

COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT
Between the City of Las Vegas and
Youth With A Mission

THIS AGREEMENT, made and entered into this 6th day of June, 2007 by and between the CITY OF LAS VEGAS, a municipal corporation of the State of Nevada, hereinafter referred to as "CITY," or "Grantee" and YOUTH WITH A MISSION, a Nevada non-profit organization under the laws of the State of Nevada, hereinafter referred to as "SUBRECIPIENT" or "YWAM", whose primary mailing address at the date of execution is P O Box 36606, Las Vegas, NV 89133-6606.

WITNESSETH

WHEREAS, the CITY has entered into a Grant Agreement with the U.S. Department of Housing and Urban Development for participation in the Community Development Block Grant, hereinafter referred to as "CDBG," program under Title I of the Housing and Community Development Act of 1974, P.L. 93-383 as amended; and

WHEREAS, the CITY is responsible for planning, administering, implementing, and evaluating the CDBG program to ensure that it conforms to the HUD-approved Consolidated Plan for the City; and

WHEREAS, on June 6, 2007, the City of Las Vegas City Council approved to transfer the city of Las Vegas' interest in the former Economic Opportunity Board (EOB) Treatment Center located at 522 W. Washington Avenue, Las Vegas, Nevada 89106 to YWAM towards the purchase of this property (the "Property").

WHEREAS, CITY, as Grantee, wishes to engage SUBRECIPIENT to assist the CITY in utilizing such funds by providing services to meet one (or more) of the CDBG Program's three broad National Objectives (defined in 24 CFR Part 570.208) as follows:

1. To benefit low - and moderate-income persons,
2. To aid in the prevention or elimination of slum or blight,
3. To meet Community Development needs having a particular urgency;

NOW, THEREFORE, it is agreed between the parties hereto that:

I. SCOPE OF SERVICE

A. SUBRECIPIENT RESPONSIBILITIES

SUBRECIPIENT will be responsible for administering a CDBG-funded project known as Youth With A Mission to provide activities eligible under the CDBG Grant program pertaining to acquisition of a building as more specifically set out and attached as Exhibit "A", Scope of Service description and incorporated herein (the "Program" or "Project"). It is expressly agreed and understood that the total amount to be provided by the CITY under this Agreement shall not exceed \$481,800 in CDBG funds. SUBRECIPIENT agrees to adhere to the Scope of Services Description, Exhibit "A" (the "Scope of Services") SUBRECIPIENT hereby agrees to utilize said CDBG Funds made available pursuant to this Agreement to supplement rather than supplant funds

otherwise available.

II. CITY GENERAL CONDITIONS

A. COMPLIANCE WITH THE SUBRECIPIENT PROGRAM MANUAL AND OTHER APPLICABLE STATUES AND REGULATIONS

SUBRECIPIENT agrees to abide with all Policies, Regulations and CDBG program criteria as specified in the Neighborhood Services SUBRECIPIENT Construction/Rehabilitation Program Manual. SUBRECIPIENT shall obtain any and all Federal, State, and Local permits and licenses required to execute the project or program as described in the Agreement's Scope of Services. SUBRECIPIENT further agrees to abide by all applicable Federal, State, and Local codes, regulations, statutes, ordinances, and laws. Failure to abide by any of the above may result in forfeiture of the CDBG grant funds.

B. SUBRECIPIENT RETAINS EXCLUSIVE RIGHT OF PERFORMING SERVICES

SUBRECIPIENT has requested the financial support of the CITY to enable SUBRECIPIENT to provide the services contemplated herein. The CITY shall have no relationship whatsoever with the services contemplated herein except the provision of financial support and the receipt of reports as provided herein. In any and all events, the services contemplated herein shall be rendered at the time, in the manner and under circumstances determined solely and exclusively by SUBRECIPIENT, subject only to review by the City of Las Vegas, Neighborhood Services Director or other designee of the Neighborhood Services Director to assure continuing eligibility for CDBG funding.

C. INDEMNIFICATION

SUBRECIPIENT agrees to protect, defend, indemnify and save harmless the CITY from and against any and all liability, damages, claims, suits, liens, and judgments of whatever nature, including but not limited to, claims for contribution and/or indemnification for injuries to or death of any person or persons, caused by, in connection with, or arising out of any activities undertaken pursuant to this Agreement. SUBRECIPIENT'S obligation to protect, defend, indemnify, and save harmless as set forth in this paragraph, shall include any and reasonable attorneys' fees incurred by the CITY in the defense and/or handling of said suits, demands, judgments, liens, claims and the like and reasonable attorneys' fees and investigation expenses incurred by the CITY in enforcing and/or obtaining compliance with the provisions of this paragraph.

D. ON-SITE MONITORING

Projects and Programs funded under this Agreement will be subject to on-site monitoring by duly authorized CITY representatives, CITY-contracted independent auditors, HUD and/or the Comptroller of the United States. Said representatives will be announced, at a minimum, 24 hours in advance of such visits, which shall occur during normal operating hours. The representatives shall be granted access to any and all records pertaining to said Project. Representatives may, on occasion, interview project recipients who volunteer to be interviewed.

Subrecipient shall allow duly authorized representatives from the City, independent auditors contracted by the City, HUD, the Comptroller General of the United States, or any combination thereof, to conduct such reviews, audits, and on-site monitoring of the Program as the reviewing entity deems appropriate in order to determine:

1. Whether the Program is being operated in a manner consistent with the Plan and the national and primary objectives of the CDBG Program;
2. Whether the objectives of the Program are being achieved;
3. Whether the Program is being operated in an efficient and effective manner;
4. Whether management control systems and internal procedures have been established to meet the objectives of the Program;
5. Whether the financial operations of the Program are being conducted properly;
6. Whether the periodic reports to the City contain accurate and reliable information; and
7. Whether all of the activities of the Program are conducted in compliance with the provisions of applicable Federal laws and regulations and this Agreement.

E. RIGHT TO REVIEW AND AUDIT

1. The SUBRECIPIENT agrees to maintain financial records pertaining to all matters relative to this Agreement in accordance with standard accounting principles and procedures and to retain all records and supporting documentation applicable to this Agreement for a period of ten (10) years, except those records subject to audit findings shall be retained for three (3) years after the period of affordability. In the event the SUBRECIPIENT goes out of existence, the SUBRECIPIENT shall turn over to the City all of its records relating to this Agreement to be retained by the City for the required period of time.

2. The SUBRECIPIENT agrees to permit the City or the City's designated representatives to inspect and 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 the City desires concerning SUBRECIPIENT's operation hereunder. The SUBRECIPIENT further understands and agrees that said inspection and audit would be exercised upon written notice. If the SUBRECIPIENT or its records or books are not located within Clark County, Nevada, in the event of an inspection and audit, SUBRECIPIENT agrees to deliver the records or books or have the records or books delivered to the City or the City's designated representatives find that the records delivered by the SUBRECIPIENT are incomplete, the SUBRECIPIENT agrees to pay the City or the City representatives' costs to travel (including travel, lodging, meals, and other related expenses) to the SUBRECIPIENT's offices to inspect, audit, and retrieve the complete records. The SUBRECIPIENT further agrees to permit the City or the City's designated representatives to inspect and audit, as deemed necessary, all records of this project relating to finances, as well as other records including performance records that may be required by relevant directives of funding sources of the City.

F. INSURANCE

1. The SUBRECIPIENT shall procure and maintain at its own expense, during the entire term of the Agreement, the following coverage:
 - a. Industrial/Workers' Compensation Insurance protecting the SUBRECIPIENT and the City from potential SUBRECIPIENT employee claims based upon job-related sickness, injury, or accident, during performance of this Agreement for any period of time workers are employed by YWAM for the Project.
 - b. General Liability Insurance in the amount of One Million Dollars (\$1,000,000) combined single limit per occurrence, and Two Million Dollars

(\$2,000,000) aggregate for bodily injury (including death), personal injury and property damage. Such coverage shall be on an "occurrence" basis and not on a "claims made" basis. The coverage must be provided either on an ISO Commercial General Liability form or an ISO Broad Form Comprehensive General Liability form. Any exceptions to coverages must be fully disclosed on the required certificates. If other than these forms are submitted as evidence of compliance, complete copies of such policy forms must be submitted to the City within ten (10) days after the notice of award. Policies must include, but need not be limited to, coverages for bodily injury, property damage, personal injury, Broad Form property damage, premises and operations, severability of interest, products and completed operations, contractual and independent contractors.

c. Automobile Liability Insurance in the amount of One Million Dollars (\$1,000,000) combined single limit "per accident" for bodily injury or property damage, or both, caused by or arising out of the ownership, maintenance or use of any automobile by SUBRECIPIENT (owned or hired) in the performance of the services under this Agreement.

d. Professional Liability Insurance in an amount of not less than One Million Dollars (\$1,000,000). Coverage may be on a "claims made" basis or on an "occurrence" basis. If coverage is provided on a "claims made" basis, SUBRECIPIENT shall maintain coverage for one (1) year following the completion of this Agreement.

The insurance coverages required under this Section are in addition to, and not in lieu of, SUBRECIPIENT's indemnification obligation provided under Section II.C. The City, its officers, employees and volunteers must be expressly named as additional insured parties under the coverages required under this Section.

2. Certificates of Insurance. Prior to the commencement of its performance under this Agreement, SUBRECIPIENT shall have on file with the City current certificates of insurance evidencing the coverages required herein.

a. SUBRECIPIENT shall furnish the renewal certificates for the required insurance during the period of coverage required by this Agreement. If the renewal certificates are not provided, the City may declare SUBRECIPIENT in default of its obligation under this Section.

b. Except for the Professional Liability Insurance, the City shall be named as an additional insured party under the coverages required under this section.

3. Insurance Rating. Each insurance company's rating as shown in the latest Best's Key Rating Guide shall be fully disclosed and entered on the required certificate of insurance. The adequacy of the insurance supplied by SUBRECIPIENT, including the rating and financial health of each insurance company providing coverage, is subject to the approval of the City. The City requires insurance carriers to maintain a Best's Key rating of A VII or higher (i.e., A VII, A VIII, A IX, A X, etc.).

4. Lapse of Insurance. If SUBRECIPIENT fails to maintain any of the insurance coverages required under this Section, then the City will have the option to (i) declare a breach of this Agreement, (ii) purchase replacement insurance, or (iii) pay the premiums that are due on existing policies in order that the required coverages may be

maintained. SUBRECIPIENT is responsible for any expenses paid by the City to maintain or purchase the insurance required under this Section and the City may collect the same from SUBRECIPIENT or deduct the amount paid from any sums due SUBRECIPIENT under this Agreement.

5. Primary Coverage. SUBRECIPIENT's insurance shall be the primary coverage with respect to the City, its officers, employees and volunteers. Any other coverage (insurance or otherwise) available to the City, its officers, employees and volunteers shall be considered coverage in excess to that required of SUBRECIPIENT and shall not contribute with it.

6. Notice of Cancellation. Each insurance policy supplied by SUBRECIPIENT must be endorsed to provide that the coverage shall not be suspended, voided, canceled or reduced in coverage or in limits until thirty (30) days prior written notice by certified mail "return receipt requested" has been given to the City. This notice requirement does not waive the insurance requirements contained herein.

G. IRS REGULATIONS

SUBRECIPIENT agrees to comply with all applicable IRS regulations, specifically regarding employees, depositing of payroll taxes, filing of payroll tax returns, and issuance of W-2's at year-end. All persons working for a non-profit agency, whether full or part-time, are considered employees, pursuant to IRS Publication 15A. If a private contractor or instructor is hired, a W-9 must be completed if he/she is paid \$600 or more, and an IRS Form 1099 must be issued to that person at year-end, as well as filed with the IRS. 1099 instructions can be obtained on the IRS website.

H. LIMIT ON ASSIGNMENT OF INTEREST

SUBRECIPIENT may not assign any part of its rights in this Agreement without consent of CITY. Any such assignment of rights without consent of CITY shall result in the forfeiture of all compensation, or any part thereof, as determined by CITY.

I. AGREEMENT REVISIONS

Changes in the Scope of Services as outlined herein must be in accordance with CDBG Program regulations, made by written amendment to this Agreement and approved by both the SUBRECIPIENT and the Las Vegas City Council if funding amounts over \$24,999 are involved or by the Director of Neighborhood Services or the Director's designee if funding amounts of less than \$25,000 are involved. In addition, the Department Director is authorized to sign amendments, which revise the Agreement language without any funding impact. Any such changes must not jeopardize CDBG funding to the City.

J. APPRAISAL OF PROPERTY

SUBRECIPIENT understands and agrees that it is the policy of the City to secure as collateral an interest in any and all real property being financed with federal funds. Accordingly, for properties involving acquisition of real property, improvements to real property, or a combination thereof, the City shall not provide funding in excess of fair market value of the subject property. Therefore, the City required YWAM to provide an appraisal to ascertain fair market value. The current Fair Market Value for the Property located at 522 W. Washington Avenue Las Vegas, Nevada 89106 is \$1,095,000 per the appraisal dated June 27, 2007.

In the event of: (1.) default and repayment of the CDBG Funds; (2.) upon any sale of the Property; or (3.) any repayment thereof, after an event of default or otherwise, SUBRECIPIENT agrees that the repayment amount shall be based upon the then fair market value of the Property at the time of repayment. The total amount of repayment shall equal 44% of the fair market value of the Property.

K. DISCLOSURE OF PRINCIPALS

Pursuant to Resolution R-105-99 adopted by the Las Vegas City Council effective October 1, 1999, and amended on November 17, 1999, SUBRECIPIENT warrants that it has disclosed, on the form attached hereto as Attachment I, all principals, including, partners of SUBRECIPIENT, as well as all persons and entities holding more than 1% interest in SUBRECIPIENT or any principal of SUBRECIPIENT. Throughout the term hereof, SUBRECIPIENT shall notify City in writing of any material change in the above disclosure within 15 days of any such change.

L. GROUNDBREAKING/GRAND OPENING EVENTS

The SUBRECIPIENT agrees and understands that all costs incurred for groundbreaking and grand opening ceremonies will be the responsibility of the SUBRECIPIENT. In addition, the SUBRECIPIENT agrees to coordinate any ceremonial events concerning this project with the City to include review and approval of the date selected, the invitations, the invitation list, the press release, and the programs. The City will be responsible for scheduling the event with any city-elected officials.

M. AGREEMENT TO DEVELOPMENT CONDITIONS

SUBRECIPIENT hereby agrees to comply with any and all development conditions as established by CITY Council, the CITY Planning Commission, the CITY Board of Zoning Adjustment, and by the CITY Planning Department as stated in the Project Description, Exhibit "D" (the "Project Description") section of this Agreement. When necessary, the CITY may amend such conditions to comply with the City of Las Vegas General Plan, with Title XIX of the Municipal Code of the City of Las Vegas, and with any applicable state, local, and federal law.

III. FEDERAL GENERAL CONDITIONS

The Subrecipient shall be required to comply with the following federal laws, regulations and disclosures, to the extent that such laws, regulations and directives apply to the activities funded by the CDBG Funds provided in this Agreement:

A. RELIGIOUS ACTIVITIES 24 CFR 570.200(j)

As a general rule, in accordance with First Amendment Church/State Principles, CDBG assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities, except as cited at 24 CFR 570.200(J)(1)(2)(3).

B. POLITICAL ACTIVITIES 24 CFR 570.207

SUBRECIPIENT will comply with this section, which prohibits the use of CDBG funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

HATCH ACT CHAPTER 15, TITLE 5, U.S. CODE

SUBRECIPIENT further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

C. PROGRAM INCOME 24 CFR 570.500

SUBRECIPIENT agrees that program income, as defined in 24 CFR 570.500, includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
2. Proceeds from the disposition of equipment purchased with CDBG funds;
3. Gross income from the use or rental of real or personal property acquired by SUBRECIPIENT with CDBG funds, less costs incidental to generation of the income;
4. Gross income from the use or rental of real property, owned by SUBRECIPIENT, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;
5. Payments of principal and interest on loans made using CDBG funds, except as provided in 24 CFR 570.500(a)(3); and
6. Interest earned on program income pending its disposition.

DISPOSITION OF PROGRAM INCOME

If applicable to the Subrecipient, Program income shall be recorded separately pursuant to 24 CFR 504. SUBRECIPIENT may retain income from the Project provided that written notification is given to the Neighborhood Services Director and that the income is to be used for the exclusive benefit of the Program. Such income will be subject to guidelines for use of such income in accordance with HUD regulations. If any applicable Program income retained is not used for the exclusive benefit of the Program, the Program income shall be returned to the CITY for disposition.

D. OTHER PROGRAM REQUIREMENTS 24 CFR

SUBRECIPIENT shall carry out its activities in compliance with all Federal laws and regulations as described in 24 CFR 570.600--570.612, except that SUBRECIPIENT will not assume the CITY'S environmental responsibilities described at 24 CFR 570.604, nor the CITY'S responsibility for initiating the review process under the provisions of 24 CFR Part 58.

1. GENERAL--24 CFR 570.600

SUBRECIPIENT agrees to comply with such laws and Program requirements as are applicable to grants made under section 106 of Title I of the Housing and Community Development Act of 1974.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964--24 CFR 570.601 FAIR HOUSING ACT--24 CFR 570.601 EXECUTIVE ORDER 11063--24 CFR 570.601

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964, P.L. 88-352; the Fair Housing Act; and Executive Order 11063, as amended by Executive Order 12259; and HUD regulations at 24 CFR Part 1, providing for non-discrimination on the grounds of race, color, creed,

sex, familial status, disability, or national origin under any activity receiving Federal funds and also obligating SUBRECIPIENT to use Federally-funded property for the purpose for which the Federal funds were awarded.

3. **SECTION 109 OF THE ACT--24 CFR 570.602
AGE DISCRIMINATION ACT of 1975--24 CFR 570.602(c)
SECTIONS 504 OF THE REHABILITATION ACT OF 1973
24 CFR 570.602(c)**
This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with Community Development Block Grant funds.
4. **LABOR STANDARDS AND DAVIS BACON ACT 24 CFR 570.603** For construction activities funded by CDBG Funds, Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance provided under the Act. The Contract Work Hours and Safety Standards Act and Copeland Act also apply. Contractors or subcontractors on construction work shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.
5. **ENVIRONMENTAL STANDARDS 24 CFR 570.604**
This Agreement is subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.
6. **NATIONAL FLOOD INSURANCE PROGRAM 24 CFR 570.605**
This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.
7. **DISPLACEMENT, RELOCATION, ACQUISITION, AND ONE-FOR-ONE REPLACEMENT OF HOUSING 24 CFR 570.606**
SUBRECIPIENT shall assure it has taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to Part 570.606. Relocation of displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970. In addition, SUBRECIPIENT understands and agrees that there must be a one-for-one replacement of any occupied or vacant, occupiable low or moderate income dwelling which is demolished or converted to another use in connection with a CDBG-funded activity.
8. **EMPLOYMENT AND CONTRACTING OPPORTUNITIES 24 CFR 570.607**
SUBRECIPIENT shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for Equal Employment Opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development opportunities arising in

connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

9. **LEAD-BASED PAINT, 24 CFR 570.608**

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to Part 570.608; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

10. **USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS OR SUBRECIPIENTS 24 CFR 570.609**

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

11. **UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES 24 CFR 570.610**

SUBRECIPIENT shall comply with the policies, guidelines, and requirements of 24 CFR Part 85 and OMB Circulars A-87, A-110, A-122, A-133, and A-128, as applicable, as they relate to the acceptance and use of Federal funds pursuant to Part 570.610. The applicable sections of 24 CFR Parts 84 and 85 are set forth at Part 570.502.

12. **CONFLICT OF INTEREST 24 CFR 570.611**

This Agreement is subject to the general rule that no person who is an employee, agent, subrecipient, officer, or elected official or appointed official of the CITY as Recipient, or of any designated public agencies, or of SUBRECIPIENT who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted pursuant to Part 570.611, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or Agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

13. **LIMITED ENGLISH PROFICIENCY (LEP)**

Executive Order 13166 enacted August 11, 2000, mandates the federal government reduce language barriers to limited English proficiency (LEP) persons with regard to accessing federal benefits.

Recipients of HUD assistance including state and local governments, public housing authority assisted housing providers, profit and non-profit

organizations and other entities receiving funds directly or indirectly from HUD are subject to Executive Order 13166 and Title VI provisions as a condition of receiving federal funds. Failure to ensure limited English persons (LEP) access to HUD benefits may violate Title VI civil rights protections based upon national origin.

E. DRUG-FREE WORKPLACE

As a SUBRECIPIENT of CDBG funds, and in connection with public services offered, the SUBRECIPIENT agrees that it shall comply with the provisions of the Drug-Free Workplace Act of 1988, 24 CFR Part 21, Subpart F, which requires that SUBRECIPIENT shall maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

F. EXPIRATION OR REVOCATION OF AGREEMENT

Upon the expiration or revocation of this Agreement, SUBRECIPIENT shall transfer to CITY any CDBG funds on hand at the time of expiration or revocation and any accounts receivable attributable to the use of CDBG funds, if applicable.

G. ANTI-LOBBYING

Section 319 of Public Law 101-121, of the Department of the Interior Appropriations Act, prohibits SUBRECIPIENT from using appropriated Federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federal appropriated funds have been paid or will be paid, by or on behalf of SUBRECIPIENT to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

H. AMERICANS WITH DISABILITIES ACT

SUBRECIPIENT agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the SUBRECIPIENT and the activities to be performed by SUBRECIPIENT under the scope of this Agreement. If employing more than fifteen (15) employees, SUBRECIPIENT agrees to comply fully with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), SUBRECIPIENT agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, SUBRECIPIENT agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

I. COMPLIANCE WITH NATIONAL OBJECTIVES

SUBRECIPIENT and CITY agree that so long as the SUBRECIPIENT shall well and truly perform its obligations to the City of Las Vegas under this Agreement, Exhibit "D", Project Description, the City shall retain an interest in the "Property" through a Trust Deed until the fifth anniversary of the close of escrow, plus an additional five years as specified in HUD Federal Regulation 570.503(b)(8)(i), effectively the 6th day of June 2017, or otherwise until Trustor repays to the Beneficiary at any time prior to June 6, 2017 an amount required by 24 CFR 570.504(b) which is equal to forty-four percent (44%) of the

current fair market value of the Property. Until such time, the funds will be recapturable upon sale, refinance or transfer of title.

IV. FINANCIAL MANAGEMENT

A. AUDIT REQUIREMENTS

This Agreement is subject to other requirements of United State's Office of Management and Budget (OMB) Circular No. A-110 "Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations" and its relevant attachments "A" through "O"; and Circular A-122, entitled "Cost Principles for Non-Profit Organizations."

This Agreement is also subject to an OMB A-133 Audit pursuant to the Single Audit Act. Prior to July 1, 1997, the A-133 was applicable to grant recipients who had received \$25,000 per year in federal funds for two consecutive years. Effective December 31, 2003, the Office of Management and Budget requires that grant recipients who expend over \$500,000 in any federal grant funds in the fiscal year received are required to conduct an A-133 audit.

Any agency that expends between \$200,000 - \$499,999 in federal funds in any given year will be required to have a CPA Audited Financial Statement and submitted to the CITY for that year. The funds expended may be from one or multiple federal sources.

All Subrecipients who fall under the requirements of OMB A-133 Auditing Rules must submit a full and complete copy of such audits to the Neighborhood Services Department. It is the responsibility of the SUBRECIPIENT to ensure that audits are completed in a proper and timely manner. Failure to submit copies of the A-133 Audit will render the SUBRECIPIENT as non-compliant. This means that no funds may be drawn until the City of Las Vegas Neighborhood Services Department has received and reviewed the copy of the audit. Please refer to the CDBG Construction/Rehabilitation Program Subrecipient Manual as provided for further guidance on this matter.

B. DOCUMENTATION OF COSTS

All costs shall be recorded by budget line-items and be supported by properly executed payrolls, time records, invoices, contracts, or vouchers, or other official documentation evidencing in proper detail the nature and propriety of the charge. All checks, payrolls, invoices, contracts, and vouchers, orders or other accounting documents pertaining in whole or in part to the Agreement, shall be thoroughly identified and readily accessible. Backup must include the following documents to verify proof of payment: copies of the front and back of the cancelled checks, downloaded check copies from your bank's website, or bank statement in addition to a paid bill, invoice or receipt.

C. FINANCIAL RECORD KEEPING

Financial records pertaining to all invoices, materials, payrolls, personnel records, and other data concerning matters related to this Agreement may be requested from SUBRECIPIENT by duly authorized CITY representatives, CITY-contracted

independent auditors, HUD and/or the Comptroller of the United States, or any combination thereof.

D. RECORDS

Program records shall be maintained in accordance with HUD and CITY requirements with respect to all matters covered by this Agreement. Such records shall be maintained for a period of five years after the term of this Agreement expires (effectively a fifteen year retention period).

E. METHOD OF PAYMENT

The Equal Opportunity Board (EOB) is selling the Property commonly located at 522 W. Washington Avenue, Las Vegas, Nevada 89106 to YWAM. As part of the repayment of the City's interest in providing CDBG Funds to EOB, EOB will be required to pay the City \$481,800. The City is providing Subrecipient with financial assistance in CDBG Funds for the acquisition of the Property in the amount of forty-four percent (44%) of the fair market value of the Property or \$481,800 based upon the current appraisal of the Property at the time of this Agreement. These funds will be transferred in escrow to be used towards the purchase of said Property, the legal description is hereto attached as Exhibit "C" (Legal Description).

The Subrecipient understands and agrees to comply with the conditions of the above-referenced deferred loan (collectively the "City loan") and only as long as the Subrecipient owns and operates Youth With A Mission in the facility located at 522 W. Washington, Las Vegas, Nevada, for a term commencing on June 6, 2007, and ending on June 6, 2017.

The City shall require reasonable assurances of security for Subrecipient's performance and repayment pursuant to 24 CFR 570.505, which shall be a City Deed of Trust for such Property, the form of which is attached to this Agreement as Exhibit "B" and which SUBRECIPIENT shall execute as part of the Agreement ("Deed of Trust"). Such Deed of Trust shall serve as a collateral interest in the property being financed with CDBG Program funds. If the SUBRECIPIENT ceases to meet a national objective in accordance with 24 CFR 570.208, or through foreclosure, transfer in lieu of foreclosure, or other circumstances, SUBRECIPIENT does not maintain vested ownership or legal possession of the Property, or if the provisions of the Agreement are not complied with, SUBRECIPIENT will, upon the request of the City, repay to the City, without interest, the required amount of CDBG Funds that SUBRECIPIENT received from the City hereunder, said amount being equal to forty-four percent (44%) of the fair market value of the Property at such time of repayment, subject to the requirements in the CDBG regulations, specifically, 24 CFR 570.505(b). The City Deed of Trust shall remain in effect until the period of National Objective compliance expires on June 6, 2017.

City acknowledges and agrees that the City Deed of Trust and all rights of City thereunder are and will be subject and subordinate to a first lien deed of trust created by SUBRECIPIENT to provide partial purchase money financing (the "Senior Loan") for SUBRECIPIENT'S acquisition of the Property which will be recorded in the Official Records of Clark County, Nevada ("First Lien Deed of Trust") and to all rights and remedies of the Beneficiary and the Trustee under the

First Lien Deed of Trust and its successors and assigns, including, without limitation, any purchaser at a trustee's sale under the First Lien Deed of Trust and the heirs, personal representatives, successors and assigns of such purchaser, shall not be bound by or obligated to perform any of the obligations of the Trustor under the City Deed of Trust. Except for refinancing to reduce interest, the City Deed of Trust will not be subject or subordinate to any replacement of the First Lien Deed of Trust, occurring as a result of any prepayment, refinancing, sale or other transaction where Subrecipient will receive cash equity from the transaction.

The SUBRECIPIENT and any person with an interest in the Property agree to execute and submit a Request for Notice, Attachment II to the Agreement, in order that a copy of any Notice of Default or any Notice of Sale under the City Deed of Trust recorded in which the City is named as Trustee and Beneficiary be mailed.

The City will take reasonable steps to accommodate the Beneficiary of the First Lien Deed of Trust and/or its successors or assigns (the "Senior Lender") in connection with these obligations, including, but not limited to, providing additional documents to create, to confirm, to continue or to enforce its collateral for the Senior Loan secured by the First Lien Deed of Trust, subject however to approval of the new additional document by City Council, which approval shall not be unreasonably withheld or delayed; and, Subrecipient may refinance or recast the Senior Loan from time to time in its sole and absolute discretion to obtain a lower interest rate. These provisions apply with full force and effect to any successor, assignee, or replacement lender(s). The City agrees to subordinate its lien position to a refinance of the First Lien Deed of Trust, provided that Subrecipient does not cash out equity from the refinance lender.

F. UNEXPENDED FUNDS

In the event that CITY staff anticipates the total amount of funds allocated for this Agreement will not be expended in the time and manner prescribed in this Agreement, the CITY reserves the right to such unexpended portion for other Projects/programs operating under the CITY'S CDBG Program. An extension deadline may be authorized in writing by the CITY Neighborhood Services Director the Director's designee.

G. ACCOUNTING METHODS

Expenditures charged to CITY Fiscal Year indicated above, CDBG funds will be accounted separately from all other revenue sources. SUBRECIPIENT shall maintain these records.

H. REAL PROPERTY, NON-EXPENDABLE PERSONAL PROPERTY, DEPRECIATION SCHEDULES, AND DISPOSITION OF PROPERTY

In accordance with the United States Office of Management and Budget (OMB) Circulars A-87, Cost Principles of State and Local Governments, and A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations, the following shall apply:

- 1) Non-expendable personal property will be defined as any property either tangible or intangible other than real property as defined herein, which has a unit acquisition cost of \$500 or more, and a useful life of more than one year.

- 2) Real property will be defined as land, including land improvements, structures and appurtenances thereto, but excluding movable machinery and equipment.
- 3) When non-expendable personal property has been fully depreciated in accordance with the CITY'S 5-year straight-line schedule, and the property is disposed of for cash, the SUBRECIPIENT may retain such funds provided that SUBRECIPIENT notifies the CITY in writing and that SUBRECIPIENT uses such funds for the exclusive benefit of the Program.
- 4) Pursuant to 24 CFR Part 570.503, the SUBRECIPIENT must transfer upon expiration of the term of this Agreement any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds provided pursuant to this Agreement. In addition, any real property as described above either acquired or improved in whole or in part, in excess of \$25,000, shall be used to meet one of the national objectives pursuant to Part 570.208 until June 6, 2017. If not used as such, SUBRECIPIENT must dispose of such real property in a manner that results in the reimbursement of CDBG funds for the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of or improvement to the property. This reversion of assets will not be required after June 6, 2017.

V. MODIFICATION OR TERMINATION OF AGREEMENT

A. AMENDMENT OR REVISION REQUIRED BY HUD

SUBRECIPIENT and the CITY hereby agree to amend or otherwise revise this Agreement should HUD and/or any applicable federal statutes or regulations require such modification.

B. TERMINATION PROCEDURES

If SUBRECIPIENT fails to fulfill in a timely and proper manner its obligation under this Agreement or shall violate any of the covenants, agreements or stipulations of this Agreement, the CITY shall thereupon have the right to suspend or terminate this Agreement and specify the effective date thereof in accordance with 24 CFR 85.43.

Remedies for noncompliance with any of the covenants, agreements or stipulations of this Agreement shall include, but are not limited to:

1. the temporary withholding of cash payments pending correction of the deficiency by the CITY or SUBRECIPIENT or more severe action by the U.S. Department of Housing and Urban Development, as the awarding federal agency,
2. the disallowance (that is, denying both the use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,
3. the whole or partial suspension or termination of the current award for the Program,
4. the withholding of further awards for the Program, or
5. the adoption of other remedies that may be legally available.

As Grantee, the CITY reserves the right to set the terms and conditions for suspension or termination, provided that such conditions are consistent with 24 CFR Part 85.43 and are appropriate for the noncompliance being addressed. Any notice of termination for noncompliance shall be given no less than ten (10) days before the effective date of such termination and sent to SUBRECIPIENT at the location specified in EXHIBIT "A", Item E of this Agreement.

C. PROVISIONS REQUIRED BY LAW DEEMED INSERTED

Each and every provision of law and clause required by law to be inserted in this Agreement will be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein and if through mistake or otherwise any such provisions not inserted, or is not correctly inserted, then upon the application of either party this Agreement shall forthwith be physically amended to make such insertion.

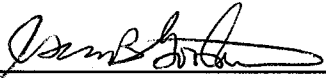
D. NOTIFICATION OF AGENCY CHANGES

SUBRECIPIENTS must notify the CITY in writing, of any of the following changes within 15 days: key staff, Executive Director, changes of more than half of the Board of Directors, Agency name change, change of address, phone, fax or email address. The CITY must have complete and up to date information on file for all SUBRECIPIENTS.

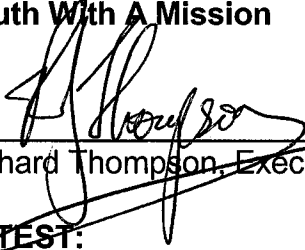
IN WITNESS WHEREOF, the parties hereto have entered this Agreement the day and year first above written.

CITY OF LAS VEGAS

Youth With A Mission



Oscar B. Goodman, Mayor



Richard Thompson, Executive Director

ATTEST:


Beverly K. Bridges, CMC, City Clerk

ATTEST:
By: N/A

Council Action: June 6, 2007


Approved as to form: J. Portillo 12/5/07
Date

ACCEPTANCE OF DEFERRED LOAN AND AGREEMENT TO
COMPLY WITH DEFERRED LOAN CONDITIONS

I, Richard Thompson, Executive Director, Youth With A Mission, a non-profit organization, on behalf of that corporation, do hereby accept the deferred loan in the amount of \$481,800 and the conditions imposed upon that loan contained in the Community Development Block Grant (CDBG) Agreement to Loan CDBG Program Funds to YOUTH WITH A MISSION for the purchase of 522 W. Washington Avenue Las Vegas, NV approved by the City Council of the City of Las Vegas, Nevada on the 6th day of June, 2007, a copy of which is attached hereto and incorporated herein.

Executed this 1st day of July, 2007.

Youth With A Mission

By: 
Richard Thompson, Executive Director

State of Nevada)

County of Clark)

On this 11 day of DEC., 2007, before me, the undersigned, a Notary Public in and for said County and State, personally appeared Richard Thompson, known to me to be the person described in and who executed the foregoing instrument, who acknowledged to me that he executed the same freely and voluntary and for the uses and purposes therein mentioned.


Notary Public

ORDER NO.: _____

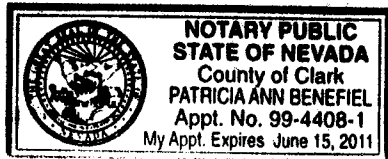


EXHIBIT "A"
SCOPE OF SERVICES DESCRIPTION

A. PROJECT DESCRIPTION

Subject to receipt of the CDBG funding from the federal government, the City will provide up to the amount of CDBG funding identified in I.A. this Agreement to the SUBRECIPIENT for the purpose described in Exhibit "D," Project Description, of the Agreement between Subrecipient and the City (the "Agreement".)

B. CONSTRUCTION COMPLIANCE REQUIRED

For any and all rehabilitation or construction to be performed by SUBRECIPIENT under the scope of this Agreement, SUBRECIPIENT hereby agrees that all such construction shall comply with any and all applicable federal, state, and local building codes, housing codes, and health, fire and safety codes

Furthermore, the SUBRECIPIENT hereby agrees to provide the CITY with a design and construction schedule detailing the project's phases to augment the City's capacity to monitor SUBRECIPIENT activities as to be performed under the Exhibit "D," Project Description of the Agreement prior to City of Las Vegas issued Notice to Proceed for the Project.

C. PROJECT DATA

Subrecipient will provide the Neighborhood Services Director with client usage records on an annual basis commencing one year from the date of receipt of Certificate of Occupancy during the period of the Agreement utilizing Exhibit "E," Yearly Program Status/Client Statistics Reports of the Agreement or a reasonable facsimile thereof. These records will contain but are not limited to, the following data:

- 1) Total clients served;
- 2) Racial breakdown of clients served including American Indian/Alaska Native, Asian, Black/African American, Native Hawaiian/ Other Pacific Islander, White, American Indian/Alaska Native and White, Asian and White, Black/African American and White, American Indian/Alaska Native and Black/African American, Other; Number of clients who report a Hispanic ethnicity;
- 3) Number and percentage of Low and Moderate Income clients as defined by HUD
- 4) Number of handicapped clients served; Number of senior citizens served;
- 5) Number of female head-of-households served;
- 6) Statement of Program year goals cited in SUBRECIPIENT application and measurable accomplishments toward achieving said goals through reporting date of said report.

These reports shall be forwarded to the City of Las Vegas Neighborhood Services Department, ATTN: Neighborhood Development Division.

D. DEED OF TRUST REQUIRED FOR ACQUISITION / CAPITAL IMPROVEMENT

The City shall require reasonable assurances of security for Subrecipient's performance and repayment pursuant to 24 CFR 570.505, which shall be a City Deed of Trust for such Property, the form of which is attached to this Agreement as Exhibit "B" and which SUBRECIPIENT shall execute as part of the Agreement ("Deed of Trust"). Such Deed of Trust shall serve as a collateral interest in the property being financed with CDBG Program funds. If the SUBRECIPIENT ceases to meet a national objective in accordance with 24 CFR 570.208, or through foreclosure, transfer in lieu of foreclosure, or other circumstances, SUBRECIPIENT does not maintain vested ownership or legal possession of the Property, or if the provisions of the Agreement are not complied with, SUBRECIPIENT will, upon the request of the City, repay to the City, without interest, the required amount of CDBG Funds that SUBRECIPIENT received from the City hereunder, said amount being equal to forty-four percent (44%) of the fair market value of the Property at such time of repayment, subject to the requirements in the CDBG regulations, specifically 24 CFR 570.504(b). The City Deed of Trust shall remain in effect until the period of National Objective compliance expires on June 6, 2017.

City acknowledges and agrees that the City Deed of Trust and all rights of City thereunder are and will be subject and subordinate to a first lien deed of trust created by SUBRECIPIENT to provide partial purchase money financing (the "Senior Loan") for SUBRECIPIENT'S acquisition of the Property which will be recorded in the Official Records of Clark County, Nevada ("First Lien Deed of Trust") and to all rights and remedies of the Beneficiary and TRUSTEE under the First Lien Deed of Trust and its successors and assigns, including, without limitation, any purchaser at a trustee's sale under the First Lien Deed of Trust and the heirs, personal representatives, successors and assigns of such purchaser, shall not be bound by or obligated to perform any of the obligations of the Trustor under the City Deed of Trust. Except for refinancing to reduce interest, the City Deed of Trust will not be subject or subordinate to any replacement of the First Lien Deed of Trust, occurring as a result of any prepayment, refinancing, sale or other transaction where Subrecipient will receive cash equity from the transaction.

The SUBRECIPIENT and any person with an interest in the Property agree to execute and submit a Request for Notice, Attachment II to the Agreement, in order that a copy of any Notice of Default or any Notice of Sale under the City Deed of Trust recorded in which the City is named as Trustee and Beneficiary be mailed.

The City will take reasonable steps to accommodate the Beneficiary of the First Lien Deed of Trust and/or its successors or assigns (the "Senior Lender") in connection with these obligations and will provide additional documents to create, to confirm, to continue or to enforce its collateral for the Senior Loan secured by the First Lien Deed of Trust once such document has been approved by City Council; and, Subrecipient may refinance or recast the Loan from time to time in its sole and absolute discretion to obtain a lower interest rate. These provisions apply with full force and effect to any successor, assignee, or replacement lender(s). The City agrees to subordinate its lien position to a refinance of the First Lien Deed of Trust, provided that Subrecipient does not cash out equity from the refinance

lender.

E. NOTIFICATIONS

All notices hereunder and communications regarding interpretation of the terms of this Agreement, or changes thereto, shall be effected by mailing the notice, registered or certified mail, return receipt requested, postage prepaid and address to the City or SUBRECIPIENT as follows:

CITY: Mr. Stephen Harsin, AICP, Director
Neighborhood Services Department
City of Las Vegas
400 Stewart Avenue, 2nd Floor
Las Vegas, NV 89101

SUBRECIPIENT YOUTH WITH A MISSION
Attn: Richard Thompson, Executive Director
P O Box 36606
Las Vegas, NV 89133-6606.

EXHIBIT "C"

LEGAL DESCRIPTION

Plat Book 1, Page 47; Lot 1, Block 16 and Lots 2 and 3; a Portion of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 27, Township 20 South, Range 61 East, M.D.B.&M.

139-27-210-134

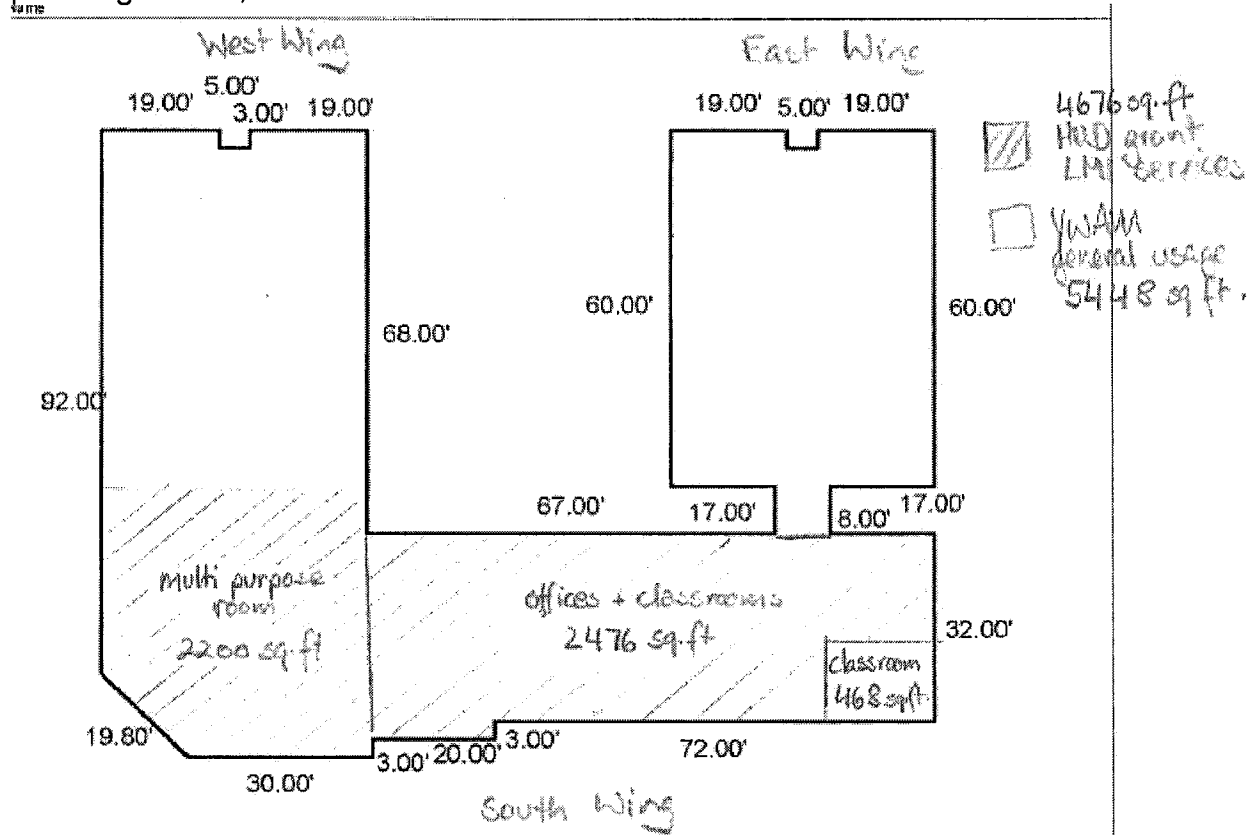
EXHIBIT "D" PROJECT DESCRIPTION

The City of Las Vegas provided a grant to Youth With A Mission (YWAM) forty-four percent (44%) of the current fair market value of the Property based upon a current appraisal of the Property (being \$481,800 based upon the current appraised value of the Property at the time of execution of the Agreement) towards the purchase of the building located at 522 West Washington Ave. Therefore, YWAM will designate 4,676 square feet of space in the south portion of the building to provide services to low/middle income (LMI) citizens in order to meet the required HUD National Objective and said 4,676 square feet of space within the building and the services provided therein shall be the Project or Program applicable to the terms of this Agreement.

LMI activities are as follows:

The offices and classrooms in the southeast portion of the building total 2476 square feet. The classrooms will be used to teach English as a Second Language (ESL), computer classes, teach basic home makeover programs, and parenting classes. The offices will be used to oversee a low income food distribution service, provide space for kids to do homework after school, store dry food goods and other resources such as school supplies. This area will also serve as a welcome lobby and waiting room for potential LMI clients, with resources and reading material available. In addition, LMI clients can receive information and resources that are available through this center.

The kitchen and multi-purpose room in the southwest portion of the building total 2200 square feet. The kitchen will be used to prepare and serve meals. The multi purpose room will be used to teach after school educational programs, additional ESL classes, computer classes, parenting classes, and to store food.



The Northeast and Northwest wings of the building and the corner conference room in the Southeast wing total 5448 square feet. This area of the building was not purchased with HUD funds, but rather by Youth With A Mission, and therefore, said space and use thereof shall not

be subject to the terms of the Agreement. YWAM will have various uses for this space, such as religious meetings and offices to determine, plan and undertake religious and community activities. This area will also be used to house long and short term staff.

EXHIBIT "E"
YEARLY PROGRAM STATUS/CLIENT STATISTICS REPORT

Neighborhood Services Department
 Neighborhood Development Division
 400 Stewart, 2nd Floor
 Las Vegas, NV 89101

RE: Project: YOUTH WITH A MISSION
 Represents year 2007

HUD has created new race categories. In addition, HUD requires that the Hispanic ethnicity be counted either for every race sub category as applicable or as simply Hispanic.

*Hispanic must be counted for each category as appropriate and totaled in column C. Example: White column may have 25 clients, 4 of which are also Hispanic. The White column would have 25 and the Hispanic column would have 4, the total clients would still be 25, do not add the two columns together. There may be other categories that also have Hispanic clients. Therefore, column (C) would have the total Hispanic count for all mixed categories and a final total for mixed clients at the bottom of the column. In addition, the number served for all categories should total, i.e., female and male clients should equal the total number; the numbers in the income columns should also equal the total number. Note: Female Head of Household would not fall under this requirement.

A	B	C
Race Category	Year To Date Client Total	Year to Date Hispanic Total
White		
Black/African American		
Asian		
American Indian/Alaskan		
Native Hawaiian/Other Pac. Islander		
American Indian Alaskan Native & White		
Asian & White		
Black & White		
American Indian/Alaskan Native & Black		
Other Multi Racial		
Asian/Pacific Islander		
Other Multi-Racial		
TOTAL All Categories		
Female		
Male		
Female Head of Household		
0-30% Extremely-Low	Total	
	Monthly Total	
	Year to Date Total	

ATTACHMENT I

DISCLOSURE OF PRINCIPALS

The principals and partners of YOUTH WITH A MISSION and all persons and entities holding more than 1% interest in the YOUTH WITH A MISSION or any principal of YOUTH WITH A MISSION are the following:

FULL NAME	BUSINESS ADDRESS	BUSINESS PHONE
1	NONE	
2		
3		
4		
5		
6		

Continue list until full and complete disclosure is made.

I certify under penalty of perjury, that the foregoing list is full and complete.

YOUTH WITH A MISSION

By: [Signature]
 Title: Director

Subscribed and sworn to before me this 11 day of DECEMBER, 2007.

[Signature]
 Notary Public

