the City Attorney will approve upon proper execution by the agency(ies), and is attached as an exhibit to the Resolution.

Contract Title

Brownfields Cleanup Revolving Loan Fund Program
Subgrant Agreement for Site Remediation

- The contract is NOT signed by the other party(ies); however, due to special circumstances documented in writing by the Department presenting the contract, the City Attorney has confirmed in writing the legal propriety of the City Council approving and authorizing the action recommended. The unsigned contract:

Contract Title

- is attached as an exhibit to the Resolution
 is NOT attached as an exhibit to the Resolution

General
Comments

Signature Field

Michael T.
Sparks

Digitally signed by Michael T. Sparks
DN: cn=Michael T. Sparks, o=City of
Sacramento, ou=City Attorney's Office,
email=msparks@cityofsacramento.org, c=US
Date: 2011.05.06 15:21:56 -07'00'

Form Approved by City Attorney 12/31/10

CITY OF SACRAMENTO
BROWNFIELDS CLEANUP REVOLVING LOAN FUND PROGRAM
SUBGRANT AGREEMENT FOR SITE REMEDIATION

THIS AGREEMENT is entered as of the ___ day of _____, 2011, by and between the Redevelopment Agency of the City of Sacramento (hereinafter called "SUBGRANTEE"), and the CITY OF SACRAMENTO, (hereinafter ("CITY")), as of the date first above written.

WHEREAS, CITY is a recipient of U.S. Brownfields Cleanup Revolving Loan Funds (U.S. RLF) and is authorized to make certain low-interest loans and subgrants from these funds; and

WHEREAS, using said U.S. RLF, CITY has established guidelines for the Sacramento Brownfields Cleanup Revolving Loan Fund Program (hereinafter the "BCRLF Program") (Exhibit A) to assist property owners and developers to remediate properties in the City of Sacramento; and

WHEREAS, the SUBGRANTEE has completed the SUBGRANT pre-qualification and application requirements for the BCRLF program (Exhibit B); and

WHEREAS, SUBGRANTEE wishes to receive a SUBGRANT from CITY to be used for remediation of SUBGRANTEE's Property; and

WHEREAS, CITY is willing to subgrant to SUBGRANTEE certain of the BCRLF Program funds for that purpose on the terms and conditions herein contained; and

NOW, THEREFORE, CITY and SUBGRANTEE, intending to be legally bound, agree as follows:

I. **SUBGRANT**

A. **SUBGRANT.** CITY hereby agrees to SUBGRANT to SUBGRANTEE the principal sum of Two Hundred and Fifty Thousand and No Cents Dollars (\$250,000) to be used for the purpose described herein.

B. **COLLATERAL TERMS.** In accepting the SUBGRANT, the SUBGRANTEE agrees:

1. The SUBGRANT funds shall be maintained in the custody of CITY until said funds, or portions thereof, are disbursed to SUBGRANTEE, or any Contractor for the benefit of SUBGRANTEE, in accordance with the terms of this AGREEMENT.

2. SUBGRANTEE shall have no control over the SUBGRANT funds that are in the custody of CITY
 3. In the event of SUBGRANTEE's material default of this AGREEMENT, the CITY shall retain any undisbursed SUBGRANT funds, and SUBGRANTEE will be required to return all previously disbursed SUBGRANT funds in accordance with Sections IV and VII of this AGREEMENT.
- C. TERM. The term of this AGREEMENT shall be one year.
- D. PURPOSE.
1. The SUBGRANT funds shall be used only for approved removal of hazardous substances from SUBGRANTEE's property located at 800-816K and 801-815 L Street (APNs 006-0098-022; 006-098-003 and 004; 006-0098-024; 006-0098-006, 007 and 008; 006-0096-021; and 006-0098-014) (the "Property", Exhibit "C"), except that up to 15% of the SUBGRANT funds may be used for developing the following required documents (collectively referred to as the "Project Documents"):
 - a. Work Plans
 - b. Engineering Evaluation/Cost Analysis (EE/CA)
 - c. Project Budget
 - d. Responsiveness Summary
 - e. Schedule
 2. The Project Documents are subject to the CITY's approval, which approval shall not be unreasonably withheld. SUBGRANTEE shall submit the Project Documents to the CITY not later than [pick a date]. SUBGRANTEE shall not begin removal of the hazardous substances unless the CITY has approved the Project Documents.
 3. SUBGRANTEE understands and agrees that any and all work performed on the Property for which SUBGRANT funds are used and the receipt of the SUBGRANT under this Agreement is conditioned upon the SUBGRANTEE's full compliance with the Project Documents and this AGREEMENT.

- E. REMEDICATION AGREEMENT. SUBGRANTEE intends to enter into an agreement with a qualified contractor (hereinafter referred to as "Contractor") to execute the Work Plan. SUBGRANTEE shall attach and incorporate a copy of this AGREEMENT and the BCRLF Program guidelines to any agreement between SUBGRANTEE and the Contractor.
- F. CONTRACTOR QUALIFICATIONS AND INSURANCE. SUBGRANTEE affirms that Contractor will be required to examine the Property, will be fully familiar with local conditions, and will be able to execute the Work Plan. Contractor shall perform the Work Plan consistent with the level of care and skill exercised by similar contractors performing comparable services under comparable circumstances. Contractor shall possess a Hazardous Substance Removal and Remedial Action License Certification and the appropriate license from the California Contractor's State License Board for the past twenty-four (24) months prior to date of the Remediation Agreement. Contractor shall maintain and keep in force insurance, including, but not limited to pollution, general liability, and automobile insurance with a minimum of \$1,000,000 coverage per accident or claim, property insurance and workman's compensation. Insurance shall be placed with an insurer with an AM. Bests' rating of no less than A:VII
- G. TRANSACTION FEES AND CLOSING COSTS.
1. SUBGRANTEE shall pay all closing costs, if any, by cash or check at the occurrence of closing of the SUBGRANT.
 2. Before closing of the SUBGRANT, the SUBGRANTEE shall submit the following documents, any of which may be waived by the CITY:
 - a. Property Appraisal
 - b. Opinion of SUBGRANTEE's legal counsel that SUBGRANTEE, if a corporation, is in good standing and that all documents executed by SUBGRANTEE are valid and enforceable in accordance with their respective terms.
 - c. Written authorization in the form of a resolution, authorizing the SUBGRANT to SUBGRANTEE, and authorizing the SUBGRANTEE's representatives to execute the SUBGRANT documents on behalf of SUBGRANTEE.
 - d. Title Report, and evidence that no outstanding taxes, fees,

charges, mortgages, liens, encumbrances or other assessments have been filed or recorded against the Property, or that the CITY waives exceptions on the Title Report.

- e. Title Insurance provided at the expense of the SUBGRANTEE.
 - f. Evidence of insurance coverage with limits of liability determined by the CITY. All insurance coverage required by the section shall remain in full force and effect during the term of the SUBGRANT.
 - g. Performance Bond
 - h. CITY's receipt of Project Cost breakdown based upon estimates and prices supplied by SUBGRANTEE.
 - i. Evidence of a firm commitment for a construction loan and permanent financing from an accredited lending institution.
3. Transaction Fees. CITY, may, at its option, charge transaction fees for document preparation and recording and all other services related to the Property including, but not limited to subordination, sale or other transfer, demand notices, refinancing, reconveyance, and litigation. SUBGRANTEE shall pay or reimburse CITY on demand for all present or future documentary stamp taxes, if any, required by any state as a condition of filing a financial statement covering collateral which is the subject of this AGREEMENT.
4. Upon Default. Upon default arising from provisions of Section VI, SUBGRANTEE promises to pay CITY all collection and attorney's fees and expenses actually incurred by the CITY, whether or not litigation is commenced, including but not limited to attorney's fees and penalties and/or fees due under this AGREEMENT.
- H. SECURITY. As security for SUBGRANTEE's obligation to repay disbursed SUBGRANT funds in the event of default, CITY reserves the right to require SUBGRANTEE to execute a PROMISSORY NOTE and a DEED OF TRUST to secure such indebtedness if it arises.
- I. INSPECTION AND RIGHT TO STOP WORK. CITY may inspect work at the Property during and upon completion of remediation, with SUBGRANTEE to provide notice to CITY when completion is imminent

(not later than five days prior). CITY shall select a Site Manager who shall perform duties including, but not limited to, coordination, oversight and inspection of the BCRLF Project Response Action. CITY shall, at all times, have the right, but not the obligation, to enter the Property during the execution of the Work Plan. If CITY finds that the work is unsatisfactory or is not substantially in accordance with the Work Plan, CITY shall have the right to stop work, and order work replacement by SUBGRANTEE at SUBGRANTEE's expense. CITY shall not be obligated to make any disbursements of the SUBGRANT funds until all work is satisfactory to the CITY.

J. DISBURSEMENT OF SUBGRANT FUNDS. The SUBGRANT funds shall be disbursed to SUBGRANTEE or the Contractor in monthly installments as reimbursement for allowable expenses incurred by SUBGRANTEE or the Contractor based upon the progress of the work and in accordance with the approved Project Budget and Schedule. No installments shall be advanced to SUBGRANTEE or the Contractor without the written approval of the Site Manager.

K. PROGRESS PAYMENTS AND RETENTION. All requests by SUBGRANTEE for progress payments will be on a reimbursement basis and shall be approved by the SUBGRANTEE's Licensed Environmental Professional (LEP) and submitted to the CITY for review and approval of the Site Manager and CITY. The reimbursement payment will be made within 30 days of receipt of the request. The CITY reserves the right to withhold up to ten percent (10%) of each payment as retention. Any withheld funds will be released after submitting a Construction Completion Report and receipt of a Certificate of Completion, approved by the Site Manager, and receipt of properly executed lien waivers.

L. ADHERENCE TO BUDGET. SUBGRANTEE agrees to keep all expenditures from SUBGRANT funds within the approved Budget. SUBGRANTEE shall not exceed any of the costs enumerated in the approved Project Budget without the prior written approval of the Site Manager and CITY.

II. REPRESENTATIONS AND WARRANTIES. SUBGRANTEE makes the following representations and warranties to CITY, which representations and warranties shall survive the execution of this AGREEMENT.

A. CLEANUP PLANNING REQUIREMENTS. The following provisions will apply for AGREEMENTS executed prior to the preparation of an Engineering Evaluation and Cost Analysis.

1. SUBGRANTEE shall comply with Executive Order 11246, Equal

Employment Opportunity, and implementing regulations 41 CFR 60-4 relating to Federally assisted construction contracts.

2. SUBGRANTEE shall provide the CITY with a copy of Phase I and Phase II Environmental Assessment of the Property performed according to the American Society of Testing and Materials (ASTM) Standards. SUBGRANTEE shall be responsible for the payment of all costs and expenses related to the Assessment, and SUBGRANT funds shall not be used for payment of any such costs or expenses. The Assessment shall include, but is not limited to site background, the threat posed to by the contaminant to public health, welfare, and the environment and all past activities conducted by any government agency, and the site testing results.
3. CITY shall prepare and implement a Community Relations Plan or Public Participation Plan (CRP) with the assistance and cooperation of SUBGRANTEE. The CRP shall be submitted to the U.S. Environmental Protection Agency (EPA) for review prior to implementation. The CRP shall include the following:
 - a. Copies of interviews conducted with residents and community leaders, local officials, and public interest groups.
 - b. Copies of news releases and other information which explains the proposed project to be disseminated throughout the area surrounding the affected area.
 - c. Procedures for the establishment of a local information repository at or near the potential site that includes public information supplied by both the CITY and the SUBGRANTEE related to the proposed response action. SUBGRANTEE shall supply CITY with any additional information that would assist CITY in documenting the BCRLF Response Action.
4. After CITY has prepared the CRP, the SUBGRANTEE shall draft an 'analysis of brownfields cleanup alternatives' document that contains information about the site and contamination issues (i.e., exposure pathways, identification of contaminant sources, etc.); cleanup standards; applicable laws; alternatives considered; and the proposed cleanup. The evaluation of alternatives must include effectiveness, implementability, and the cost of the cleanup proposed.

5. SUBGRANTEE shall make the draft analysis of brownfields cleanup alternatives document available for review and public comment for a period of not less than thirty (30) days from the date of publication of a public notice which announces the availability of the document for public review.
6. SUBGRANTEE shall also submit copies of the draft analysis of brownfields cleanup alternatives to the State for review and approval and to CITY's designated Site Manager, if applicable, for review and comment.
7. After the public comment period, SUBGRANTEE shall incorporate all appropriate comments into a final analysis of brownfields cleanup alternatives document and prepare a written response to the public comments if appropriate.
8. SUBGRANTEE shall prepare remedial design and engineering documents and submit them to the State for review and approval and to CITY's designated Site Manager, if applicable, for review and comment. This may occur simultaneously with the submittal of the analysis of cleanup alternatives document.
9. Prior to the initiation of any cleanup activities, SUBGRANTEE shall prepare a detailed budget for the proposed cleanup activities and submit it to CITY and EPA for approval.

B. ENVIRONMENTAL WARRANTIES. The SUBGRANTEE certifies that:

1. The Property is not listed, or proposed for listing on the National Priorities List of the EPA;
2. SUBGRANTEE is not responsible for the existing environmental hazards as generator or transporter of the contamination pursuant to the Comprehensive Environmental Response Compensation and Liability Act of 1980 as amended (CERCLA);
3. SUBGRANTEE certifies that it is not an owner operator of the site pursuant to CERCLA. If SUBGRANTEE is or becomes an owner operator of the site pursuant to CERCLA prior to the execution of this AGREEMENT, the SUBGRANTEE shall certify that it falls under a CERCLA statutory exemption from liability, or that EPA could use its enforcement discretion as deemed necessary and appropriate by the said agency.
4. SUBGRANTEE has entered into an appropriate State response

program and has received approvals required by that program and has or will submit copies of the State approvals to CITY and EPA.

5. If SUBGRANTEE will collect environmental samples using SUBGRANT funds, SUBGRANTEE shall prepare a Quality Assurance Project Plan which sets forth the manner and method of collecting samples to assure the complete removal of all hazardous substances and submit it to EPA for review and approval.
- C. LEGAL STATUS. SUBGRANTEE is a public body, corporate and politic permitted to operate in the State of California.
- D. NO VIOLATION. The making and performance by SUBGRANTEE of this AGREEMENT does not violate any provision of Federal or State law, or City of Sacramento ordinance, or result in a breach of or constitute a default under any agreement, indenture or other instrument to which SUBGRANTEE is a party or by which SUBGRANTEE may be bound.
- E. AUTHORIZATION. This AGREEMENT has been duly authorized, executed and delivered, and is a valid and binding agreement of SUBGRANTEE.
- F. LITIGATION. There are no pending or threatened actions or proceedings before any court or administrative agency which may adversely affect the financial condition or operation of SUBGRANTEE other than those heretofore disclosed by SUBGRANTEE to CITY in writing.
- G. CORRECTNESS OF FINANCIAL STATEMENT. The financial statement dated June 2, 2010, heretofore delivered by SUBGRANTEE to CITY presents fairly the financial condition of SUBGRANTEE, and has been prepared by a Certified Public Accountant in accordance with generally accepted accounting principles consistently applied. SUBGRANTEE shall provide CITY with the financial statement for the most recent fiscal year ending December 31, 2010, not more than 30 days after it is completed. As of the date of such financial statement, and since such date, there has been no material adverse change in the condition or operation of SUBGRANTEE, nor has SUBGRANTEE mortgaged, pledged or granted security interest in or encumbered any of SUBGRANTEE's assets or properties since such date.
- H. NO ADDITIONAL SUBORDINATION. The obligations of SUBGRANTEE under this AGREEMENT will not be further subordinated in right of payment to any obligation of SUBGRANTEE, other than that which may be provided under this AGREEMENT, unless otherwise acknowledged or agreed to by CITY in writing.

- III. **CONDITIONS PRECEDENT.** The obligation of CITY to make this SUBGRANT contemplated hereunder is subject to the following conditions:
- A. **EPA APPROVALS.** The execution of the SUBGRANT is subject to the approval of the U.S. Environmental Protection Agency of this AGREEMENT.
 - B. **APPROVAL OF CITY'S LEGAL COUNSEL.** All legal matters incidental to CITY's commitment to issue the SUBGRANT hereunder shall be satisfactory to the CITY's City Attorney, including the form, validity and enforceability of this AGREEMENT.
 - C. **COMPLIANCE.** The representations and warranties contained herein shall be true on and as of the date of the signing of this AGREEMENT with the same effect as though such representations and warranties had been made on and as of such date, and on such date no event of default as defined in Article VI herein ("EVENTS OF DEFAULT") and no condition, event or act which, with the giving of notice or the lapse of time or both would constitute an EVENT OF DEFAULT, shall have occurred and be continuing or shall exist.
 - D. **SUBMISSION OF REMEDIATION CONTRACTS.** SUBGRANTEE shall submit to CITY copies of all bids and remediation contracts to be conducted by Contractors and Subcontractors for all work required under the Work Plan approved by the appropriate regulatory agency.
- IV. **AFFIRMATIVE COVENANTS.** SUBGRANTEE covenants that so long as this AGREEMENT is in effect, or SUBGRANTEE is obligated to return any funds disbursed hereunder, SUBGRANTEE shall do the following:
- A. **ACCOUNTING RECORDS.** SUBGRANTEE shall document all the uses of the SUBGRANT funds, and maintain adequate books and accounts in accordance with generally accepted accounting principles consistently applied. SUBGRANTEE shall seek the written approval of CITY prior to disposing of records. SUBGRANTEE shall maintain documentation on the use of the SUBGRANT funds for a minimum of three (3) years after the completion remediation activities supported by the SUBGRANT, or for the term of the SUBGRANT, whichever is greater, except as follows:
 - 1. Records that are subject to audit findings shall be retained three years after such findings have been resolved.
 - 2. SUBGRANTEE shall permit any representative of CITY, at any reasonable time, to inspect, audit and examine such books and

inspect the properties of SUBGRANTEE. All such records and supporting documents shall be made available, upon request, for inspection or audit by the CITY or its representatives.

B. FINANCIAL STATEMENTS AND ONGOING REPORTING.

SUBGRANTEE shall furnish to CITY:

1. Quarterly reports which document that they are in compliance with all relevant Federal and State environmental regulations and that they meet the requirements of the BCRLF Program.
2. Project Specific quarterly financial statements to the BCRLF Program, including basic accounting and control mechanisms to track use of funds and document that the funds are spent for legitimate authorized uses. SUBGRANTEE's accounting system must track site-specific costs, and track cost activity and operable unit if applicable.
3. Such other information as CITY may reasonably request from time to time.

C. INSPECTION OF RECORDS. SUBGRANTEE agrees to permit the CITY or its designated representative to inspect and/or audit its records and books relative to this AGREEMENT at any time during normal business hours and under reasonable circumstances, and to copy therefrom any information that CITY desires relevant to this AGREEMENT. CITY shall provide written notice to the SUBGRANTEE prior to the execution of this provision. SUBGRANTEE agrees to deliver the records or to have the records delivered to CITY or its designated representative at an address designated by such party within the City of Sacramento. If CITY or its representative finds that the records delivered are incomplete, SUBGRANTEE agrees to pay CITY's or its representative's cost to travel to the SUBGRANTEE's office, or to other location where books or records are located, to audit or retrieve the complete records.

D. COMPLIANCE WITH ALL LAWS. SUBGRANTEE shall carry out the Project in accordance Federal cross-cutting requirements of the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) 104 (k), and all other applicable provisions of Federal, State, and Local laws, including, but not limited to: Uniform Administrative Requirements for Grants and Cooperative Agreements to States and Local Governments (40 CFR Part 31); Cooperative Agreements for Superfund Response Actions (40 CFR Part 35, Subpart O); the National Oil and Hazardous Substances Pollution Contingency Plan (NCP) (40 CFR Part

300); Minority Business Enterprises and Women-Owned Business Enterprises (MBE/WBE) requirements (40 CFR 30.44(b) or 31.36(e); Occupational Health and Safety Administration (OSHA) Worker Safety Standard (29 CFR 1910.120); Permits required by Section 404 of Clean Water Act; Executive Order 11246, Equal Opportunity; and implementing regulations at 41 CFR 60-4; Contract Work Hours and Safety Standards Act (40 USC 327-333); the Anti-Kickback Act (40 USC 276c); Section 504 of the Rehabilitation Act of 1973 as implemented by Executive Orders 11914 and 11250; and the EPA RLF Administrative Manual, EPA Publication xxx, Chapter 7.

E. PREVAILING WAGES.

1. SUBGRANTEE shall carry out the Project in accordance with the Davis-Bacon Act of 1931 (CERCLA 104(g)(1), 40 U.S.C. 276a-276a-5 and 42 U.S.C. 3222). The Davis-Bacon Act requires payment of Federal prevailing wage rates for construction, repair or alteration work funded in whole or in part with BCRLF funds. SUBGRANTEE must obtain recent and applicable wage rates from the U.S. Department of Labor and incorporate them into the construction contract.
2. SUBGRANTEE and its Contractor shall comply with the requirements of the California Labor Code including but not limited to hours of labor, nondiscrimination, payroll records, apprentices, workers' compensation and prevailing wages. SUBGRANTEE shall ensure that all workers, laborers and mechanics employed in construction, alteration, installation, demolition or repair work done under this AGREEMENT are paid not less than the general prevailing rate of per diem wages, including holidays and overtime work, for each craft, classification or type of worker by the Contractor or by any Subcontractor doing the work. The appropriate wage determinations can be obtained from the California Department of Industrial Relations (<http://www.dir.ca.gov>) and are available for inspection at CITY's offices. SUBGRANTEE or its Contractor shall post, at each job site, a copy of the prevailing rate of per diem wages. SUBGRANTEE and/or its Contractor shall forfeit fifty dollars (\$50.00) for each calendar day or portion thereof for each worker paid less than the stipulated prevailing rates.
3. In the event of a conflict between the Federal prevailing wages and State prevailing wages, the higher wage rate shall be paid.
4. If SUBGRANTEE or its Contractor or Subcontractor fails to pay

the applicable prevailing wage rate, SUBGRANTEE shall indemnify, defend and hold harmless CITY and its officials, officers, employees and agents against any resulting actions, demands, suits, claims or losses.

- F. INSURANCE. In addition to Contractor's insurance requirements, SUBGRANTEE shall maintain and keep in force insurance of the types and amounts necessary to protect the security for SUBGRANTEE's obligation or indebtedness to CITY, including, but not limited to general liability and automobile liability insurance with a minimum of \$1,000,000 coverage per accident or claim, property insurance and workman's compensation, if applicable, and fire insurance for the value of the property, and coverage for pollution incidents that may be evidenced by pollution legal liability insurance. The workman's compensation policy shall include a waiver of subrogation in favor of CITY. Insurance coverage shall be primary as respects any other insurance or self-insurance available to the CITY. Insurance shall be placed with an AM. Bests' rating of no less than A:VII. The City of Sacramento, its officers, employees and agents, shall be named as "Loss Payee" on a property insurance policy and "Additional Insured" on a general liability policy; and SUBGRANTEE shall deliver to CITY from time to time at CITY's request certificates of insurance or policies setting forth all business insurance then in effect. Policies shall be endorsed to provide that the CITY shall be provided with thirty (30) days written notice of any cancellation, suspension or reduction in limits.
- G. MAINTENANCE. SUBGRANTEE shall keep the Property and business operations in good repair and condition, and from time to time make necessary repairs, renewals and replacements thereto so that the Property shall be fully and efficiently preserved and maintained.
- H. TAXES AND OTHER LIABILITIES. SUBGRANTEE shall pay and discharge when due any and all indebted obligations, assessments, taxes real and personal, including federal and state payroll and income taxes, except such as SUBGRANTEE may in good faith contest or as to which a bona fide dispute may arise; provided provision is made to the satisfaction of CITY for eventual payment thereof in the event that it is found that the same is an obligation of SUBGRANTEE.
- I. LITIGATION. SUBGRANTEE shall promptly give notice in writing to CITY of any litigation pending or threatened against SUBGRANTEE or the Property in excess of Five Thousand Dollars (\$5,000.00).
- J. NON-DISCRIMINATION AND EQUAL OPPORTUNITY. SUBGRANTEE will comply with all Federal, State and Local laws prohibiting discrimination on the grounds of race, color, national origin,

sex and disability. In addition, SUBGRANTEE will undertake good faith efforts to give opportunities for qualified Small Business Enterprises (SBE), Minority Business Enterprises (MBE) and Women-Owned Business Enterprises (WBE) to submit proposals, bids, and provide services on contracts and subcontracts for services and supplies. SUBGRANTEE shall submit a report of such efforts on the CITY-provided form.

K. DEBARMENT AND SUSPENSION. The SUBGRANTEE certifies that SUBGRANTEE and Contractor:

1. Are not presently or proposed to be debarred or suspended, declared ineligible, or voluntarily excluded from Federal, State or local (hereinafter "public) transactions;
2. Have not within a three year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offence in connection with obtaining, attempting to obtain, or performing a public transaction or contract under a public transaction; violation of Federal or State antitrust or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
3. Are not presently indicted for or otherwise criminally or civilly charged by a public entity with commission of any of the offenses enumerated under paragraph IV.K.2, above; and
4. Have not within the preceding three years had a public transaction terminated for cause or default.

L. ENVIRONMENTAL COMPLIANCE. SUBGRANTEE certifies that SUBGRANTEE and Contractor are not currently, nor have been, subject to any penalties resulting from environmental non-compliance at the Property. SUBGRANTEE further certifies that they will conduct their remediation activities in accordance with the BCRLP Program Guidelines, and will modify the cleanup activities, as necessary and as determined by CITY, based on unforeseen site conditions or public involvement requirements.

M. NOTICE TO CHANGE IN WORK PLANS. SUBGRANTEE will immediately report in writing any potential changes to the Work Plan referenced in Section I.D and the discovery of pollutants not identified in the Work Plan. All changes or modification to the Project or the Project Documents shall be approved in writing by the Site Manager and/or the

State regulatory Agency, where appropriate, and CITY prior to such change or modification becoming effective. All additional costs incurred as the result of any Change Orders shall be the responsibility of SUBGRANTEE. In the event that unforeseen conditions are discovered during the project implementation, CITY reserves the right to revise the BCRLF Response Action and the Project Documents, which the SUBGRANTEE must implement.

N. START AND COMPLETION OF PROJECT. SUBGRANTEE will begin the project within thirty days after execution of this AGREEMENT and will complete all work included in the Work Plan within twelve (12) months following the commencement of work. SUBGRANTEE agrees to complete the work in a timely manner in accordance with the Work Plan and Budget. SUBGRANTEE shall notify CITY when the Project is complete. The notice shall contain certification or documentation necessary to establish the following, and shall be submitted to the Site Manager and/or the State regulatory Agency, where appropriate, for review and approval:

1. Certificate of Completion has been issued for the Project by SUBGRANTEE's LEP;
2. A Construction Completion Report developed by the SUBGRANTEE's LEP in accordance with Section 300.165 of the NCP and all applicable EPA guidance (40 CFR 300.165). This report shall summarize the actions taken, the resources committed and the problems encountered in completion of the Project, if any.
3. Identify any institutional controls required.

O. PROJECT SIGNAGE. SUBGRANTEE shall erect a sign on the Property stating that work is being financed in part by the U.S. BCRLF and the Sacramento BCRLF and appropriate contacts for obtaining information about the activities being conducted on the Property. The sign shall comply with all State and Local law applicable to signs.

P. RETURN OF SUBGRANT FUNDS. If SUBGRANTEE is required to return any SUBGRANT funds to CITY due to SUBGRANTEE's defaulting on this AGREEMENT, the SUBGRANTEE shall punctually pay the principal and any interest of the amount required to be repaid (the "LOAN") at the times and place and in the manner specified by CITY pursuant to Section VII.C of this AGREEMENT.

V. NEGATIVE COVENANTS. SUBGRANTEE further covenants that so long as this AGREEMENT is in effect, SUBGRANTEE will not without prior written

consent of CITY use SUBGRANT funds other than for activities approved under the BCRLF Program Guidelines and for the activities stated under Section I.D. SUBGRANT funds will not be used for administrative or programmatic activities.

VI. **EVENTS OF DEFAULT.**

A. The following shall constitute EVENTS OF DEFAULT:

1. SUBGRANTEE assigns this AGREEMENT or any proceeds advanced hereunder or any interest herein to a third party, or if the Property or any interest conveyed, assigned or otherwise transferred, without the prior written consent of CITY.
2. SUBGRANTEE fails to pay any principal or interest due on the LOAN under this AGREEMENT.
3. Any representation or warranty made by SUBGRANTEE hereunder proves to be false or misleading in any material respect.
4. Use of the proceeds of the SUBGRANT for a purpose other than that stated in Section I.D.
5. Default by SUBGRANTEE in the performance of any other term, covenant or agreement contained herein which is not cured within 30 days from its occurrence.
6. Default by SUBGRANTEE under the terms of any agreement or instrument pursuant to which SUBGRANTEE has borrowed money from any person or entity.
7. The failure of SUBGRANTEE to promptly pay and discharge any judgment or levy of any attachment, execution or other process against the assets of SUBGRANTEE, and such judgment be not satisfied, or such levy or other process be not removed within 30 days after the entry or levy thereof, or at least 5 days prior to the time of any proposed sale under any such judgment or levy.
8. SUBGRANTEE shall be adjudicated as bankrupt or insolvent, or shall consent to or apply for the appointment of a receiver, trustee or liquidator of itself or any of its property, or shall admit in writing its inability to pay its debts generally as they become due, or shall make a general assessment for the benefit of creditors, or shall file a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization or arrangement in a proceeding under any bankruptcy law, or SUBGRANTEE or its

directors or majority stockholders shall take action looking into the dissolution, liquidation, or reorganization of SUBGRANTEE.

9. Sale or transfer of the Property prior to completion of the remediation work, without prior approval of CITY.
10. Failure of SUBGRANTEE to complete WORK PLAN.

- B. SURRENDER OF FUNDS. If an EVENT OF DEFAULT shall occur, any undisbursed SUBGRANT funds under this AGREEMENT shall be surrendered by SUBGRANTEE and shall become immediately due and payable to CITY without presentment, notice or demand, all of which are hereby expressly waived by SUBGRANTEE, and the obligations, if any of CITY to permit further disbursements hereunder shall immediately cease and terminate.
- C. SECURE SITE. In the EVENT OF DEFAULT, the SUBGRANTEE shall secure the site. The cost of securing the site is the responsibility of SUBGRANTEE. If SUBGRANTEE fails to secure the site within 24 hours, CITY may do so at the SUBGRANTEE's sole cost.
- D. CITY ACCESS. In the EVENT OF DEFAULT or failure to complete the Work Plan, SUBGRANTEE grants CITY site access to, at CITY's discretion, complete the Work Plan.

VII. REMEDIES OF CITY. Upon the occurrence of any one or more of the EVENT OF DEFAULT and at any time thereafter:

- A. CITY may exercise, singly or in combination, any or all of the rights, powers and privileges provided in this Article VII and all other remedies available to CITY under this AGREEMENT, at law or in equity, at any time and from time to time, and such exercise shall not constitute a waiver of any of CITY's rights or remedies thereunder whether or not the SUBGRANTEE is required to return any of the SUBGRANT funds and whether or not CITY shall have instituted any foreclosure proceedings or other actions for the enforcement of its rights under this AGREEMENT.
- B. CITY shall be entitled to exercise all other remedies provided to CITY under this AGREEMENT or otherwise available under California law, including, but not limited to:
 1. The appointment of a receiver;
 2. The institution of a suit in equity or other appropriate proceedings for specific performance or an injunction against a violation of this

AGREEMENT; and

3. Taking possession of the Property and performing any and all work and labor necessary to complete the Work Plan in which event expenditures therefore may be deemed a LOAN to SUBGRANTEE, payable on demand, bearing interest at the maximum rate allowed by law.
- C. If, as the result of any EVENTS OF DEFAULT, the SUBGRANTEE is required to return previously disbursed SUBGRANT funds under Section IV.P, such amounts shall be deemed a LOAN payable on demand, bearing interest at the maximum rate allowed by law.
 - D. CITY may, but shall not be obligated to, set-off against any and all SUBGRANTEE's property in which it has a security interest.

VIII. **INDEMNIFICATION.** SUBGRANTEE shall, at SUBGRANTEE's expense, defend, indemnify, and otherwise hold CITY, its officers, employees and agents harmless against any and all claims, demands, losses, expenses, damages (general, punitive or otherwise) and causes of action (whether legal or equitable in nature) asserted by any person, firm, corporation, or other entity and arising out of or caused by this AGREEMENT, or SUBGRANTEE's actions or inactions with regard to the Property, or by the use of the SUBGRANT funds. SUBGRANTEE shall pay CITY upon demand all claims, judgments, damages, lawsuits or expenses (including legal expenses) incurred by CITY as a result of any legal action arising out of or caused by this AGREEMENT, or by the use of the SUBGRANT funds.

IX. **MISCELLANEOUS.**

- A. **WAIVER.** No delay or failure of CITY shall affect any right, power or privilege hereunder; nor shall any single or partial exercise thereof of any abandonment or discontinuance of steps to enforce such a right, power or privilege affect such right, power or privilege. The rights and remedies of CITY hereunder are cumulative and not exclusive. Any waiver, permit, consent or approval of any kind by CITY of any breach or default hereunder, or any such waiver of any provisions or conditions hereof, must be in writing and shall be effective only to the extent set forth in writing.
- B. **SUCCESSORS.** This AGREEMENT shall be binding upon the permitted assigns or successors of SUBGRANTEE and CITY. This AGREEMENT shall not be assigned or transferred by SUBGRANTEE without the written consent of CITY and any purported assignment or transfer without such prior written consent shall be void.

- C. NOTICES. All notices, requests and demands given to or made upon the respective parties under this AGREEMENT shall be deemed to have been given or made when deposited in the mail, first class postage prepaid, and addressed as follows:

SUBGRANTEE: Redevelopment Agency of the City of Sacramento
 801 12th Street
 Sacramento, CA 95814

CITY: The City of Sacramento
 Economic Development Department
 915 I Street, 3rd Floor
 Sacramento, CA 95814

- D. COSTS AND ATTORNEY'S FEES. SUBGRANTEE will reimburse CITY for all costs, expenses and reasonable attorneys' fees expended or incurred by CITY in enforcing this AGREEMENT, in actions for declaratory relief in any way related to this AGREEMENT, or in collecting any sum which becomes due the CITY as a LOAN under Section VII.C.
- E. CALIFORNIA LAW APPLICABLE. This AGREEMENT shall be construed in accordance with the laws of the State of California. Venue for any actions arising from this AGREEMENT shall be Sacramento County.
- F. EXHIBITS. All Exhibits mentioned in this AGREEMENT shall be deemed incorporated herein by reference as though fully set forth herein.
- G. RELATIONSHIP. The relationship of CITY and SUBGRANTEE is that of subgrantor and subgrantee. No party hereto intends to create any other relationship hereby, and the parties disavow and negate any intention to create a partnership or joint venture hereby.

H. ENTIRE AGREEMENT.

1. The terms and conditions of this AGREEMENT, all exhibits attached and any documents expressly incorporated by reference represents the entire AGREEMENT between the parties with respect to the subject matter of this AGREEMENT. This AGREEMENT shall supersede any prior SUBGRANT agreements, oral or written, regarding the subject matter of this AGREEMENT between CITY and SUBGRANTEE. No other SUBGRANT agreement, contract, statement, or promise relating to

the subject matter of this AGREEMENT shall be valid or binding except by a written amendment to this AGREEMENT.

2. If any conflicts arise between the terms and conditions of this AGREEMENT and the terms and conditions of the attached exhibits or any documents expressly incorporated by reference, the terms and conditions of this AGREEMENT shall control.
3. If any part of this AGREEMENT is determined to be illegal or unenforceable, all other parts shall be given effect separately and shall be in effect.

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IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed the date first hereinabove written.

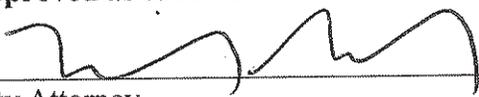
CITY OF SACRAMENTO ("CITY")

By: _____
William H. Edgar, Interim City Manager

Attested By:

City Clerk

Approved as to form:



City Attorney

**Redevelopment Agency of the City of
Sacramento ("SUBGRANTEE")**

By: _____
La Shelle Dozier, Executive Director

Approved as to form:

Agency Counsel

EXHIBIT A
Brownfields Cleanup Revolving Loan Program

City of Sacramento

Brownfield Revolving Loan Funds (BRLF)

**IMPLEMENTATION PLAN/
LOAN POLICIES AND PROCEDURES MANUAL**

January 6, 2009

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1 PURPOSE OF THE BROWNFIELDS REVOLVING LOAN FUND PROGRAM

The United States Environmental Protection Agency's (USEPA) Brownfields Economic Redevelopment is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent access, safely clean up and promote sustainable reuse of Brownfields sites. As part of this initiative, USEPA has awarded Brownfields Revolving Loan Fund Grants.

The City of Sacramento (City) intends to use USEPA funds for the City of Sacramento's Brownfields Revolving Loan Fund Program (BRLF). Brownfields redevelopment is a fiscally-sound way to bring investment back to Sacramento's neglected neighborhoods and business corridors, cleanup the environment, reuse infrastructure, eliminate blight, and relieve pressure on our urban fringe. The City intends to use these funds within redevelopment project areas and blighted commercial corridors including, but not limited to, Downtown, the River District, the Railyards, the Docks and the Commercial Corridors.

1.1 Background

Sacramento is California's state capital and was the first city in California to incorporate. At the confluence of the Sacramento and American rivers, its history began in 1839 with John Sutter's settlement. Gold was discovered in 1849 and thousands of people from all corners of the world came to Sacramento. Sacramento later became the center of commerce and agriculture. With the introduction of the transcontinental rail line in 1863, industry and commerce grew, as did the by-products of their success, the presence of hazardous substances, pollutants and contamination.

Today, with over 460,000 people, Sacramento is the seventh largest city in California and is the center of the world's sixth largest economy. Sacramento is a cosmopolitan convergence of modern high-rises, historic Victorians, beautiful waterfronts, great neighborhoods, vibrant entertainment and cultural venues, and a business friendly environment, all amenities that are reasons why demand to locate in Sacramento and the need for Sacramento's growth continues. Infill development and reuse of underutilized sites, including Brownfields sites, is one of the City's development goals.

The City's Project Goals and Objectives are:

- To increase Sacramento's economic vitality through revitalization of underutilized, contaminated and blighted sites;
- To provide a financial incentive to attract public and private interest in Brownfields properties;
- To reduce risk of human exposure to environmental hazards and promote voluntary clean up of contaminated sites;
- To support Sacramento's desire to develop infill sites and promote Smart growth principles;
- To bring new jobs, housing and amenities to the community;
- To increase private investment and leverage public resources.

1.2 Project Partners Roles and Responsibilities

On May 29, 2007, the City Council approved funding for two positions in Economic Development that would be dedicated resources for the Brownfields Revolving Loan Fund Program. These positions include a Program Manager and Fund Manager.

A. Program Manager and Fund Manager

Lead Agency:

The City of Sacramento will act as the lead agency for the Sacramento Brownfields Revolving Loan Fund (BRLF) Program. The City's Economic Development Department will be recipient of USEPA funds and will manage the BRLF program. Staffing for the program and fund management will be provided by the Economic Development Department.

The City of Sacramento will perform the following program management responsibilities:

- Enter into the cooperative agreement with USEPA;
- Ensure the overall implementation of the BRLF program;
- Ensure that all activities and expenditures are used for authorized purposes;
- Ensure that all activities are tracked and recorded and that timely reports are prepared and submitted to USEPA;
- Coordinate between all BRLF partners;
- Determine applicant eligibility;
- Draft Loan Agreements between the City and BRLF recipients;
- Develop program outreach and application materials;
- Assure that all participation requirements are met.

The City of Sacramento will perform the following fund management responsibilities:

- Provide outreach for the BRLF program;
- Assist borrowers in the preparation of application materials and structure loan agreements;
- Establish loan performance/threshold criteria;
- Assist in the evaluation of loan applications including the evaluation of applicants' legal, technical, financial and managerial capabilities;
- Administer the loan portfolio;
- Prepare reports for the USEPA.

B. Site Manager

The California Department of Toxic Substances Control (DTSC) and the Sacramento County Environmental Management Department (SCEMD) will serve as Site Managers for the BRLF. Selection of DTSC or SCEMD will be contingent upon the nature and scale of the contamination and of the cleanup of a specific project. Responsibilities of the Site Manager will include:

- Coordinate a review of each project with any other applicable regulatory agency;
- Ensure the BRLF program cleanup meets applicable and appropriate requirements under the federal and state environmental laws;
- Monitor all contractors performing BRLF program cleanup work;
- Maintain site-specific records and draft necessary reports for each site;
- Notify the appropriate regulatory agency when there are potential damages to natural resources so that they can ensure that the Natural Resource Trustees are properly notified;
- Prepare notification of transfer of Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) wastes as required by 40 CFR 35.6120;
- Ensure that a site is secure and that it poses no immediate threat to human health or environment if the borrower is unable or unwilling to complete the cleanup effort.

2 LOAN APPLICATION PROCESS

The City will provide cleanup funds to eligible borrowers and subgrantees (defined in Sections 2.3-2.4) at eligible properties (defined in Section 2.8) for eligible and allowable cleanup activities (defined in Section 2.10), as detailed below. In practice the City will make these BRLF eligibility determinations based on information provided with the application. The City will present its recommended eligibility determinations to USEPA Region 9 for review and comment before a final eligibility determination is made.

2.1 Applicant Matching Costs

The City has determined that applicants will be required to pay a portion of the required USEPA match. The City will require that recipients match at least 20% of the loan or subgrant amount. The recipients will need to demonstrate through their project accounting that the agreed upon match requirement is being met (see Attachment 1 for forms).

2.2 Subgranting/Loan Forgiveness

The USEPA program guidelines allow for 40% of the funds to be granted. Subgrantees may include states, political subdivisions, U.S. territories, Indian tribes, and non-profit organizations. A significant portion of the grant funds must be loaned to an entity before subgrant will be considered. The amount of principal that will be given as a forgivable loan or grant may be up to 40% of the total loan, provided that the total amount of the forgivable loan or grant does not exceed \$200,000. Loan forgiveness is considered part of the total allowable 40% of funding that may be subgranted.

2.3 Property Owner

An applicant for a loan to clean up property which it owns must include the following supporting information (see section 2.7 for the definition of Ineligible Applicants):

- Proof of ownership;
- Description of the proposed site that demonstrates the property is an eligible site including site property address, assessor parcel number(s) and a complete legal description of the site (include an 8½" x 11" map of the site); if the proposed cleanup area is only a portion of a larger site, include engineered survey/maps for the area that is to be remediated with the requested loan funds;
- An appraisal of the property with valuation subject to the completion of the necessary cleanup action;
- A copy of the Phase I and Phase II Environmental Site Assessments or equivalent documents;
- Description of the intended redevelopment of the project and its project benefits and information about the project coordinator. Include information about potential jobs that will result and financial benefit to the community;
- Documentation of the current zoning and General Plan designation for the intended site and documentation that the planned future development is consistent with the current land uses in the area;
- Description of the cleanup action to be performed on the property. If the property is part of a larger site, a description of any cleanup action that is currently being performed or that will be performed on the larger site;
- Documentation of appropriate security interest in the property and identification of the source of loan repayment;
- If applicable, documentation that the owner of the property agrees to use the property as a security interest for the loan to secure financing necessary for the completion of the cleanup action;

- Information regarding the applicant's environmental compliance history, include a description of all past and current administrative orders, agreements, judicial orders and consent decrees;
- Documentation of the total debt against the property on which the remediation will be taken;
- Documentation of applicant's credit-worthiness, including the applicant's credit history and a description of the applicant's bank relationship.

2.4 Non-Property Owner

If the applicant is not the property owner, the applicant must have long-term site control and shall provide the following additional information:

- Documentation of the applicant's option to purchase the Property; or
- A copy of a long-term lease for the future; and
- Documentation that the property owner agrees to the applicant conducting cleanup activities on the Property.

2.5 Applications from Public Entities

If the applicant is a public entity, the BRLF Program Manager must obtain the following information from the applicant:

- Documentation that the borrowing entity has the legal authority to enter into a legally binding obligation to repay. For example, a memorandum from the legal counsel citing the statutory authority or a council resolution that obligates the repayment from a particular funding source;
- Document that there is an identifiable source of repayment;
- Documentation of an enforcement entity with the authority to ensure that the loan is repaid. This entity will help avoid potential conflicts of interest.

Whenever a governmental agency is applying for funding all eligibility requirements would apply. If necessary, the BRLF Program Manager will work with the City Attorney's Office to prepare a contract detailing the terms of the agreement. The terms of the lending agreement must be reviewed by USEPA prior to loan closing.

2.6 All Appropriate Inquiry

Borrowers and subgrantees may not use these funds to pay for cleanup costs at a Brownfields site where a borrower or subgrantee is potentially liable under CERCLA §107. Therefore, it is important for all borrowers and subgrantees who are asserting a limitation on liability must perform (or have already performed) "all appropriate inquiries" as specified in CERCLA §101(35)(B) and 40 CFR Part 312 on or before the date of acquiring the property. Potential BRLF participants should discuss their "potentially liable under CERCLA §107" status with the City's Brownfields staff at or prior to the Application stage. Details on documentation may be found by contacting the USEPA district office or on the USEPA website (www.epa.gov/Brownfields).

2.7 Ineligible Applicants

All applicants asserting a limitation on liability must demonstrate that on or before the date of acquiring the property, they carried out "all appropriate inquiries" that meet the USEPA definition in 40 CFR Part 312 to be considered eligible for loan funding. In addition, applicants may be ineligible of because of other factors, including the following:

- A person or company that is potentially liable under CERCLA §107.
- A person who has been convicted of a felony or misdemeanor involving the regulation of hazardous materials;
- A person who has been convicted of a felony or misdemeanor involving moral turpitude, including but not limited to, the crimes of fraud, bribery, the falsification of records, perjury, forgery, conspiracy, profiteering or money laundering;
- A person who is in violation of an administrative order or agreement issued by or entered into with any federal, state, or local agency that requires response action at a site or a judicial order or consent decree that requires response action at a site;
- A person subject to a pending investigation or ongoing enforcement action of the Federal Government pursuant to the Federal Resource Conservation and Response, Compensation and Liability Act, 42 USC Sec. 9601 et seq. or is subject to a pending investigation, litigation activities, or ongoing enforcement action by DTSC with respect to the Property;
- A person who is currently or has previously been subject to any penalties resulting from environmental non-compliance at the site subject to the loan request;
- A person or party that is currently or has previously been a generator or transporter of contamination at the site subject to the loan request;
- A person that has been suspended, debarred, or otherwise declared ineligible for funding or grants under any federal government program;
- A person who knowingly made false statements regarding a material fact or knowingly failed to disclose a material fact in connection with an application submitted to this program;
- A site owner currently engaged in litigation over activities related to contamination.

2.8 Eligible Brownfields Sites

Subject to limited restrictions identified below, BRLF cleanup funds are available for cleanups at 'Brownfields sites,' defined as properties where the expansion, redevelopment or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant. Such properties may be contaminated by hazardous substances, petroleum or a petroleum product, controlled substances, or may be mine-scarred lands.

There are six property types requiring property-specific determination by the City with USEPA concurrence. They are as follows:

- Properties that are the subject to an ongoing CERCLA removal action;
- Properties that are the subject to an enforcement action under RCRA, FWPCA, TSCA or SWDA;
- Permitted RCRA corrective action facilities;
- RCRA Subtitle C land disposal units with a specified closure plan;
- Properties with PCB releases subject to remediation under TSCA; and
- Portions of petroleum-contaminated properties where remediation was conducted using LUST TRUST funding.

The City or USEPA must make three additional determinations with respect to an otherwise eligible petroleum-contaminated property, as follows:

- The property is of 'relatively low risk' compared with other 'petroleum-only' properties in the state;
- There is no viable responsible party to conduct the cleanup; and
- Funding will be used by a party that is not potentially liable for the petroleum contamination to assess, investigate, or clean up the site.

The City will work closely with potential borrowers at the Application phase to make the necessary site eligibility determinations. The City will work with potential borrowers to compile all information needed to make any necessary property-specific eligibility determinations. These determinations will be submitted to USEPA for review and ultimate approval.

2.9 Ineligible Brownfields Sites

The City's Program Manager is responsible for determining eligibility of properties under this program. Properties must meet the definition of a Brownfield site and contain a release of a hazardous substance or pollutant to be eligible for funding. The following is a partial list of property characteristics that are not eligible under this program:

- Properties listed or proposed for listing on the National Priorities List;
- Properties which are the subject of an ongoing state or federal enforcement action related to the contamination at issue;
- Properties currently owned by a party responsible for the environmental contamination of the site; and
- Properties under the control of the Federal Government. Note that properties held in trust for Indian tribes are eligible.

2.10 Eligible Project Costs

Costs incurred up to 90 days prior to the execution of a loan or subgrant could be eligible costs if they meet all the criteria of eligible costs listed below. These would include eligible costs incurred while conducting pre-award eligible activities necessary to satisfy BRLF requirements. Such eligible costs could also be counted toward the 20% match required for the loan or subgrant award.

The loan funds may also be used for the purchase of Environmental Insurance but not for pre-cleanup environmental response activities, such as site assessment, identification and characterization.

The following are examples of common *eligible* project costs if they are part of an approved oversight agreement:

- Installation of fences, warning signs, or other security or site control precautions;
- Installation of drainage controls;
- Stabilization of berms, dikes or impoundments; or drainage or closing of lagoons;
- Capping of contaminated soils;
- Using chemicals and other materials to retard the spread of the release or mitigate its effects;
- Excavation, consolidation or removal of contaminated soils;
- Removal of drums, barrels, tanks, or other bulk containers that contain or may contain hazardous substances, pollutants or contaminants, including petroleum;
- Removal of source materials, including free product recovery;
- Containment, treatment or disposal of hazardous materials and petroleum contamination;
- Site monitoring activities, including sampling and analysis, that are reasonable and necessary during the cleanup process, including determination of the effectiveness of a cleanup;
- Site assessment activities that are reasonable, necessary and incidental to the cleanup process, such as confirmation sampling; and

- Costs associated with meeting public participation, worker health and safety, and programmatic management requirements.

2.11 Ineligible Project Costs

The following is a partial list of ineligible project costs under this program:

- Pre-cleanup environmental assessment, such as site assessment, identification and characterization;
- Clean up of naturally occurring substances;
- Monitoring and data collection for the purpose of permit compliance required under other federal and state laws;
- Development activities that are not part of the cleanup;
- Repairing or improving public or private drinking water supplies that have deteriorated through ordinary use;
- A cleanup cost at a Brownfields site for which the recipient of the grant or loan is potentially liable under CERCLA §107;
- Monitoring and data collection necessary to apply for, or comply with, environmental permits under other federal and state laws, unless such a permit is required as a component of the voluntary remediation work plan;
- Construction, demolition and development activities that are not cleanup actions (e.g., marketing of property or construction of a new non-cleanup facility);
- Cost sharing or matching requirement for another federal grant (absent statutory authorization);
- Support of lobbying efforts of the recipient.
- Administrative costs as any "part of a loan or sub-grant"; and
- Payment of a penalty or fine.

3 LOAN APPROVAL PROCESS

The loan approval process will generally proceed as follows:

- The Project Manager will perform the initial review and pre-qualification of the loan application to ensure that it is complete and meets the applicable criteria. If the application is determined to be incomplete or ineligible, the applicant will be notified and provided an opportunity to provide additional information. Once an application is determined to be complete and eligible, the Project Manager will analyze the financial components of the loan application. Pre-qualified projects will then be forwarded to the Loan Review Committee with a recommendation for funding and a preliminary credit memorandum.
- The Loan Review Committee will review the application to confirm that the project qualifies for the program.
- This review will include an assessment of the creditworthiness of the borrower. At this point, the applicant should provide an estimated project budget and identify the source of the 20% match requirement.
- The Loan Review Committee will make a recommendation to the Economic Development Director, or his designee. The Economic Development Director, or his designee, will make the ultimate decision to approve or deny the loan. If the amount requested exceeds \$500,000, the recommendation will need to be approved by the City Council.
- Applicants that are approved for the BRLF program will receive a commitment letter from the City detailing the terms, conditions and collateral requirements.
- Applicants approved for BRLF funding will be sent a BRLF Loan Agreement for completion and signature and a list of any closing documents to be provided by the applicant. All recipients of BRLF funds will be required to enter into a standard loan agreement with the City. The applicant will be required to pay the legal expenses for the loan closing, which is considered an eligible project cost. Cross-corporate and personal guarantees will be required.

3.1 Additional Considerations

The following additional considerations will be used to evaluate projects:

- Project Readiness.
 - The project must have a site reuse/redevelopment plan with near term viability;
 - The project must be ready to proceed upon acceptance of the application and must provide a realistic plan for cleanup and redevelopment. Cleanup should begin within ninety (90) days of execution of the loan documents. The likelihood of success of the project will be an evaluation factor;
 - The borrower must demonstrate the financial ability to repay the loan in a timely fashion (loan terms are defined in Section 5);
 - The borrower must obtain all required local, state and federal permits and licenses;
 - The borrower must submit monthly progress reports to the relevant jurisdiction until submission of the completion report. Each report should include a description of the activities performed and to be performed and copies of invoices as appropriate to be paid for cleanup work completed.

- Minimum reporting is normally required through the City's final inspection of property;
- Following completion of the final report, the borrower shall submit quarterly reports to the relevant jurisdiction describing redevelopment efforts at the site;
 - The borrower will maintain documents in the information repository and administrative record for a minimum of three years;
- Project Benefits
 - The project must document community support for its benefits to the community and regional economic development efforts;
 - The borrower must provide evidence that the environmental consultant for the project secures performance bonding and workman's compensation for their employees;
 - Environmental: The project must demonstrate that it improves the existing environmental conditions. The extent of environmental improvement will be an evaluation factor;
 - Economic: Improving economic stability is a goal of redevelopment projects through specific documentation of one or more of the following. Written documentation will be an evaluation criterion;
 - ✓ Job creation (number and type of jobs);
 - ✓ Job retention (number and type of jobs);
 - ✓ Infill projects in commercial centers (increased tax base);
 - ✓ Secondary economic benefits (example: destination tourism revenue from project).
 - Community health: Improving community health is a goal of redevelopment projects through one or more of the following. Written documentation will be an evaluation criterion:
 - ✓ Preserve community open/green space;
 - ✓ Encourage re-use of existing infrastructure;
 - ✓ Protect and improve public health and safety;
 - ✓ Elimination of "slum and blight" in commercial centers;
 - ✓ Create urban housing choices, including affordable housing;
 - ✓ Create mixed-use activity centers for sustainable communities.

3.2 Loan Analysis Criteria

The analysis and evaluation of the applicant and the project will include a review of the financial and environmental risks associated with the cleanup and redevelopment of the property and proposed project. This analysis and evaluation will be incorporated into the preliminary credit memorandum prepared by the relevant jurisdiction. This analysis and evaluation will be performed on all applications to ensure that applicants have the resources to repay the BRLF loan.

Additional criteria that will be considered are the socioeconomic and public benefits of the redevelopment project. Though these additional criteria are important, primary consideration will be given to the financial and environmental risks of the proposed project.

3.3 Financial Risks and Analysis

To evaluate the financial soundness of the applicant and the project, the analysis will consider the following:

- The legal structure of the applicant.
- The historical financial condition of the applicant. The applicant's financial condition will be assessed and compared to industry standards.
- Three years of historic data to include:
 - Fiscal year end balance sheets and income statements;
 - Current interim balance sheet and income statement;
 - Business tax returns;
 - A projected balance sheet and income statement if the applicant is a start-up.
- Personal financial statements on business principals, to include:
 - Current personal financial statement, signed and dated;
 - Personal signed tax returns, with all schedules filed with the returns;
 - The history of credit/borrowing transactions of the applicant's business;
 - The current status and future outlook of the applicant's industry;
 - The expertise and experience of the applicant's management;
 - The financial ability and resources of the applicant to complete the project.

Additionally, the proposed project and the applicant must meet the following financial guidelines:

- Historical financial statements (previous three years) must reflect a Debt Coverage Ratio (DCR) (including new debt) of at least 1.2:1, i.e., net income plus depreciation plus interest (or cash flow available for debt service) is at least one hundred and twenty percent (120%) of all debt payments.
- The business must have a positive working capital position.
- The business must have a positive tangible net worth.
- The business must provide acceptable collateral with adequate coverage.
- Obtain life insurance on all principles, prior to loan closing.

4 LOAN UNDERWRITING CRITERIA

The evaluation of underwriting criteria will assist with the assessment of the risks involved in funding the loan request. As a result of this assessment, terms and conditions will be determined and specified in the loan agreement and other loan documents that will provide financial security to the BRLF loan. Underwriting the requests to the BRLF program using the guidelines below will allow for proper “weighing” of the risks involved with each proposed project. Even though the BRLF program is not a traditional lender, all partners will adhere to generally accepted prudent lending practices. Because the purpose of the BRLF program is to return Brownfields properties to productive use and a benefit to the community, underwriting criteria for BRLF loans may be more flexible than those used by a traditional lender.

Loan underwriting will be completed by the Economic Development Department (EDD), based on the preliminary credit memorandum for the project. As BRLF fund manager, along with review by USEPA, the City has the ultimate responsibility to approve or deny any loan requests, as well as to produce and execute all loan documents.

The primary criteria for underwriting loan requests to the BRLF program include:

- Ability to repay the loan.
- Adequate collateral.
- Commitment by borrower.
- Balance sheet analysis.
- Management experience.
- Character of applicant.
- Environmental insurance.

4.1 Ability to Repay the Loan

The primary source of repayment by applicants to the BRLF program will usually be cash flow from business operations. The ability to repay through cash flow is expressed as the Debt Coverage Ratio (DCR) and is defined as follows:

$$\text{DCR} = \text{Cash Flow Available for Debt Service} / \text{Debt Service}$$

4.2 Adequate Collateral

The BRLF will not make any unsecured loans and may take a security interest in the Brownfields site to be cleaned up to ensure a means of recouping the loan. A security interest in all reasonable business (or personal) assets will be required. Security interests in business and personal assets may include:

- Accounts Receivable.
- Inventory.
- Furniture, Fixtures and Equipment.
- Other Business-related Real Estate.
- Equity in Guarantors Personal Real Estate.

Liquidation of the collateral and the ability to repay the loan is measured by the Loan-to-Value Ratio (LVR) and is expressed as follows:

$$\text{LVR} = \text{Loan Amount} / \text{Fair Market Value of the Collateral}$$

4.3 Commitment by Borrower (Loan Guarantees)

Cash flow and collateral are the two sources of repayment; however, normal lending practice usually includes a third or tertiary source, that of guarantees by the owners. Personal guarantees will be required from all persons or entities holding twenty percent (20%) or greater ownership interest in the business. Depending on the overall strength of the loan application, these personal guarantees may require a security interest in personal assets to "back up" the guarantee. Where a substantial personal asset is ownership of another business, that business may also be required to guarantee the debt.

4.4 Balance Sheet Analysis

The balance sheet of the applicant business must indicate that the business has the ability and resources to repay the loan and start and complete the project. A review of the balance sheet should answer these questions in the affirmative:

- Does the company have a positive net worth?
- Does the business have a positive working capital position?
- Does the business have collateral available to secure the BRLF loan?
- Does the company collect its receivables?
- Does the company pay its bills?
- Is the company managing its inventory or work in progress?
- Does the company generate sufficient cash relative to its cash needs?
- Is the owner(s) being paid a reasonable salary?

The applicant should present the last three fiscal years balance sheets and an interim balance sheet no older than 60 days from the date of application.

4.5 Management Experience

Information submitted by the applicant business must show that current management has the experience in the general areas of running a successful business, including finance, operations, marketing, personnel, etc. In addition, this experience must also include the ability to start, manage and complete the proposed voluntary remediation work plan and redevelopment project.

4.6 Character of Applicant

The applicant business and the owner(s) should have favorable credit histories during the past five years, no criminal record and no pending environmental issues.

4.7 Environmental Insurance

Environmental insurance will be considered as a vehicle for managing the risks associated with the proposed project. The use of such insurance will depend on the nature of the proposed project and the financial capabilities of the applicant. BRLF funds can be used by the borrower for environmental insurance, if the expense is incidental to and associated with BRLF costs it incurs for site-specific cleanup activities.

4.8 Loan Underwriting Guidelines for Government or Public Entities

Loans to government or public entities must be evaluated differently than non-government applicants.

Eligible applicants for the BRLF Program for loans to government entities include:

- State of California;
- Sacramento Housing and Redevelopment Agency (SHRA);
- Sacramento County;
- Special Districts of any type including school districts;
- Other local or regional political subdivisions

The USEPA Brownfields Cleanup Revolving Loan Fund (BCRLF) Administrative Manual, October 2004, states that "a cooperative agreement recipient (i.e. City of Sacramento) may not lend to itself ... unless a state or local law establishes that the agency may borrow money from the political jurisdiction of the cooperative agreement recipient and raise funds to pay the loan back." The policy stated in the manual recognizes that there may be circumstances in which two public agencies, that are administratively part of the same governmental unit, may enter into a loan agreement. The USEPA BCRLF Administrative Manual sets out specific requirements that must be met in order to lend to a government entity, which are as follows:

- The borrowing entity has the legal authority to enter into a legally binding obligation to repay;
- The borrowing entity has an identifiable source of income/repayment;
- That there is an enforcement entity that can enforce loan repayment, so that a BRLF loan is repaid. This entity will help avoid potential conflicts of interest.

All borrower eligibility requirements would still apply to a government entity applicant and the substantive terms of the project and agreements must be reviewed by USEPA. The government entity may submit annual financial statements, independent audits or other evidence of financial condition. In lieu of detailed financial records, the lender may evaluate the collateral and the project end use to determine repayment ability. Each government entity must submit the standard loan application.

4.9 Public Entity Loans – Special Documentation Requirements

The government/public entity must provide documentation that it has the authority to enter into a repayment agreement, that it has a source of funds to repay the loan and that an enforcement entity exists to ensure loan repayment. A government/public entity requesting assistance under this program must submit the following documents:

- **Legal Authority:** An opinion of legal counsel must determine that the borrowing entity has the legal authority to enter into a binding obligation to repay a revolving loan fund. This documentation should also identify by title (not name) the individual authorized as the agent to conduct all negotiations, execute and submit all documents which may be necessary for the completion of the loan and remediation plan. For example, if the borrowing entity is a government entity, then a Resolution made by an entity allowing entry into a binding obligation to repay the loan is needed. If a Resolution is used to evidence authorization for use of loan funds for an intra-governmental loan and its repayment from identified funding sources, then a copy of the Resolution in lieu of a legal opinion should be provided. If an entity has the legal authority to enter into loans without Council approval, then a Resolution would not be necessary.
- **Identifiable Source of Repayment:** The borrowing entity must provide a letter or other written documentation which identifies the source of repayment for the loan. Examples of this are the proceeds from sale of the property after remediation is complete, in combination with proceeds from tax increment financing, or a guarantee backed by general revenue that becomes effective after a specified period of time, or a funding mechanism such as payment in lieu of taxes.
- **An Entity to Assure Repayment is made:** The City must provide written documentation to USEPA which describes how the repayment obligation under the loan will be monitored and enforced. The documentation should identify an office or department in the government entity that is separate from the RLF Program Manager and the borrowing entity to oversee and assure that repayment of the loan obligation is enforced.
- **Acknowledgement of Program Requirements by Borrowing Entity:** Use of revolving loan funds must be in accordance with CERCLA, NCP and other federal, state and local requirements. The City and the borrowing entity must provide written documentation to USEPA acknowledging that all parties entering in the loan understand and plan to comply with the BRLF Program requirements. This will be done by the applicant entering into a written loan agreement with the City and a written cleanup agreement with the applicable oversight agency. The documentation should clearly identify that the borrowing entity will comply with the following obligations:
 - The timely use of BRLF funds to pay for cleanup costs
 - Compliance with competitive procurement requirements
 - Davis Bacon compliance
 - MBE / WBE
 - Other cross cutting requirements (i.e. Uniform Relocation Act)
 - Descriptions of CERCLA and NCP requirements and limitations
 - Roles and responsibilities for carrying out CERCLA and NCP requirements

As part of the review process, the borrowing entity must submit copies of all agreements from all other parties that have a role in making the project successful. This documentation should be submitted to the Program Manager.

5 LOAN STRUCTURE AND TERMS

The loans provided by this program will be structured to encourage borrowers to clean up Brownfields and put them back into productive use. In order to be fair and equitable, the standard terms offered are set forth below. These terms may vary on a case-by-case basis depending on risk factors and the need for additional incentives.

5.1 Interest Rate

Generally, the interest rate for BRLF participants will be somewhere between 2% and 5%. The interest rate will be negotiated on a case-by-case basis. Other factors for consideration in the determination of the interest rate will be job creation, the rate applied to other community development loan programs offered by the relevant jurisdiction and overall demand for these loans. Interest will be calculated by the simple interest method and based on a 365 day year, using actual days elapsed. Interest will be charged on the outstanding disbursed amount, accrued and added to the principal amount outstanding when disbursement stops.

5.2 Loan Fees and Costs

A loan origination fee of not more than two percent (2.00%) of the loan amount may be charged. The loan origination fee may be incorporated into closing costs for the loan paid by the borrower. All out-of-pocket costs will be paid by the borrower including, but not limited to:

- Commercial credit reports
- Credit reports
- Uniform Commercial Code (UCC) filings
- Title transfer/insurance fees
- Deed of Trust recording and reconveyance fees
- Legal costs

5.3 Repayment Schedule

Payment is required during the term of the loan, and may be principal and interest, or interest only, depending on the project. If the loan is structured with interest only payments, the principal is repaid when the site has:

- Been remediated; or
- The project is refinanced; or
- The project is sold.

5.4 Loan Amortization

The typical loan may have a maximum term of up to five years (60 months) which can be amortized over a longer period. The loan term will be determined on a project-by-project basis to be consistent with other loans obtained to finance the cleanup of Brownfields properties.

5.5 Loan Due Dates/Late Charges/Loan Assumption

Borrower's payments will be due on the fifth day of each new quarter (with the quarterly due dates being January 5th, April 5th, July 5th and October 5th), with the first payment due at completion of the site remediation or one year after the loan is funded, whichever is first. A late charge of 5% of the payment amount due will be assessed on loans more than 10 days past due.

5.6 Grants/Forgivable loans

The BRLF will also make a limited number of sub-grants or forgivable loans available to municipal entities, nonprofit organizations or special purpose units of government, including Indian tribes. Sub-grants or forgivable loans will be made on a case-by-case basis and will not exceed 40% of the actual loan with a maximum of \$200,000.

6 LOAN CLOSING AND DISBURSEMENTS

6.1 Closing Requirements on Fund Recipients

Before a contract for financial assistance is transmitted for signature, a recipient must certify that it has complied and will comply with all legal requirements that are determined by USEPA to apply to the operation of the fund. A recipient shall:

- Establish an official file containing an adequate record of all significant actions relating to the project;
- Establish accounts that accurately and adequately account for all amounts of BRLF funds received;
- Establish a system of accounting which ensures that the final total costs of the project, including all direct and indirect costs, are recorded accurately;
- Provide by July 30th of each year, a report of match costs for the preceding period of July 1st to June 30th. This report is to be sent to the Program Manager.
- Establish and maintain such other accounts and records as are required to ensure compliance with requirements for reporting established by the Federal Government;
- Retain all records relating to the project for at least 3 years after final repayment of financial assistance has been made.

Any records of a recipient relating to the project must be made available at any reasonable time for inspection or copying by any authorized representative of the City.

6.2 Disbursements to the Borrower

Funds may be disbursed to borrowers based on a predetermined "schedule" or based on "actual expenses," to be determined on a project-by-project basis and specified in each loan document, including any appropriate assurances and provisions.

If a scheduled disbursement method is chosen, an agreed upon portion of the obligated funds will be disbursed upon receipt and verification of progress milestones specified in the loan documentation and the design and construction plan.

If the actual-expense method is chosen, the borrower will submit invoices for actual expenses incurred to the City for submittal to USEPA. All expenses shall be approved by the City project manager prior to submittal to USEPA.

7 LOAN ADMINISTRATION

7.1 Loan Administration

City staff will coordinate, monitor, document, disburse and collect revolving loan funds in accordance with this section. When all the loan documents have been signed the Program Manager will:

- File all collateral documents with the appropriate authorities;
- Process a request for funds from USEPA. This is for the initial round of loans. Subsequent loans will be funded from the jurisdiction's repayment account and from USEPA as appropriate;
- When received, funds will be promptly disbursed to the borrower.

7.2 Loan Servicing

The City will contract with a loan servicing firm (such as AmeriNational) to service the loans. After a loan is closed and disbursed the contracted firm will:

- Maintain a loan filing system. The file will include:
 - Applications;
 - Closing documents;
 - Credit memorandum;
 - Servicing records;
 - Perfected collateral documents.
- Maintain a payment collection system to include:
 - Record and determine application of payments;
 - Maintain payment histories;
 - Reminder on 15th day of delinquency;
 - Application of a late fee;
 - If 60 days delinquent then joint collaboration with originating jurisdiction;
 - Determination of legal remedies.

7.3 Collection of Delinquent Loans

A written late notice will be sent to any borrower who becomes over 10 days late for any payment or partial payment. Concurrent with the late notice, a late charge will be assessed against the loan. The amount of the late charge will be reflected on the late notice. If a BRLF loan account becomes further delinquent, the loan servicing firm and the City will take appropriate collection action. These collection actions are defined as addressing routine delinquency and addressing serious delinquency.

Addressing Routine Delinquency

A late notice will be sent to any borrower more than ten days late, whether or not that borrower has been in communication with the City or the loan servicing firm. Prior to the 30th day of contractual delinquency the loan servicing firm will contact the borrower by telephone or in person to (a) inform the borrower of the delinquency, (b) establish the reason for non-payment, (c) determine with the past due payment will be made, and (d) notify the borrower that they are

expected to maintain the loan payments according to the note terms or, at the very least, contact the BRLF Program Manager immediately upon determining that a payment cannot be made on time.

Addressing Serious Delinquency

If at any time a loan becomes past due (see section on Section 7.7) or if the City receives official information that indicates pending delinquency (such as a Bankruptcy Notice), the loan will be considered a serious delinquency (or in default). The borrower may be contacted by letter, phone or in person until a plan has been worked out between the borrower and the City to bring the account to current status. Upon making the determination that the borrower is seriously delinquent and has the potential for default or is unwilling to maintain the loan payments, the City will review the account to determine the appropriate course of action to protect the assets of the City.

The location and condition of any tangible collateral should be ascertained. This may involve a site visit. Guarantors or co-makers should be notified of the status of the loan to avoid catching them off guard should demand later be issued. Also guarantors can be helpful in collecting from maker.

Collection action by the City beyond the mailing of a late notice or routine oral or written communication that may occur includes:

- Issuance of a formal, written demand for the loan balance.
- Filing a lawsuit to recover a loan balance.
- Placing a lien on property.
- Filing a Notice of Default against collateral (foreclosure).
- Ordering the sale of repossessed or foreclosed collateral.
- Filing a lawsuit to recover a deficiency balance.
- Filing a petition with a Bankruptcy Court requesting that a borrower be adjudged a bankrupt.

All persons involved in the collection of delinquent loans will, at all times, adhere to applicable state and federal law governing collections including, but not limited to: Federal Regulation B (Equal Credit Opportunity), requiring equal treatment of debtors regardless of their sex, age or marital status and the Federal Fair Debt Collection Practices Act, which prohibits harassment of delinquent debtors.

7.4 Repossession and Foreclosure

If the borrower and the City cannot resolve a non-payment issue, the City may consider recovery and sale of the loan collateral. In the case of personal property collateral the borrower is expected to surrender the collateral at a time and place designated by the City. Repossessed and personal property collateral should be assessed as to condition and inventoried immediately upon it's delivery to the City. It should then be held in safekeeping and insured against loss.

After all collateral has been sold and the proceeds of the sale(s) applied to the loan, and if there is a balance remaining, the borrower will be notified of this deficiency balance by the certified mailing of a demand notice, demanding payment of the balance by a specific date. If the balance has not been paid by the date specified, the City will consider the appropriate courses of action for the situation.

If uncontaminated real property is used as collateral, foreclosure is an option that may be considered if no other means of resolving the problem are available. The procedure of

foreclosure differs from that of repossession. Foreclosure is commenced by the Deed of Trust beneficiary instructing the Trustee (Title Company) to file a notice of default.

Due to the nature of the BRLF Program, real property collateral may be second or third trust deeds, and therefore subject to one or more senior loans. If the BRLF loan program is in default, it is likely that the senior lienholder's loan(s) are also in default. The actions of other lienholders should be monitored in order to protect the lienholder's interest, as foreclosure by a senior lienholder will eliminate the existence of any junior liens.

If a balance remains on the loan after the sale of real property acquired through regular foreclosure, the City will determine if the borrower will be pursued for the deficiency.

7.5 Bankruptcy

The Bankruptcy Court will issue a stay order in all cases when a borrower files for protection under Chapter 7, 11 or 13 bankruptcy laws. This order requires all creditors to stop any action then ongoing and to cease all collection activity on the debt. This period is also an opportunity for secured creditors to file a claim against the assets of the borrower. The claim is filed with the bankruptcy court having jurisdiction over the case. The court will also appoint a trustee to process the claim and deal with the creditors and the assets. Secured creditors are given preference over unsecured creditors, or those secured by intangible assets, in the payment of their claims.

7.6 Revision of Repayment Terms

If the reason for non-payment is considered temporary, the loan may be revised with the approval of the City. During any period of revision, the borrower must at least be able to make interest payments, and must understand that the revision is temporary. He/She is expected to resume regular payments at the end of the revision period.

7.7 Delinquency Accounting

Delinquency accounting is as of the last day of each quarter or annually, dependent upon loan terms. The loan status categories used in this monthly accounting are current, 30 days, 60 days, 90 days and 120+days. For reporting and accounting purposes only, a loan is considered current if its next due date falls within the quarter just ended, or later. For example, as of July 31st, any loan due for its July or later payment would be in the current category.

A loan is considered to be 30 days past due if its quarterly payment was due within the month prior to the 5th day of the month just ended. For example, as of the 6th day, any loan due for its July payment would be in the 30 day category and so forth. This method of reporting delinquency is used to standardize reporting on loans with different due dates, and differs from the contractual delinquency of a loan, which determines when late notices, late charges and default rates are imposed. A loan is contractually delinquent when it is one or more days late for a part of a payment.

7.8 Administrative Procedures

Administrative Loan files, including all pertinent documentation will be the property of the City and will be stored in a secure non-public location. The Credit File portion of the Administrative Loan File will be retained by the City and stored in locked cabinets.

Quarterly reporting to USEPA is the responsibility of the City.

In order for the City to meet the federal reporting requirements, a cost share report with supporting documentation, covering the period from July 1 to June 30 of each City fiscal year is to

be provided by each borrower or subgrantee and submitted to the BRLF Program Manager. This report is due no later than July 30th of each calendar year.

8 OTHER PROVISIONS

8.1 Non-Discrimination/Equal Opportunity Lender

The City will loan monies on a nondiscriminatory basis and no Applicant will be denied a loan on the basis of race, color, national origin, religion, handicap, sex, marital status, sexual orientation or age (provided that the Applicant is of sufficient age to enter into a binding contract). Furthermore, the City will not discriminate on the basis of whether all or a part of the applicant's income derives from any public assistance program, or whether the applicant in good faith exercises any rights under the Consumer Protection Act.

8.2 Disclosure of Applicant Information

Applicants of the BRLF Program are advised that the Program uses public funds. Public records submitted to the City may be made public pursuant to the statutes of the United States of America and the State of California unless they are exempt by statute. USEPA and the City will adhere to the federal Privacy Act of 1974 (5 U.S.C. §552a), a law which mandates how federal agencies maintain records about individuals. The law strives to balance the government's need to maintain these records with the individual's right to be protected from unwarranted invasions of personal privacy.

The federal Privacy Act requires that agencies only collect information on individuals that is necessary to carry out an agency function, provide safeguards to protect the records from unauthorized access and disclosure, allow people to see the records kept on them and provide an opportunity to correct inaccuracies.

As a Public entity, the City's records (and those of the loan recipients and contractors) are also subject to the Public Records Act. The Public Records Act is designed to give public access to information in possession of public agencies: "public records are open to inspection at all times during the office hours of the...agency and every person has a right to inspect any public record, except as...provided, [and to receive] an exact copy" of an identifiable record unless impracticable (Government Code §6253). Specific exceptions to disclosure are listed in the Government Code. The City does not disclose personal financial information of applicants to third parties for marketing purposes.

8.3 National Environmental Policy Act (NEPA)

Use of these funds will require the borrower to be in compliance with the National Environmental Policy Act (NEPA).

8.4 Conflict of Interest

Conflict of interest provisions govern the roles and responsibilities of the lead agency, fund manager, site manager and borrower in compliance with C.F.R. §31.36(b) (3) and §35.6550(b).

FOR AN APPLICATION PACKAGE OR MORE INFORMATION CONTACT

Diana Sasser, BRLF Program Manager

Project Manager
City of Sacramento Economic Development Department
915 I St, 3rd Floor
Sacramento, CA 95814
Phone: 916-808-5519
Fax: 916-808-8161
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Rachel Hazelwood

Senior Project Manager
City of Sacramento Economic Development Department
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Fax: 916-808-8161
Email: rhazlewood@cityofsacramento.org

Eligible applicants are invited to submit a completed BRLF Application to the Economic Development Department (EDD) office. The EDD will initiate the loan review and analysis and submit it to the Loan Review Committee with a final recommendation.

EXHIBIT B
Pre-Qualification and Application



April 4, 2011

Diana Sasser, Project Manager
City of Sacramento
915 I Street, 3rd Floor
Sacramento, CA 95814

Re: Brownfields Revolving Loan Funds

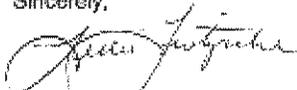
Dear Diana:

I would like to follow-up on the Hazmat Checklist that was submitted on February 2, 2011 and formally request a grant of up to \$250,000 in Brownfields Revolving Loan Funds. The Redevelopment Agency of the City of Sacramento engaged Ninyo and Moore to conduct a Phase II Environmental Site Assessment and Hazardous Building Assessment on the Agency-owned buildings located at 609 and 615 L Street. The buildings were found to contain various hazardous substances including asbestos containing building materials (ACMs), lead-based paints (LBPs) and miscellaneous hazardous building materials (fluorescent light tubes, light ballasts, mercury switches, Freon refrigeration systems, etc).

These properties are located in the Merged Downtown Redevelopment Project Area and are currently subject to an Exclusive Right to Negotiate Agreement with a development team. In order to make these buildings habitable or suitable for demolition there is a significant amount of abatement that must be completed. The buildings are currently blighted and mostly vacant (with the exception of one small restaurant tenant). Further, the properties are located on L Street just two blocks from the State Capitol and are critical to the revitalization of Downtown Sacramento.

I thank you for your consideration of this request and please let us know what additional information you may need in order to respond.

Sincerely,



Leslie Fritzsche
Redevelopment Manager

3. Does the site meet the definition of a Brownfields Site? Is the site "real property, the expansion, redevelopment or reuse of which is complicated by the presence or potential presence of hazardous substances, pollutants or contaminants"?

Yes No If No, the site is ineligible

4. Briefly identify when and how the site became contaminated; describe previous known uses and any known disposal of hazardous substances, pollutants or contaminants. If the land has been vacant for many years, or the grantee is not certain of its contamination status, indicate why the grantee thinks it is contaminated. (If the site is mine scarred land please see description of "mine scarred lands" in proposal guidelines referenced on page 1). You may attach relevant pages of Phase I or other investigation reports, if available.

The subject site has been occupied by commercial properties since the early-1910's. Due to the age of the structures, asbestos and lead were commonly used in building materials. The Phase I is available for a detailed listing of previous owners and the most recent uses.

5. List known or suspected contaminant(s). *Asbestos/Lead Paint*

C. Sites Not Eligible for Funding By Statute

If the answer is Yes to any of the questions below (C1 – C3) the site is ineligible or may require a property specific determination as described in Section E.

1. Is the facility listed (or proposed for listing) on the National Priorities List?

Yes If Yes, the site is ineligible No

2. Is the facility subject to unilateral administrative orders, court orders, administrative orders on consent, or judicial consent decrees issued to or entered into by parties under CERCLA?

Yes (If Yes, the site is ineligible but may be re-considered for a Property Specific Determination. See Section E.)

No

3. Is the facility subject to the jurisdiction, custody, or control of the US government? (Question does not apply for land held in trust by the US government for an Indian tribe).

Yes If Yes, the site is ineligible No

D. Hazardous Site Eligibility – Is the Grantee/RLF Borrower a Responsible Party?

The questions in this section will help EPA determine whether the Grantee (or the RLF borrower) is a **responsible party** at the site. If grantee or borrower is responsible for cleanup at the site – the site is not eligible for Brownfields funding.

1. Does the grantee/RLF borrower currently own or has it ever owned the site?

Yes No

2. Does the grantee/RLF borrower (or its tenants) currently operate or has it ever operated the site?

Yes No

3. Did any or all of the disposal of hazardous substances at the site occur AFTER the grantee/RLF Borrower acquired or operated the property?

Yes No

Describe:

4. Has the grantee/RLF Borrower (or its tenants) ever arranged for disposal or transported waste to the site?

Yes If Yes, the site is ineligible
 Arranged for disposal
 Transported waste to the site
 No

5. Does the grantee /RLF borrower have a relationship with the owner or any person responsible for cleanup the site (familial, contractual, financial or corporate).

Yes If Yes, the site may be ineligible (describe below) No

Describe:

6. If the grantee/RLF borrower answers "yes" to any of above the criteria in Section D – the site may be ineligible.

Answer the following Questions #D7-D10 if the grantee/borrower owns the site.

7. Date Property was acquired: *Property was acquired over a period of time, beginning in April 2006- June 2006.*

APN: 006-0098-007 Address: 809 L Street Acquired April 28, 2006

APN: 006-0098-014 Address: 815 L Street Acquired June 30, 2006

8. How did the Grantee/RLF Borrower acquire the property?

Tax Foreclosure, skip D9 - continue to D10
 Purchase
 Eminent Domain
 Donation
 Other (Explain):

9. Did the owner conduct due diligence or All Appropriate Inquiry (AAI) prior to acquiring property? AAI / ASTM E1527-05 is required after November 1, 2006. See 40 CFR Part 312, Standards and Practices for All Appropriate Inquiries, Final Rule.

Yes No If No, the site is ineligible.

Describe: The Agency completed an Environmental Site Assessment Phase I, in accordance with All Appropriate Inquiry on March 16, 2006.

10. Did the grantee/RLF Borrower take reasonable steps with regard to the contamination at the site?
 Yes No *If No, the site is ineligible.*

Describe: The Agency took steps to ensure that the buildings were closed off to the public with an appropriate property management firm in place.

"Reasonable steps with regard to contamination at the site" includes, as appropriate, stopping continuing releases, preventing threatened releases, and preventing or limiting human, environmental or natural resource exposure in to earlier hazardous substance releases. For more information see EPA's March 6, 2003 "Common Elements" guidance

See web link at:

<http://www.epa.gov/compliance/resources/policies/cleanup/superfund/common-elem-ref.pdf>

E. Sites Eligible for a Property Specific Determination by EPA

If the answer is Yes to any of the questions below (E1 –E7), a property specific determination is required. The grantee will need to submit additional information. (See Appendix 4 of the Proposal Guidelines for Brownfields Assessment, Revolving Loan Fund and Cleanup Grants.)

1. Is the site / facility subject to a planned or ongoing CERCLA removal action?
 Yes No

2. Has the site/facility been the subject of a unilateral administrative order, court order, an administrative order on consent or judicial consent decree that has been issued to or entered into by the parties, or been issued a permit by the U.S. or an authorized state under the Solid Waste Disposal Act (as amended by the Resource Conservation and Recovery Act (RCRA)), the Federal Water Pollution Control Act (FWPCA), the Toxic Substances Control Act (TSCA), or the Safe Drinking Water Act (SWDA)?
 Yes No

3. Is the site/facility subject to corrective action orders under RCRA (sections 3004(u) or 3008(h)) and has there been a corrective action permit or order issued or modified to require corrective measures?
 Yes No

4. Is the site/facility a land disposal unit that has submitted a RCRA closure notification under subtitle C of RCRA and is subject to closure requirements specified in a closure plan or permit?
 Yes No

5. Has the site/facility had a release of polychlorinated biphenyls (PCBs) that is subject to remediation under TSCA?
 Yes No

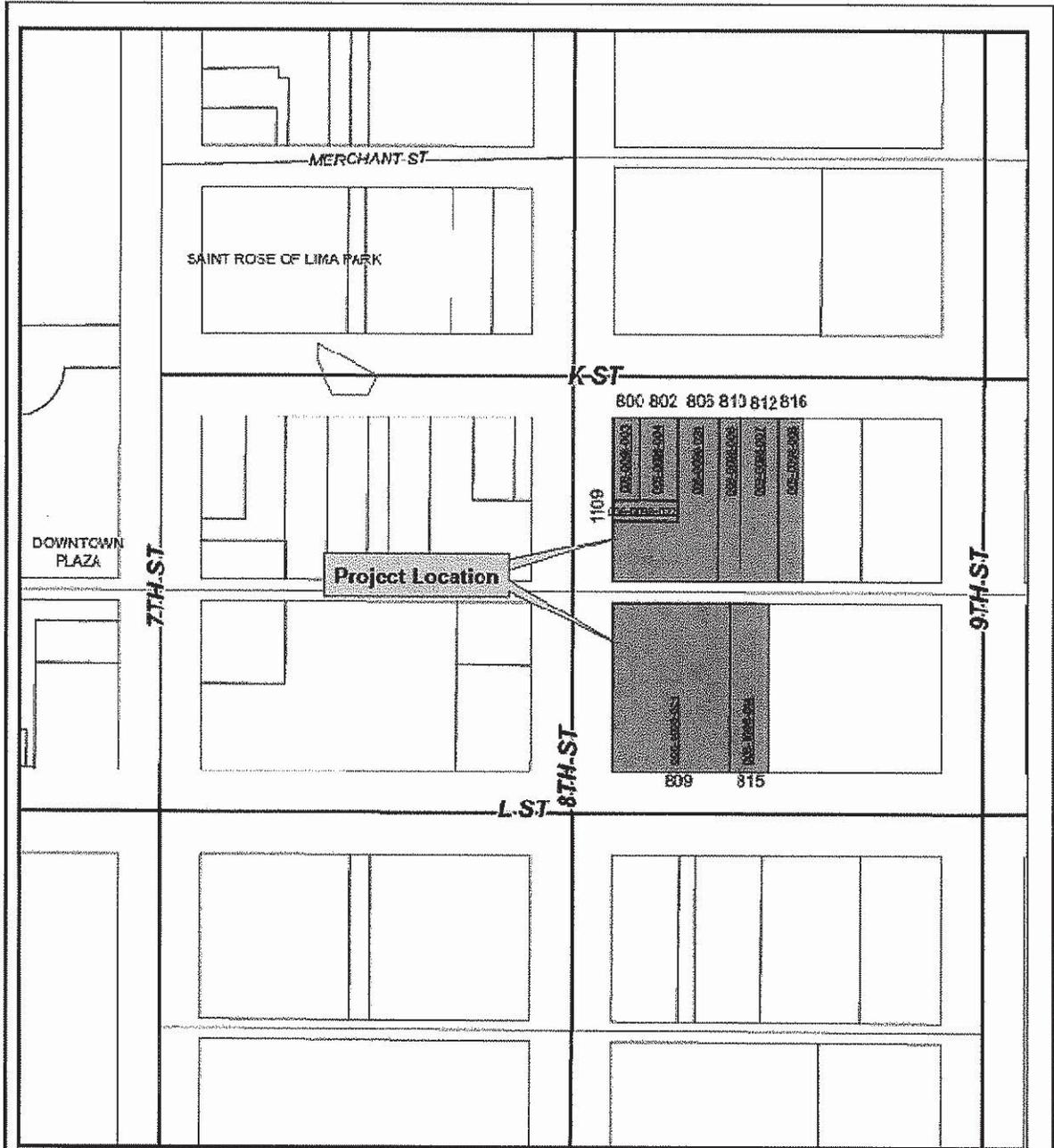
6. Has the site/facility received funding for remediation from the Leaking Underground Storage Tank (LUST) Trust Fund?
 Yes No

7. Is the Site an Excluded RCRA Facility? 1) RCRA permitted facilities. 2) RCRA Interim status facilities requiring corrective action or to address contamination such as facilities under RCRA §3008(a), §3008(h) §3013 and §7003. 3) Facilities under administrative orders on consent or judicial consent decrees under RCRA or CERCLA that require corrective action or to address contamination and 4) Land disposal units that have notified EPA or an authorized state of their intent to close or that have closure plans or permits.

Yes No

Because of the complexities of hazardous waste sites, consultation with legal counsel will be necessary. Your Project Officer will notify you of the site eligibility determination or if additional information is required.

EXHIBIT C
"Property"



0 275 Feet



Attachment 1
800 Blocks of K & L Streets
Location Map

J Cannon | 8/10