MICROENTERPRISE ASSISTANCE PROGRAM (MAP) GRANT AGREEMENT
BY AND BETWEEN THE CITY OF REDLANDS AND
GENERAL TECHNIQUE

This Microenterprise Assistance Program ("MAP") Grant Agreement ("Agreement") is made and entered into on this 1st day of July, 2014 ("Effective Date"), by and between the City of Redlands, a California municipal corporation ("City") and General Technique ("Participant"). City and Participant are sometimes individually referred to herein as a "Party" and, together, as the "Parties." City and Participant enter into this Agreement with reference to the following facts ("Recitals").

RECITALS

A. Participant has applied for and has been awarded a Community Development Block ("CDBG") funded MAP grant ("Grant") as set forth in this Agreement pursuant to 42 U.S.C. Section 5301 *et seq.* and Federal CDBG regulations set forth at 24 CFR Part 570. Subsection 17 of Section 5305 of Title 42 of the United States Code expressly allows CDBG funds to be utilized to assist private, for-profit entities to carry out economic development. City has determined that Participant meets the qualifications of the CDBG regulations and Participant has agreed to comply therewith.

B. The Grant will be made by City in accordance with federal laws and regulations governing the CDBG Program.

C. The purpose of this Agreement is to enable the expansion of an existing quality business in the City and to create employment opportunities at General Technique, a computer/IT business solutions business located at 1426 Industrial Park Ave., Redlands, CA 92374 (the "Project"), by providing MAP Grant assistance for the uses described in Attachment "A" of this Agreement.

D. As a condition of the Grant, Participant commits to meeting the CDBG National Objective of Benefiting Low- and Moderate-Income Persons through the creation of new jobs that will primarily benefit low- to moderate-income persons.

E. Pursuant to Section 15301 (a) of the State's Guidelines implementing the California Environmental Quality Act ("CEQA") set forth at Title 14 California Code of Regulations Section 15000 *et seq.*, the Project is exempt from the requirements of CEQA (Section 21000 *et seq.* of the Public Resources Code).

F. City completed its environmental review pursuant to the National Environmental Policy Act (24 U.S.C. Section 4321 *et seq.*) and its implementing regulations ("NEPA"), and determined that the Project is categorically exempt pursuant to 24 CFR 58.35(a)(3)(iii). City has relied on such exemption for its compliance with NEPA.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, and for such other good and valuable consideration, the receipt of which is hereby acknowledged, the City of Redlands and General Technique, agree as follows:

Section 2.03. Conditions of Funding.

The obligation of City to disburse Grant proceeds under this Agreement is subject to the following conditions:

A. The Grant funds shall only be used for the reimbursement of eligible costs incurred as described in Attachment "A" of this Agreement. Participant shall maintain such records as are necessary and convenient for City to verify that the use of the Grant is in accordance with this section.

B. City, as a participant in the CDBG program funded by the United States Department of Housing and Urban Development ("HUD"), requires that Participant comply with all standard CDBG regulations. Participant shall employ new employees in accordance with the CDBG program requirements as outlined in Attachment "B" and shall comply with the provisions of City's MAP Guidelines which are included as Attachment "G" to this Agreement. In addition, Participant shall provide copies of the DE9 and DE9C forms, the State of California Quarterly Wage and Withholding Report, to City on a quarterly basis.

C. Participant shall obtain and provide to City a valid DUNS (Data Universal Numbering System) number from Dun and Bradstreet, as required by the United States Office of Management and Budget prior to entry into this Agreement.

D. Participant shall attend a minimum of three (3) City of Redlands/SCORE sponsored small business educational workshops, or other City pre-approved business training workshops sponsored by another organization, within twelve (12) months of the Effective Date of this Agreement.

Section 2.04. Security. The performance of this Agreement shall be secured by a (1) Deed of Trust, which secures the property identified in Attachment "F" Grant of Security as evidenced by a Promissory Note, included as Attachment "G" and (2), the Personal Guaranty of Participant's owner(s), included as Attachment "C" to this Agreement.

Section 2.05. Default. The following circumstances are "Events of Default."

A. If representations, conditions or warranties made by Participant prove to be incorrect in any material respect when made, or change such that the statements become incorrect, whether voluntarily or involuntarily.

B. Participant fails to perform or observe any other term or condition contained in this Agreement and any such failure remains unremedied for thirty (30) calendar days after receipt of written notice from City.

C. Execution is levied against General Technique or any suit is brought by lien creditors to enforce a judgment against General Technique or the site and shall continue unstayed for more than thirty (30) consecutive calendar days.

D. Participant sells, transfers, leases or conveys General Technique, or any part thereof, without the express written consent of City, whether voluntarily or involuntarily.

E. Participant ceases to operate the business at the Site.

F. The filing of a petition in bankruptcy by or against Participant or appointment of the receiver or trustee for Participant, or an assignment by Participant for the benefit of creditors, or any adjudication that Participant is insolvent by a court, and failure of Participant to cause such petition, appointment or assignment to be removed or discharged within sixty (60) days from the date of such adjudication.

G. Participant fails to create at least the minimum number of jobs required, as detailed within Attachment "B" Exhibit "2," within a period of sixty days from the Effective Date of this Agreement, and maintain the created jobs for a minimum period of twelve (12) months from the date of their respective creation.

H. Participant fails to attend the minimum required City of Redlands/SCORE sponsored small business educational workshops, or other City pre-approved business training workshops sponsored by another organization, within one year of the Effective Date of this Agreement.

Section 2.08. Cure. In the event of any Default under the terms of this Agreement, the non-defaulting Party shall give written notice to the defaulting Party. The defaulting Party shall commence and diligently thereafter pursue the curing of the Default within thirty (30) days after receipt of notice of such Default; provided, however, if such a cure cannot reasonably be completed within such thirty (30) day period, such failure shall not be a Default so long as such Party promptly commences a cure within the thirty (30) day period and thereafter diligently prosecutes such cure to completion.

Section 2.09. Remedies. Failure to cure, as specified above, shall be a Default hereunder. Failure of Participant to cure, as specified above, any Event of Default specified in Section 2.05 herein shall require that full repayment of the Grant amount received by Participant be repaid to City within thirty (30) days of notification by City. Failure of Participant to repay the Grant amount within the thirty (30) day repayment period will result in the imposition of an interest charge which will begin to accrue as of the date of default and continuing until such time as the Grant funds are repaid in full, at the default rate of the lesser of ten percent (10%), compounded annually, or the highest rate permitted by law. Nothing herein is intended to limit or restrict whatever specific performance or other equitable remedies either Party may have in accordance with applicable law; provided, however, that notwithstanding any other provision of this Agreement, City shall not have the remedy of specific performance to Default of this Agreement, or any portion hereof.

Section 2.10. Rights and Remedies are Cumulative. Except as otherwise expressly stated in this Agreement, the rights and remedies of the Parties under this Agreement are cumulative and the exercise by any Party of one or more of such rights or remedies shall not preclude the exercise by such Party at the same or different times, of any other rights or remedies for the same default or any other default by another Party.

Section 2.11 Suspension or Termination. In accordance with 24 CFR 85.44, either Party may terminate this Agreement at any time by giving written notice to the other Party of such termination and specifying the effective date thereof at least thirty (30) days before the effective date of such termination. Partial terminations may only be undertaken with the prior approval of City. In the event of any termination for convenience, all low- and moderate-income jobs created and maintained by Participant for the minimum required periods under this Agreement shall be entitled to receive just and equitable compensation.

In accordance with 24 CFR 85.43, City may also suspend or terminate this Agreement, in whole or in part, if Participant materially fails to comply with any term of this Agreement, or with any of the rules, regulations or provisions referred to herein; and City may declare Participant ineligible for any further participation in City contracts, in addition to other remedies as provided by law.

ARTICLE III
INDEMNITY AND INSURANCE

Section 3.01. Indemnity.

A. Participant shall defend, (with counsel reasonably satisfactory to City) indemnify and hold harmless City, its elected officials, officers, employees and agents from and against (i) any and all third party claims, losses, proceedings, damages, causes of action, liability, costs and expenses (including reasonable attorneys' fees) arising from or in connection with or caused by any act, omission or negligence of Participant and its contractors, agents and employees in connection with Participant (other than to the extent arising as a result of City's sole negligence or willful misconduct); (ii) any action or proceeding brought by any third party challenging the validity of any provision of, or the entirety of, this Agreement; and (iii) any action commenced by a third party challenging Participant on the grounds that any permit, license or grant of entitlement for General Technique should not have been issued or was issued without proper authority or adequate findings. City shall fully cooperate in the defense of any such actions and shall provide to Participant such documents and records as are relevant to such actions.

B. If a third party files an action regarding City's approval of this Agreement or the pursuit of the activities contemplated by this Agreement, City may terminate this Agreement on thirty (30) days written notice to Participant of City's intent to terminate this Agreement, referring to this Section 3.01, without any further obligation to perform the terms of this Agreement and without any liability to Participant resulting from such termination, unless Participant unconditionally agrees to defend and indemnify City against such third-party legal action as provided in this Section 3.01.

Section 3.02. Insurance.

A. Worker's Compensation. Participant shall comply with, and shall cause its contractors to comply with, all of the provisions of the Workers' Compensation Insurance and Safety Acts of the State of California, the applicable provisions of the California Government Code and all amendments thereto; and all similar state of federal acts or laws which are applicable; and shall indemnify, defend and hold harmless City and its respective agents, representatives, officers and employees from and against all claims, demands, payments, suits, actions, proceedings and judgments of every nature and description, including attorneys' fees and costs presented, brought or recovered against City and their respective agents, officers, representations and/or employees, for or on account of any liability under any of said acts which may be incurred by reason of any work to be performed by Participant under this Agreement.

B. Liability Insurance. Participant shall furnish to City and maintain in force during the term of this Agreement a policy of comprehensive general liability insurance in which City and its respective officers, employees, agents and representatives are named as additional insureds. The policy shall indemnify City and its respective officers, representatives, agents and employees, while acting within the scope of their duties, against any and all claims arising out of or in connection with the Site, the items described in Attachment "A," and Participant's performance of this Agreement. The policy shall provide coverage for combined single limit bodily injury and/or property damage in an amount not less than One Million Dollars ($1,000,000) per occurrence and not less than Two Million Dollars ($2,000,000) aggregate. Such policy of insurance shall specifically provide that: (i) any other insurance coverage which may be applicable to the loss shall be deemed excess coverage and the Participant's insurance shall be primary; (ii) City and their respective officers, agents and employees, shall be additional insureds; and (iii) coverage may not be terminated or modified excepting upon thirty (30) days prior written notice to City.

C. Property Damage Insurance. Participant shall furnish to City and maintain throughout the term of this Agreement property damage insurance in amounts reasonably required by City from time to time, with City named as loss payee (if such coverage is available) and in no event less than One Million Dollars ($1,000,000).

All insurance as made available pursuant to this Section 3.02 shall provide that it may not be canceled or materially modified without thirty (30) days prior written notice to City. City shall be an additional insured in policies required under subsections (B) and (C). No such insurance shall include deductible amounts to which City has not previously consented in writing. Certificates of insurance for the above policies (and/or original policies, if required by City) shall be delivered to City from time to time within ten (10) days after demand therefor.

ARTICLE IV
ADMINISTRATIVE AND COMPLIANCE REQUIREMENTS

Section 4.01. Accounts and Records.

A. Accounts. Participant will maintain books, records, documents, and other evidence pertaining to all costs and expenses incurred and revenues acquired under this Agreement to the extent and in such detail as will properly reflect all costs, direct and indirect, of labor, materials, equipment, supplies, services and other costs and expenses.

B. Audit and Inspection. At any time during normal business hours and as frequently deemed necessary, Participant shall make available to City and the HUD, or their agents, for their examination, all of its records pertaining to all matters covered by this Agreement and permit these agencies to audit, examine, make excerpts, or transcripts from such records, contract, invoices, payrolls, personnel records, conditions of employment, and all other matters covered by this Agreement.

C. Retention of Records. All records in the possession of Participant pertaining to this Agreement shall be retained by Participant for a period of five (5) years beginning with the date upon which the final payment under this Agreement is issued. All records shall be retained beyond the five (5) year period if audit findings have not been resolved within that period or if other disputes have not been resolved. Records for nonexpendable property acquired under this Agreement shall be retained for a five (5) year period after the final disposition of property.

D. Close-Outs. Participant's obligation to City shall not end until all close-out requirements are completed within thirty (30) days after expiration of this Agreement. Activities during this close-out period shall include, making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and receivable accounts to Participant, and determining the custodianship of records.

Section 4.02. Benefit to City. The underlying purpose of the Grant is to provide specific benefits to City. To that end, Participant further agrees to the new job creation and hiring requirements as described in Attachment "B" of this Agreement.

Section 4.03. Employment Provisions.

A. Prohibited Activity. Participant is prohibited from using funds provided herein or personnel employed in the administration of the program for political activities; sectarian, or religious activities; lobbying, political patronage, and nepotism activities.

B. OHSA. When employees are engaged in activities not covered under the Occupational Safety and Health Act of 1970, they shall not be required or permitted to work, be trained, or receive services in buildings or surroundings or under working conditions which are unsanitary, hazardous or dangerous to the participants' health or safety.

C. Right to Know. Participants employed or trained for inherently dangerous occupations, e.g., fire or police jobs, shall be assigned to work in accordance with reasonable safety practices.

D. Discrimination in Employment. Participant shall not discriminate against any qualified employee or applicant for employment because of race, color, religion, sex, national origin, age, or physical or mental disability. Participant should take affirmative action to ensure that applicants are employed and employees are treated without regard to national origin, age, or disability. Such action shall include but may not be limited to the following: employment, upgrading, demotion or transfers; recruitment or recruitment advertising; lay-off or termination; rates of pay or other forms of compensation; and selection for training, including an apprenticeship. Participant agrees to post notices setting forth the provision of the nondiscrimination clause in conspicuous places so as to be available to all employees.

E. Consideration for Employment. Participant shall, in all solicitations or advertisements for employees placed by or on behalf of City, shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, age, or disability.

F. Civil Rights Compliance in Employment. Participant shall comply with all relevant provisions of the Fair Labor Standards Act (29 USC Section 201 *et. seq.*), Section 504 of the Vocational Rehabilitation Act of 1973 (29 USC Section 794), the Age Discrimination in Employment Act of 1967 (42 USC Section 6101 *et. seq.*). Participant will furnish all information and reports requested by City or required by or pursuant to the rules and regulations thereof and will permit access to payroll and employment records by City to investigate compliance with these rules and regulations.

G. Labor Standards. Participant agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work House, the Safety Standards Act, the Copeland "Anti-Kickback" Act (40 USC 276c, 327-333) and all other applicable federal, state, and local laws and regulations pertaining to labor standards insofar as those Acts apply to the performance of this Agreement. Participant shall maintain documentation which demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to City for review upon request.

H. Section 504. Participant agrees to comply with any federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (929 USC 706), which prohibits discrimination against the handicapped in any federally assisted program. City shall provide Participant with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

I. Labor Laws and Minimum Wage. Participant shall comply with all provisions of the federal Fair Labor Standards Act (FLSA) and all applicable California Labor Code statutes. The minimum wage paid to all employees shall at all times comply with the higher of: the effective employee wage payment provisions of federal law as established under the FLSA or California Labor Code Section 1182.12 as effectuated by the California Minimum Wage Order as published by the California Department of Industrial Relations under the authority of Labor Code Section 1182.13 and any applicable industry wage order as published by the California Industrial Welfare Commission issued pursuant to AB 1835, Chapter 230, Statutes of 2006.

Section 4.04. Affirmative Action.

A. Executive Order 11246. Executive Order 11246 requires that during the performance of this Agreement, Participant agrees not to discriminate against any employee or applicant for employment because of race, color, religion, creed, ancestry, disability or other handicap, sex, color, age, marital/familial status or national origin. Participant will take affirmative action to ensure that all employment practices are free from such discrimination. Such action shall include, but not limited to, the following: employment upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Participant agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by City setting forth the provisions of this nondiscrimination clause.

B. Women-Owned/Minority-Owned Business Enterprises. Participant will use its best efforts to afford minority and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are African Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. Participant may rely on written representation by participants regarding their status as minority and female business enterprises in lieu of independent investigation.

C. Civil Rights Act of 1964. Participant agrees to comply with Title VI of the Civil Rights Act of 1964 which provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

D. Housing and Community Development Act of 1974. Participant shall comply with Section 109, Title I of the Housing and Community Development Act of 1974, which provides that no person shall discriminate against any person or deny benefits on the basis of race, color, national origin, or sex under any program or activity funded in whole or in part with funds made available under this Title.

E. Notifications. Participant shall send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or worker's representative of Participant's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

F. EEO/AA Statement. Participant will, in all solicitations or advertisements for employees placed by or on behalf of Participant, state that it is an Equal Opportunity or Affirmative Action Employer.

G. Subcontract Provisions. The requirements of Executive Order 11246 and the Civil Rights provisions of this Section 4.04 shall be included by Participant in every contract, sub-contract, or purchase order so that the provisions are binding on every contractor, sub-contractor, or vendor paid for in whole or in part with CDBG funds.

H. Section 3 of the Housing and Urban Development Act of 1968. To the greatest extent possible, Participant shall employ lower income residents of the area. Participant shall comply with all applicable provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701, et seq.

Section 4.05. Wage and Labor Requirements. Participant warrants that it will hire contractors with the expertise, experience, and appropriate licensing and insurance to properly install any equipment described in Attachment "A".

A. Compliance with the Davis Bacon Act (Payment of Prevailing Wages). Participant is aware of the requirements of California Labor Code Section 1720, *et seq.*, and 1770, *et seq.*, as well as Title 8, California Code of Regulations, Section 16000 *et seq.*, and the Federal Davis-Bacon Act, as amended (40-U.S.C. 276a-276a-5) [40 USCS §§ 3141-3144, 3146, 3147], ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the work is being performed as part of an applicable "public works" and "maintenance" project, as defined by the Prevailing Wage Rate, and if the total compensation is $1,000 or more, or $2,000 or more, respectively, Participant agrees to fully comply with such Prevailing Wage Laws. City shall provide Participant with a copy of the prevailing rates of per diem wages in effect on the Effective Date of this Agreement – Attachment "D"; such wage rates are subject to change and it shall be the Participant's responsibility to obtain any revised wage rates in effect at the time of the performance of any applicable labor on the Project. Participant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the work available to interested parties upon request, and shall post copies at Participant's Site. Participant shall defend, indemnify and hold City, and its elected officials, officers, employers and agents free and harmless from any claim or liability arising out of any failure to alleged failure to comply with the Prevailing Wage Laws.

Section 4.06. Procurement.

A. Compliance. Participant shall comply with current federal policy concerning the purchase of equipment and other items with federal funds and shall maintain an inventory of all non-expendable personal property as defined by such policy as may be procured with funds provided herein (Attachment "E").

B. OMB Standards. Participant shall procure materials in accordance with the requirements of OMB Circular A-110, Sections 215.40 through 215.48 - Procurement Standards, and shall subsequently follow Sections 215.30 through 215.37 - Property Management Standards, governing the management and disposition of property acquired with federal funds.

C. Relocation, Acquisition and Displacement. Participant shall comply with 24 CFR 570.606 relating to the acquisition and disposition of all real property utilizing CDBG funds, and to the displacement of persons, businesses, nonprofit organization and farms occurring as a direct result of any acquisition of real property utilizing CDBG funds. Participant agrees to comply with all applicable City ordinances, resolutions and policies concerning displacement of individuals from their residences.

D. Copyright. If this Agreement results in any copyrightable material, the Federal Government reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use, for Federal Government purposes: (1) the copyright to any work developed with CDBG funds, and (2) any rights of copyright which a subrecipient or a contractor purchases with CDBG support.

Section 4.07. Conduct.

A. Assignability. Participant shall not assign or transfer any interest in this Agreement without the prior written consent of City thereto; provided, however, that claims for money due or to become due to Participant from City under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to City.

B. Hatch Act. Participant agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V United States Code.

C. Conflict of Interest. Participant shall to abide by the provisions of 24 CFR Part 570, Section 611 with respect to conflicts of interests, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. Participant further covenants that in the performance of this Agreement, no person having such a financial interest shall be employed or retained by Participant hereunder. These conflict of interest provisions apply to any person who is an employee, agent consultant, officer, or elected official or appointed official of City, or of any designated public agencies or Participant that are receiving funds under the CDBG Entitlement program.

Section 4.08. Environmental Requirements.

A. Air and Water. Participant shall comply with the following regulations insofar as they apply to the performance of this Agreement:

1. Clean Air Act, 42 USC, 1857, et seq.
2. The Clean Water Act, as amended, 33 USC, Section 1251, et seq. (1972), as amended, and Section 1318 relating to inspection, monitoring, entry, reports and information, as well as other requirements and regulations and guidelines issued thereunder.
3. Environmental Protection Agency (EPA) regulations pursuant to 40 CFR, Part 50, as amended.
4. National Environmental Policy Act of 1969.
5. HUD Environmental Review Procedures (24 CFR, Part 58).
6. California Environmental Quality Act of 1974.

B. Flood Disaster Protection. Participant shall comply with the requirements of the Flood Disaster Protection Act of 1973 (P.L.-2234) in regard to the sale, lease or other transfer of land acquired, cleared or improved under the terms of this Agreement, as it may apply to the provisions of this Agreement.

C. Historic Preservation. Participant shall comply with the historic preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR, part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this Agreement. In general, this obligation requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, State, or local historic property list.

Section 4.09. City and Other Governmental Permits. Before commencement of construction or development of any building, structures or other work of improvement upon the Site, Participant shall secure or cause to be secured any and all permits which may be required by City or any other governmental agency affect by such construction, development or work. City shall provide all proper assistance to Participant in securing these permits, including but not limited to, coordination with all on–site and off-site building plans submitted to any public entity or public utility by Participant.

ARTICLE V
MISCELLANEOUS PROVISIONS

Section 5.01. Maintenance of Site. During General Technique's operation, Participant shall keep and maintain the Site, and all the improvements thereon and all facilities appurtenant thereto, in a clean, sanitary and orderly condition free from debris, graffiti and waste materials and in good order, repair and safe condition consistent with comparable printing and promotional product distribution businesses located in California.

Section 5.02. Designation of City as Point of Sale. To the extent permitted by law, Participant shall designate City as the "point of sale" in all reports to the State Board of Equalization for all Participant operations and other business conducted upon the Site.

Section 5.03. City and Other Governmental City Permits. Before commencement of construction or other work of improvement on the Site, Participant shall secure or cause to be secured any and all permits which may be required by City or any other governmental agency affected by such construction , development or work. City shall provide all proper assistance to Participant in securing these permits, including but not limited to coordination with all on-site and off-site building plans submitted to any public entity or public utility by Participant.

Section 5.04. Political Activity/Lobbying Certification. No member, official or employee of City shall have any personal interest, direct or indirect, in this Agreement nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his personal interests of the interests of any corporation, partnership or association in which it is, directly or indirectly, interested. Participant warrants that is has not paid or give, and will not pay or give, any third party any money or other consideration for obtaining this Agreement except for payments of Participant's attorneys' and consultants' fees as Participant may incur in preparation of this Agreement. Participant may not conduct any activity, including any payment to any person, officer, or employer of any agency or member of Congress in connection with the awarding of any federal contract or grant, intended to influence legislation, administrative rule-making or the election of candidates for public office during time compensated for under the contract of under representation that such activity is being performed as a part of the contract responsibility. Participant shall comply will all applicable federal, state, and county laws and regulations governing conflicts of interest.

Section 5.05. Compliance With Governmental Requirements. Participant shall carry out the purchase of the equipment in conformity with all applicable laws, ordinances, statutes, codes, rules, regulations, orders and decrees of the United States, the State of California, the County of San Bernardino, the City and any other political subdivision in which the Site is located, and of any other political subdivision, agency or instrumentality exercising jurisdiction over the City, Participant or the Site, including all applicable federal, state and local occupation, safety and health laws, rules, regulations and standards, applicable state and labor standards, applicable prevailing wage requirements, development standards (as they apply to the purchase of the items described in Attachment "A" of this Agreement); building, plumbing, mechanical and electrical codes, as they apply to the purchase of the items described in Attachment "A" of this Agreement, and all other provisions of City (as they apply to Participant), and all applicable disabled and handicapped access requirements, including, without the limitation, the Americans With Disabilities Act (42 U.S.C. 12101 *et seq.*), and the Unruh Civil Rights Act, Civil Code Section 51 *et seq.* ("Governmental Requirements"). Nothing in this Section 5.05 shall be construed to require Participant to comply with any laws, regulations or standards which would not be applicable in the absence of this Agreement.

Section 5.06. Notices. All notices under this Agreement shall be given in writing by personal delivery, by certified mail or registered United States Mail, return receipt requested, postage prepaid, and shall be deemed communicated when received if given by personal delivery or upon receipt or rejection if mailed as provided above Mailed notices shall be addressed as set forth below, but either Party may change its address by giving written notice thereof to the other in accordance with the provisions of this Section 5.06.

CITY:	PARTICIPANT:
City of Redlands Development Services Director P.O. Box 3005 Redlands, CA 92373	General Technique Ghays Kawas Tamara Kawas 1426 Industrial Park Ave. Redlands, CA 92374

Section 5.07. Entire Agreement/Amendment. This Agreement constitutes the entire agreement between City and Participant concerning the subject matter hereof, and supersedes any and all prior agreements and understandings, whether written or verbal, between the Parties regarding the same. This Agreement may not be modified or amended except in a writing signed by the Parties.

Section 5.08. Attorneys' Fees. In the event of the bringing of an arbitration, action or suit by a Party to this Agreement against the other Party to this Agreement by reason of any breach of any of the covenants or agreements or any intentional inaccuracies in any of the representations and warranties on the part of the Party arising out of this Agreement or any other dispute between the Parties concerning this Agreement, then, in that event, the prevailing party in such action or dispute, whether by final judgment or arbitration award, shall be entitled to have and recover of and from the other Party all costs and expenses of suit or claim, including reasonable attorneys' fees. Any judgment, order or award entered in any final judgment or award shall contain a specific provision providing for the recovery of all costs and expenses of suit or claim, including reasonable attorneys' fees (collectively, the "Costs") incurred in enforcing, perfecting and executing such judgment or award. For the purposes of this Section 5.08, Costs shall include, without implied limitation, reasonable attorneys' and experts' fees, costs and expenses incurred in the following: (i) post judgment motions and appeals, (ii) contempt proceedings, (iii) garnishment, levy and debtor and third party examination; (iv) discovery; and (v) bankruptcy litigation. This Section 5.08 shall survive any termination of this Agreement.

Section 5.09. Police Power. Nothing contained in this Agreement shall be deemed to limit, restrict, amend or modify, or to constitute a waiver or release of, any ordinances, notices, orders, rules, regulations or requirements (now or hereafter enacted or adopted and/or as amended from time to time) of City or its departments, commissions, agencies and boards and the officers of City, including without limitation, any general plan or zoning ordinances, or any of City's duties, obligations, rights or remedies thereunder or pursuant thereto or the general policy powers, rights, privileges and discretion of City in the furtherance of the public health, welfare and safety of the inhabitants of City; provided, however, that City agrees not to take any action to frustrate or hinder the intent or effect of this Agreement.

Section 5.10. No Effect on City's Legislative Authority. Nothing in this Agreement shall limit or restrict the authority of City to take any other actions with respect to the equipment and/or General Technique without notice to or consent from Participant, except as may otherwise be expressly provided by applicable law.

Section 5.11. Force Majeure. Time for performance hereunder shall be extended by any period of delay caused by circumstances beyond the reasonable control of the Party claiming the delay despite the Party's diligent efforts, other than financial ability, provided the Party claiming the delay provides written notice to the other Party within a reasonable period following commencement of any such circumstances which circumstances shall include, without limitation, fire/casualty losses; strikes; litigation; unusually severe weather; inability to secure necessary labor, materials, or tools; environmental remediation, including governmental review and processing of environmental remediation; delays of any contractor, subcontractor or supplier; delay caused by the other Party; and acts of God (collectively, "Force Majeure").

Section 5.12. Time of the Essence. Time is of the essence of this Agreement and the Parties' obligations under this Agreement.

Section 5.13. Authority to Execute. The person executing this Agreement on behalf of Participant warrants and represents that such person has the authority to execute this Agreement on behalf of its corporation, partnership or business entity and warrants and represents that such person has the authority to bind Participant to the performance of its obligations hereunder.

Section 5.14. Release of City Officials. No elected official, officer, employee or agent of City shall be personally liable to Participant, or any successors-in-interest of Participant, in the event of any default or breach by City or for any amount which may become due to Participant or its successors, or on any obligations under the terms of this Agreement. Participant hereby waives and releases any claim it may have against the elected officials, officers, employees and agents of City with respect to any default or breach by City or for any amount which may be come due to Participant or its successors, or on any obligations under the terms of this Agreement. Participant makes such release with full knowledge of California Civil Code section 1542, and hereby waives any and all rights thereunder to the extent of this release, if such Civil Code section 1542 is applicable. California Civil Code section 1542 provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

Section 5.15. Headings. The headings to the sections of this Agreement have been inserted for convenience only and shall not, to any extent, have the effect of modifying, amending or changing the expressed terms and provisions of this Agreement.

Section 5.16. Actions. In addition to any other rights or remedies, either Party may institute legal or equitable action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy authorized by law or equity consistent with the purpose of this Agreement and the Exhibits hereto. Any legal action of proceeding concerning this Agreement shall be filed and prosecuted in the Superior Court of the County of San Bernardino, State of California.

Section 5.17. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflicts of law principles.

Section 5.18. Successors and Assigns. The provisions of this Agreement shall be binding upon, and inure to the benefit of, City and Participant and their respective successors and assigns.

Section 5.19. No Joint Venture. Nothing contained in this Agreement shall be construed to render City in any way, or for any purpose, a partner, joint venturer, or associated in any relationship with Participant, nor shall this Agreement be construed to authorize any Party to act as an agent for the other.

Section 5.20. No Third Party Beneficiaries. No provision, term or condition of this Agreement is intended to, nor shall be construed as conferring any benefit to, any third party, person or entity.

Section 5.21. Waiver. The waiver by City or Participant of any breach by the other Party of any term, covenant or condition contained in this Agreement shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. Any Party's acceptance of any performance by the other Party after the due date of such performance shall not be deemed to be a waiver by any Party or any preceding breach by the other Party of any term, covenant or condition of this Agreement, regardless of such Party's knowledge of such preceding breach at the time of acceptance of such performance.

Section 5.22. Severability. If any term, provision, condition, or covenant of this Agreement or its application to any Party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

Section 5.23. Interpretation. No inference in favor of or against any Party shall be drawn from the fact that such Party has drafted any part of this Agreement. The Parties have both participated substantially in the negotiation, drafting, and revision of this Agreement, with advice from legal and other counsel and advisers of their own selection. In any action or proceeding to interpret or enforce this Agreement, the finder of fact may refer to any or enforce extrinsic evidence not in direct conflict with any specific provision of this Agreement to determine and give effect to the intention of the Parties.

Section 5.24. Notice of Litigation. Participant shall promptly notify City in writing of any litigation materially affecting Participant or any property purchased with the proceeds of this Grant and of any claims or disputes that involve a material risk of such litigation.

ARTICLE VI
SPECIAL PROVISIONS

Section 6.01. Requirements of Title 24 Code of Federal Regulations. Participant agrees to comply with the requirements of Title 24 Code of Federal Regulations, Part 570 of the U.S. Department of Housing and Urban Development regulations CDBG, and all federal regulations and policies issued pursuant to these regulations. Participant further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first written above.

CITY OF REDLANDS

Pete Aguilar, Mayor

GENERAL TECHNIQUE

Ghays Kawas, Owner

Tamara Kawas, Owner

DUNS Number: 788568900

ATTEST:

Sam Irwin, City Clerk

ATTACHMENTS AND EXHIBITS

Attachment "A"	Description of items to be purchased with CDBG Grant Proceeds
Exhibit 1	Technical Specifications/Quotes
Attachment "B"	Employment Requirements
Exhibit 1	Prospective Employee Questionnaire (with 2014 income guidelines)
Exhibit 2	Job Generation Form
Exhibit 3	Actions to Ensure First Consideration of Low- To Moderate-Income Persons
Exhibit 4	Roles to Ensure Low-To Moderate-Income Benefit
Exhibit 5	Quarterly Report Form
Attachment "C"	Personal Guaranty
Attachment "D"	Wage Determination
Attachment "E"	Federal Procurement Requirements
Exhibit 1	Small/Informal Bid From
Attachment "F"	Grant of Security
Attachment "G"	Promissory Note
Attachment "H"	Microenterprise Assistance Program (MAP) for Small Businesses Guidelines

ATTACHMENT "A"
DESCRIPTION OF ITEMS TO BE PURCHASED WITH CDBG GRANT PROCEEDS

PERSONNEL COSTS

CBDG funds in an amount not to exceed $25,000 are to be utilized by General Technique for the following approved expenditures, and for no other purpose:

1. The payment of employee salaries including employer contributions or payments (such as Federal Insurance Contributions Act (FICA) Social Security and Medicare payments, unemployment insurance, and workers' compensation insurance) for costs directly associated with eligible employees hired in conjunction with this MAP Agreement in an amount not to exceed $25,000. Expenditures incurred prior to the date of this Agreement are not eligible for reimbursement consideration. Back taxes, delinquent payments, or any payments not directly attributable to eligible employees hired in conjunction with this MAP Agreement, as well as wage or draw payments to the owners of General Technique are not eligible for CDBG payment consideration.

Reimbursements.

Upon the submission of suitable supporting documentation to the City, demonstrating to the City's satisfaction that payment of eligible expenditures by the Participant have been made, a request for reimbursement payment will be processed in accordance with the City's standard warrant register procedures.

EXHIBIT "1" to ATTACHMENT "A"

Equipment Technical Specifications

Not applicable to this Agreement.

ATTACHMENT "B"

EMPLOYMENT REQUIREMENTS

Community Development Block Grant (CDBG) Microenterprise Assistance Program for Small Businesses (MAP) funds are based on job creation primarily for low- and moderate-income persons. At least one full-time equivalent (FTE) job is to be created per $25,000 of CDBG funds granted. Participant will provide training for any of those jobs requiring special skills or education, as indicated on the attached "Job Generation" form (Exhibit 2). For purposes of being considered a created job, a job must be a new position (full or part-time).

At least 51 percent of created jobs (computed on a full-time equivalent basis) must be made available to or held by Low or Moderate Income (LMI) persons. Created jobs are only considered to be available to LMI persons when:

1. Special skills that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the Participant agrees to hire unqualified persons and provide training; and

2. Participant takes actions to ensure that LMI persons receive first consideration for filling such jobs.

Jobs required to be created under these requirements must be provided within a period of sixty (60) days from the date of this Agreement, and the created jobs must be maintained for a minimum period of twelve (12) months from the date of their respective creation.

In determining whether a job is made available to or held by a LMI person, Participants may presume that a person is LMI, if he or she resides in a Census Tract with at least 70 percent LMI persons, and provides acceptable verification documentation.

In counting jobs, the following policies apply:

1. Part-time jobs must be converted to full-time equivalents.
2. Only permanent jobs count – temporary jobs may not be included.
3. Seasonal jobs may be counted only if the season is long enough for the job to be considered as the employee's principal occupation.
4. All permanent jobs created by the activity must be counted even if the activity has multiple sources of funding.
5. Jobs indirectly created by an assisted activity (i.e., trickle-down jobs) may not be counted.

To qualify, the person hired must be from a low- to moderate-income household. To qualify as low- to moderate-income, information must be obtained on family size and income so it is evident that family income does not exceed the low- to moderate-income limit.

Prospective employees must complete a Prospective Employee Questionnaire (Exhibit 1) and must sign the form. The Prospective Employee Questionnaire serves as the self-certification form for household income qualification. This information must be available for monitoring by City and HUD staff.

Participant shall provide a quarterly performance report to City, no later than fifteen (15) days after the completion of each quarter during the term of this Agreement. The quarterly report shall include: photocopies of all employment outreach efforts completed during the quarter, copies of all prospective employee questionnaires received, copies of the DE9 and DE9C forms (the State of California Quarterly Wage and Withholding Report) for the completed quarter, and the completed Quarterly Report Form (Exhibit 5).

Documentation to be attached to this Agreement is as follows:

A. A listing by job title of the permanent jobs to be created by Participant, identifying which are part-time, if any, and which jobs require special skills or education – "Job Generation" form (Exhibit 2).

B. A description of the actions to be taken by Participant to ensure that low- and moderate-income persons receive first consideration for those jobs – "Actions to Ensure First Consideration of Low-to Moderate-Income Persons" form (Exhibit 3).

C. A description of the roles of City and Participant to ensure that the jobs required to be created in the Agreement will benefit low-to moderate-income persons – "Roles to Ensure Low-to Moderate-Income Persons Benefit" form (Exhibit 4).

EXHIBIT "1" TO ATTACHMENT "B"

PROSPECTIVE EMPLOYEE QUESTIONNAIRE - 2014

Dear Applicant:

This company has received job creation funds from the City of Redlands Community Development Block Grant program, and we are required to obtain the following information from all applicants applying for this position.

Name:	
Address:	

Position Applied For: ☐ Outbound Marketing/Appointment Setter

1. Head of Household: Male ☐ Female ☐
2. Number in Household: _____
3. Please list all income for the past 12 months for each household member, including yourself:

Household Members (Names – Including Applicant)	Age	Social Security Number (last 4)	Annual Income	Source of Income *(If income is from wages or salary list employer name and address. If applicant was unemployed prior to acceptance of this job, please indicate.)*

4. Please circle your household size and indicate your household annual income level. (First, determine your household size; then follow the row across to the income range that includes your household income.)

Household Size	Household Income (< 30% AMI)	Household Income (31%-50% AMI)	Household Income (51%-80% AMI)	Household Income (> 80% AMI)
1	☐ $12,750 or less	☐ $12,751 to $21,250	☐ $21,251 to $34,000	☐ Above $34,001
2	☐ $14,600 or less	☐ $14,601 to $24,300	☐ $24,301 to $38,850	☐ Above $38,850
3	☐ $16,400 or less	☐ $16,401 to $27,350	☐ $27,351 to $43,700	☐ Above $43,700
4	☐ $18,200 or less	☐ $18,201 to $30,350	☐ $30,351 to $48,550	☐ Above $48,550
5	☐ $19,700 or less	☐ $19,701 to $32,800	☐ $32,801 to $52,450	☐ Above $52,450
6	☐ $21,150 or less	☐ $21,151 to $35,520	☐ $32,251 to $56,350	☐ Above $56,350
7	☐ $22,600 or less	☐ $22,601 to $37,650	☐ $37,651 to $60,250	☐ Above $60,250
8	☐ $24,050 or less	☐ $24,051 to $40,100	☐ $40,101 to $64,100	☐ Above $64,100

2014 income limits

5. Please respond to both of the following:

   Ethnic Categories:

   - [ ] Hispanic or Latino
   - [ ] Not-Hispanic or Latino

   Racial Categories: (This question must be asked of all individuals)

   - [ ] American Indian or Alaska Native
   - [ ] Asian
   - [ ] Black or African American
   - [ ] Native Hawaiian or Other Pacific Islander
   - [ ] White
   - [ ] Other

6. If you currently reside in the City of Redlands, please provide a copy of a utility bill bearing your name and residence address.

I certify that the above information is true and accurate. I understand this information is subject to verification by authorized officials.

____________________________________ ____________
(Signature of Applicant) (Date)

****

QUESTIONS BELOW TO BE ANSWERED BY EMPLOYER:

Eligibility Summary:

- [ ] Extremely Low income (<30% AMI)
- [ ] Low income (31% AMI to 50% AMI)
- [ ] Moderate income (51% AMI to 80% AMI)
- [ ] Not Eligible (>80% AMI)

Based upon an interview, or a review of the application if no interview was conducted, this applicant was not hired for the following reason(s):

____

____

The person signing the certification was hired for the following position:

☐ Outbound Marketing/Appointment Setter

He/She will work _____ hours per week. Permanent part-time jobs should be reported in equivalent full-time positions.

He/She will receive Employer Sponsored Health Care Benefits: Yes ☐ No ☐

Signature of Reviewer/Interviewer:_______________________Date:_____________

Print Name: _______________________ Title: ____________________________

EXHIBIT “2” to ATTACHMENT “B”

JOB GENERATION FORM

Job Title	Job Category	Quantity to be Employed	Wage	Hours Scheduled	Available to Low/Mod	Are Employer Healthcare Benefits Provided?
Outbound Marketing/ Appointment Setter	Sales	One (1) FTE	$10.00/hour	40	Yes	No

Note 1: Positions will be filled from the above list of possible job titles.
Note 2: FTE = Full-Time Equivalent based on a 40-hour week. FTE positions noted above may be filled with Part-Time workers, provided that the FTE requirement is met.
Note 3: Wage payments are subject to the higher of federal and state minimum wage payment requirements.

NEW FULL TIME EQUIVALENT (FTE) JOB CREATION AND HIRING REQUIREMENTS

Hire Date	Number of New FTE Positions Required to be Created	Number of New FTE Positions Required to Be Made Available to Low-Moderate Income Persons
Within sixty days of the date of the Agreement, and position retained for a minimum period of twelve (12) months after initial hire.	One (1)	One (1)
TOTAL NEW POSITIONS	One (1)	One (1)

Hiring goals are defined by the federal Department of Housing and Urban Development (HUD). Regulations regarding Special Economic Development Activities are described in 24CFR570.203(b), and national objectives are specified in §570.208(a)(4)(I)(ii)(iii)(iv)(v)(vi).

By signing below, Participant acknowledges receipt of a copy of the job creation and hiring requirements, rules and regulations.

General Technique

Dated: 6-26-14 By: ______________________
Ghays Kawas, Owner

By: ______________________
Tamara Kawas, Owner

Job Category Definitions

1. **Officials and Managers** – Occupants requiring administrative personnel who set broad policies, exercise overall responsibility of execution of these policies, and individual departments or special phases of a firm's operations. This includes: Officials, Executives, middle management, plant managers and superintendents, salaried supervisors who are members of management, purchasing agents and buyers, and kindred workers.

2. **Professional** – Occupants requiring either college graduation or experience of such kind and amount as to provide a comparable background includes: accountants and auditors, airplane pilots and navigators, architects, artists, chemists, designers, dietitians, editors, engineers, lawyers, librarians, mathematicians, natural scientists, registered professional nurses, professional and labor relations workers, physical scientists, physicians, social scientists, teachers and kindred workers.

3. **Technicians** – Occupants requiring a combination of basic scientific knowledge and manual skill which can be obtained through about two years of post-high school education such as is offered in many technical institutions and junior colleges, or through equivalent on the job training. This includes: computer programmers and operators, drafters, engineering aides, junior engineers, mathematic aides, licensed practical or vocational nurses, photographers, radio operators, scientific assistants, surveyors, technical illustrators, technicians (medical, dental, electronic, physical science) and kindred workers.

4. **Sales** – Occupants engaging wholly or primarily in direct selling. This includes: advertising agenda and sales workers, real estate agents and brokers, sales workers, demonstrators and retail sales workers, sales clerks, grocery clerks and cashiers, and kindred workers.

5. **Office and Clerical** – Includes all clerical-type work regardless of level of difficulty, where the activities are predominantly non-manual though some manual work not directly involved with altering or transporting the products is included. This includes: bookkeepers, cashiers, collectors (bills and accounts), messengers and office helpers, office machine operators, shipping and receiving clerks, stenographers, typists, secretaries, telegraph and telephone operators, and kindred workers.

6. **Craft Worker (skilled)** – Manual workers of relatively high level having a thorough and comprehensive knowledge of the processes involved in their work. Exercise considerable independent judgment and usually receive an extensive period of training. This includes: the building trades, hourly paid supervisors and lead operators (who are not members of management), mechanic and repairers, skilled machining occupations, compositors and typesetters, electricians, engravers, job setters (metal), motion picture projectionists, pattern and model makers, stationary engineers, tailors, and kindred workers.

7. **Operatives (semi-skilled)** – Workers who operate machines or other equipment or perform other factory-type duties of intermediate skill level which can be mastered in a few weeks and require only limited training. This includes: apprentices (auto mechanics, plumbers, electricians, machinists, mechanics, building trades, metal working trades, printing trades, etc.), operatives, attendants (auto service and parking), blasters, chauffeurs, delivery workers, dress makers and sewers (except factory), laundry and dry cleaning, milliners, mine operatives and laborers, motor operators, oilers and greasers (except auto), painters (except construction and maintenance), photographic process workers, boiler tenders, truck and tractor drivers, weavers (textile), welders and flame metal

workers, and kindred workers.

8. **Laborers (unskilled)** – Workers in manual occupations which generally require no special training perform elementary duties that may be learned in a few days and require the application of little or no independent judgment. This includes: garage laborers, car washers and greasers, gardeners (except farm) and ground keepers, stevedores, wood choppers, laborers performing lifting, digging, mixing, loading, and pulling operations, and kindred workers.

9. **Service Workers** – Workers in both protective and non-protective service occupations. This includes attendants (hospital and other institutions, professional and personal service, including nurses aides and orderlies), barbers, chairworkers and cleaners, cooks (except household), counter and fountain workers, elevator operators, firefighters and fire protection guards, door keepers, stewards, janitors, police officers and detectives, porters, waiters and waitresses, and kindred workers.

EXHIBIT "3" TO ATTACHMENT "B"

ACTIONS TO ENSURE FIRST CONSIDERATION TO
LOW- TO MODERATE-INCOME PERSONS

GENERAL TECHNIQUE

Participant will implement the following comprehensive plan designed to ensure first consideration of low- and moderate-income persons for jobs created by the Microenterprise Assistance Program for Small Businesses (MAP) assisted activity. The plan will consist of the following actions which will insure early exposure of employment opportunities to low- and moderate-income area residents:

- A comprehensive program to adequately advertise the job opportunity in local publications, such as the Redlands Daily Facts.
- A particular focus shall be made to advertise in publications serving low- to moderate-income households whenever feasible.
- Notice of the job opening will be posted on job notice boards at Family Service Association of Redlands.

EXHIBIT "4" to ATTACHMENT "B"

ROLES TO ENSURE LOW-TO-MODERATE INCOME BENEFIT

GENERAL TECHNIQUE

The City of Redlands Microenterprise Assistance Program for Small Businesses (MAP) is a federally funded Economic Development project. As such, the Department of Housing and Urban Development (HUD) requires that each party to the Agreement agree to undertake certain roles to ensure that the jobs created/retained will benefit low-to-moderate income (LMI) persons.

Actions required by each party are:

City of Redlands:

- Shall provide a summary of HUD Federal Requirements for CDBG Economic Development activities for informational purposes and as a reference document.
- Shall be available to provide guidance and answer questions to ensure clarity and understanding of HUD's requirements.
- Will specify exactly what needs to be reported quarterly by the Borrower.
- Will receive the Quarterly Performance Report package from the Borrower, review the documentation, and provide written feedback within 30 days of receipt. City's written response may contain suggestions or list adjustments if necessary to meet the requirements as provided in the Agreement.
- Will identify LMI census tracts (census tracts where 70% of residents are low income) where the Borrower may target or market their employee search. City will provide map.
- Will provide an updated annual income table each year to be used by the Borrower in determining if an individual seeking employment qualifies as low-to-moderate income.

Participant:

- Shall accept the HUD Federal Requirements for CDBG Economic Development activities and retain a copy for information and reference purposes.
- Shall seek guidance from City and ask questions as needed in order to ensure clarity and understanding of HUD's requirements.
- Will submit a completed "Quarterly Performance Report" package each quarter as required.
- Will implement suggestions and adjustments as recommended by the City via letter within 60 days of receipt of City response letter.
- Refer to map of LMI census tracts when identifying where to conduct marketing of employment opportunities.
- Perform outreach and marketing activities that provide jobs targeting for low- and moderate-income applicants.

- Provide the City with copies of marketing materials, advertisements, want ads, etc. including publication dates, name of publisher to document job marketing efforts in areas pre-determined to be low-to-moderate income.
- If an applicant falls into the "presumed LMI" category, this must be documented by referencing the census block number of where the applicant resides directly on the application and again within the required reports to City.

EXHIBIT "5" TO ATTACHMENT "B"

QUARTERLY REPORT FORM
Microenterprise Assistance Program (MAP)

The following Quarterly Report Form is required to be submitted to the City by the Participant within fifteen days of the end of each quarter (Quarterly Periods ending March 31, June 30, September 30, and December 31). The initial submission shall address the quarter in which the effective date of the Agreement occurs, and for each of the successive three (3) quarters (four (4) Quarterly Report Form submissions in total). Each report is due within 15 days after the end of the quarter.

QUARTER:	☐ Jan. - Mar.	☐ Apr. – June.	☐ Jul. - Sep.	☐ Oct. – Dec.

Business Name:
Business Address:

EXPENDITURE OF CDBG FUNDS:

Briefly describe any expenses that were incurred during the quarter, which were reimbursed or are targeted for reimbursement with CDBG funds :
Provide a narrative description of how these expenditures assisted your business:

ACCOMPLISHMENTS NARRATIVE

Briefly describe any changes in your business activities as a result of the Microenterprise Assistance Program funding :
Describe any progress made toward attending the required City of Redlands/SCORE sponsored small business workshops:

Prepared by

Date

Signature

ATTACHMENT "C"

PERSONAL GUARANTY OF PERFORMANCE

1.0 RECITALS

1.1 The City of Redlands, hereinafter referred to as "City" and General Technique, hereinafter referred to as "Participant," have executed a document entitled Microenterprise Assistance Program (MAP) Grant Agreement (the "Agreement") between City and Participant, dated July 1, 2014, which provides for a grant in the amount of $25,000 (the "Grant").

1.2 Ghays Kawas hereinafter referred to as "Guarantor" has a financial interest in Participant; and

1.3 City would not make the Grant to Participant if Guarantor did not execute and deliver to City this Guaranty.

2.0 GUARANTEE

2.1 For and in consideration of the Grant by City, and as a material inducement to City to make such Grant, Participant hereby, severally, unconditionally and irrevocably guarantees the prompt payment by Participant of all sums payable by Participant under the Grant in the event of a default of the Agreement and the faithfully and prompt performance by Participant of each and every one of the terms, conditions and covenants of said Agreement to be performed by Participant.

2.2 The terms of the Agreement may be altered, affected, modified or changed by written agreement between City and Participant, or by a course of conduct, without consent or notice to Guarantor and this Guaranty shall thereupon and thereafter guarantee the performance of the Agreement as so changed, modified, altered or assigned.

2.3 This Guaranty shall not be released, modified or affected by failure or delay on the part of City to enforce any of the rights or remedies of City under the Agreement, whether pursuant to the terms thereof or at law or in equity.

2.4 No notice of default need to be given to Guarantor, it being specifically agreed and understood that the guarantee of the undersigned is a continuing guarantee under which City may proceed forthwith and immediately against Participant following any breach or default by Participant or for the enforcement of any rights which City may have as against Participant pursuant to or under the terms of the Agreement or at law or in equity.

2.5 City shall have the right to proceed against Guarantor hereunder following any breach or default by Participant without first proceeding against Participant and without previous notice or to demand upon neither Participant or Guarantor.

2.6 Guarantor hereby waives (a) notice of acceptance of this Guaranty, (b) demand of payment, presentation and protest, (c) all right to assert or plead any statue of limitations as to or relating to the Guaranty and the Agreement, (d) any right to require the City to proceed against the Participant or any other Guarantor or any other person or entity liable to City, (e) any right to require

City to apply to any default security deposit or other security it may hold under the Agreement, (f) any right to require City to proceed under any other remedy City may have before proceeding against Guarantor, (g) any right or subrogation.

2.7 Guarantor does hereby subrogate all existing or future indebtedness of Participant to Guarantor to the obligations owed to City under the Agreement and this Guaranty.

2.8 Any married person who signs this Guaranty expressly agrees that recourse may be held against his or her separate property for all of his or her obligations hereunder.

2.9 The obligations of Participant under the Agreement to execute and deliver estoppel statements and financial statements, as therein provided, shall be deemed to also require the Guarantor hereunder to do and provide the same relative to Guarantor.

2.10 The terms "City" whenever herinabove used refers to and means the City in the foregoing Agreement specifically named and also any assignee of said City, whether by outright assignment or by assignment for security, and also any successor to the interest of said City or of any assignee in the Agreement or any part thereof, whether by assignment or otherwise.

2.11 The term "Participant" whenever hereinabove used refers to and means the Participant and any successor to the interests of Participant, whether by assignment, sale, or otherwise.

2.12 In the event any action is brought by City against Guarantor hereunder to enforce the obligations hereinunder, the unsuccessful party in such action shall pay to the prevailing party therein a reasonable attorney's fee which shall be fixed by the court.

[signatures on following page]

Executed this 1st day of July, 2014 at REDLANDS, California.

"GUARANTOR"

____
Ghays Kawas, Owner

"CITY"
City of Redlands

____
Pete Aguilar, Mayor

City Clerk ATTEST:______________________

"PARTICIPANT"
General Technique

____
Ghays Kawas, Owner

____
Tamara Kawas, Owner

ATTACHMENT "C"

PERSONAL GUARANTY OF PERFORMANCE

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2.0 GUARANTEE

2.1 For and in consideration of the Grant by City, and as a material inducement to City to make such Grant, Participant hereby, severally, unconditionally and irrevocably guarantees the prompt payment by Participant of all sums payable by Participant under the Grant in the event of a default of the Agreement and the faithfully and prompt performance by Participant of each and every one of the terms, conditions and covenants of said Agreement to be performed by Participant.

2.2 The terms of the Agreement may be altered, affected, modified or changed by written agreement between City and Participant, or by a course of conduct, without consent or notice to Guarantor and this Guaranty shall thereupon and thereafter guarantee the performance of the Agreement as so changed, modified, altered or assigned.

2.3 This Guaranty shall not be released, modified or affected by failure or delay on the part of City to enforce any of the rights or remedies of City under the Agreement, whether pursuant to the terms thereof or at law or in equity.

2.4 No notice of default need to be given to Guarantor, it being specifically agreed and understood that the guarantee of the undersigned is a continuing guarantee under which City may proceed forthwith and immediately against Participant following any breach or default by Participant or for the enforcement of any rights which City may have as against Participant pursuant to or under the terms of the Agreement or at law or in equity.

2.5 City shall have the right to proceed against Guarantor hereunder following any breach or default by Participant without first proceeding against Participant and without previous notice or to demand upon neither Participant or Guarantor.

2.6 Guarantor hereby waives (a) notice of acceptance of this Guaranty, (b) demand of payment, presentation and protest, (c) all right to assert or plead any statue of limitations as to or relating to the Guaranty and the Agreement, (d) any right to require the City to proceed against the Participant or any other Guarantor or any other person or entity liable to City, (e) any right to require

City to apply to any default security deposit or other security it may hold under the Agreement, (f) any right to require City to proceed under any other remedy City may have before proceeding against Guarantor, (g) any right or subrogation.

2.7 Guarantor does hereby subrogate all existing or future indebtedness of Participant to Guarantor to the obligations owed to City under the Agreement and this Guaranty.

2.8 Any married person who signs this Guaranty expressly agrees that recourse may be held against his or her separate property for all of his or her obligations hereunder.

2.9 The obligations of Participant under the Agreement to execute and deliver estoppel statements and financial statements, as therein provided, shall be deemed to also require the Guarantor hereunder to do and provide the same relative to Guarantor.

2.10 The terms "City" whenever herinabove used refers to and means the City in the foregoing Agreement specifically named and also any assignee of said City, whether by outright assignment or by assignment for security, and also any successor to the interest of said City or of any assignee in the Agreement or any part thereof, whether by assignment or otherwise.

2.11 The term "Participant" whenever hereinabove used refers to and means the Participant and any successor to the interests of Participant, whether by assignment, sale, or otherwise.

2.12 In the event any action is brought by City against Guarantor hereunder to enforce the obligations hereinunder, the unsuccessful party in such action shall pay to the prevailing party therein a reasonable attorney's fee which shall be fixed by the court.

[signatures on following page]

Executed this 1st day of July, 2014 at REDLANDS, California.

"GUARANTOR"

Tamara Kawas, Owner

"CITY"
City of Redlands

Pete Aguilar, Mayor

City Clerk ATTEST:

"PARTICIPANT"
General Technique

Ghays Kawas, Owner

Tamara Kawas, Owner

ATTACHMENT "D"

Based on the approved description of the approved uses of CDBG grant proceeds, as described herein within Attachment "A", the provisions of the Davis Bacon Act do not apply.

In the event that there is a change in the use of CDBG funds, from those specified in Attachment "A," the City reserves the right to review the applicability of the provisions of the Davis Bacon and related acts, and impose additional Agreement requirements, as mandated under CDBG statutory requirements.

ATTACHMENT "E"

FEDERAL PROCUREMENT REQUIREMENTS

Procurement requirements are in accordance with 24 Code Federal Regulations (CFR) Part 84 "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations" – Revised OMB Circular A-110.

Small Purchase Procedures: $0.01 to $24,999.99

- Are those informal procurement methods where you must secure at least three (3) informal bids, oral or written.
- You must document the following information: Company name and address, name of person contracted, telephone number and minority status.
- A no bid is considered a bid. You must continue the process until three fixed dollar bids are received.
- Use the Small/Informal Bid Form for documentation (Exhibit 1)
- Not allowed for soliciting construction services.

Small Purchase Procedures: $25,000 to $99,999.99

- Are those informal procurement methods where you must secure at least three (3) informal bids.
- All price or rate quotations must be in writing.
- You must document the following information: Company name and address, name of person contacted, telephone number and minority status.
- Use the Small/Informal Bid Form, with actual written quotations as collateral documentation.
- Not allowed for soliciting construction services.

Formal Bidding Procedures: $100,000 or above

- Are competitive sealed bids, secured through formal advertising.
- All bids will be publicly opened and a fixed price contract will be awarded to the lowest responsive and responsible bidder.

Competitive Proposals:

- A Request for Proposal (RFP) or Request for Qualifications (RFQ) shall always be advertised.
- The RFP should contain: bid specifications, sample contract, terms and conditions, and mechanism for proposal most advantageous to the program, with price and other factors considered.

Contracting with minority and Women Business Enterprise:

- Outreach program is extremely important.
- Contact at least on MWBE firm for your small purchase process.
- Require prime contractor to also comply with above.

EXHIBIT “1” TO ATTACHMENT “E”

SMALL/INFORMAL BID FORM

Project Name: ______________________________ Project Number: _______________

Three Quotes Required For The Following Item(s):

Specifications:

____

____

____

Quantity: ____________________ Size: _________________________

1. Company Name: ________________ Phone No: _____________________

Address: ______________________ Contact: ______________________

______________________________ MWBE Status: ________________

Unit Cost: _____________________ Total: ________________________

2. Company Name: ________________ Phone No: _____________________

Address: ______________________ Contact: ______________________

______________________________ MWBE Status: ________________

Unit Cost: _____________________ Total: ________________________

3. Company Name: ________________ Phone No: _____________________

Address: ______________________ Contact: ______________________

______________________________ MWBE Status: ________________

Unit Cost: _____________________ Total: ________________________

Bids Obtained By: ____________________ Date: ________________________

ATTACHMENT "F"

GRANT OF SECURITY

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, General Technique ("Participant") hereby irrevocably grants, transfers and assigns to City, in trust, with power of sale, and right of entry and possession, for the benefit and security of City, all rights, titles, interests, estates, powers and privileges that Participant now has or may hereafter acquire in or to the following property and interests therein (collectively, the "Property"):

3596 N. Leroy St., San Bernardino, California 92404
APN: 0153-034-11-0000

By my signature below, Participant accepts and approves securing performance under the Microenterprise Assistance Program (MAP) Grant Agreement by and Between the City of Redlands and General Technique with the above listed property, and consents to the recordation with the San Bernardino County recorder of a Deed of Trust evidencing the securitization.

GENERAL TECHNIQUE

Dated: 6-26-14

By: ______________________
Ghays Kawas, Owner

By: ______________________
Tamara Kawas, Owner

ATTACHMENT "G"

PROMISSORY NOTE

$ 25,000.00

July 1, 2014
Redlands, California

1. For value received, the undersigned, _Ghays Kawas and Tamara Kawas ("Borrower"), promises to pay to CITY OF REDLANDS ("City"), or order, at P.O. Box 3005, Redlands, CA 92373, the principal sum of Twenty Five Thousand Dollars ($25,000) (the "Note Amount") with no interest. Principal shall be due and payable in lawful money of the United States of America not later than eighteen (18) months following the effective date that Borrower entered into the Microenterprise Assistance Program Grant Agreement with the City (the "Agreement").

2. This Note is made pursuant to that Agreement, between General Technique (as the "Participant" therein) and the City dated July 1, 2014, which Agreement is incorporated herein by reference and the terms of this Note shall be construed in accordance with the Agreement. Any default by Participant under the Grant Agreement shall be deemed to be a default of this Note.

3. Borrower may prepay in whole, or from time to time, in part, and without any premium or penalty therefore, the principal amount then remaining unpaid together with any accrued unpaid interest on this Note. Any prepayment shall first be applied to accrued unpaid interest on this Note and the balance to principal.

4. Each payment shall be credited first, on the interest then due; and the remainder on the principal sum; and interest shall thereupon cease upon the amount so credited on said principal sum.

5. Borrower shall be entitled to a credit against the principal due hereunder equal to Twenty Five Thousand Dollars ($25,000) upon completion of all of the terms and conditions of the Agreement, including but not limited to the creation and retention of the jobs required under the Agreement for a minimum period of twelve (12) months, and submission of all Agreement required submissions to the City.

6. If Borrower should cease business at the Site as such term is defined in the Agreement, or fails to meet the job creation requirements as specified in the Agreement, or is default of the terms of the Agreement, Borrower shall pay to the City within fifteen (15) days of the Borrower's receipt of written notification from the City, the amount then owing on the principal and interest of this Note. Such payment shall fully discharge Borrower's obligations to City under this Note.
In the event of a delinquency in the payment due under this section, Borrower shall be liable to pay a late charge in an amount equal to ten percent (10%) of the delinquent payment.

7. Borrower hereby waives diligence, presentment, demand, protest and notice of any kind whatsoever.

8. Borrower agrees to indemnify, defend and hold harmless City, its officers, officials, employees, agents, successors and assigns from and against any and all claims, demands, costs, liabilities and obligations of any kind or nature arising out of any default hereunder, including

without limitation all costs of collection, including reasonable attorneys' fees and all costs of suit, in the event the unpaid principal sum of this Note and/or any interest thereon is not paid when due. Should suit be commenced to collect on this Note or any portion thereof, such sum as the Court may deem reasonable shall be added hereto as attorney's fees and costs of suit.

9. No delay or omission by City in exercising any rights under this Note shall operate as a waiver of such right or any other right under this Note or other agreements.

10. To the extent permitted by this Note and by operation of law, this Note shall be binding upon and inure to the benefit of the respective legal and personal representatives, successors, and assigns of Borrower and City.

11. This Note shall be governed by and construed according to California law and consistent with the provisions of the Agreement.

12. Borrower and the person executing this Note on behalf of Borrower hereby represent and warrant to City that: (a) Borrower is a duly organized and validly existing individual, partnership or corporation in good standing under the laws of the jurisdiction of its formation, is qualified to transact business in the State of California, and has the full power and authority to execute, deliver and perform its obligations under the this Note; (b) this Note constitutes the duly authorized, legally valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms; and neither the execution, delivery or performance of this Note by Borrower will breach any statute, law, ordinance, rule or regulation or conflict with or result in a breach of any of the terms, conditions or provisions of any judgment, order, injunction, decree or ruling of any court or governmental authority to which Borrower is subject or any agreement or instrument to which it is a party or by which it is bound, or constitute a default thereunder.

13. The payment and performance of this Note shall be secured by (i) a deed of trust and (ii) a Personal Guaranty by Ghays Kawas and Tamara Kawas, attached to the Agreement as Attachment "C".

[signatures on following page]

Executed at REDLANDS, California, as of the date first written above.

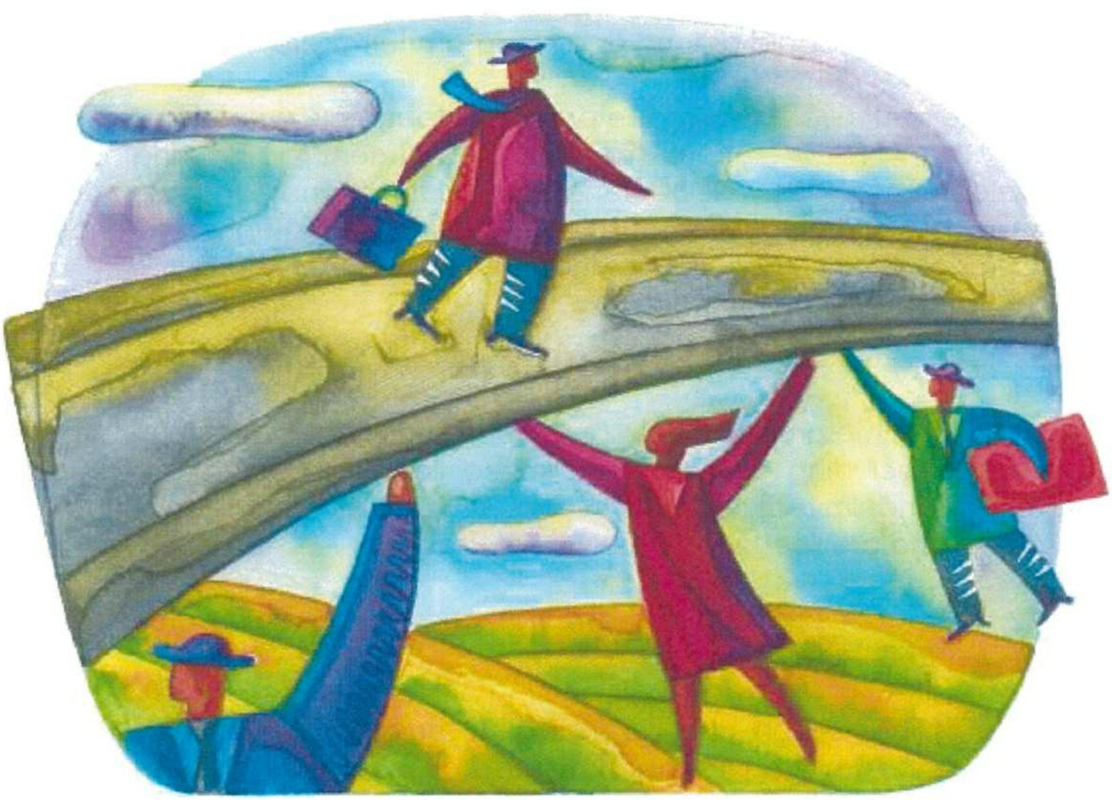
BORROWER

By:________________________________
Ghays Kawas

By:________________________________
Tamara Kawas

CITY OF REDLANDS

Microenterprise Assistance Program (MAP Grant)
for Small Businesses
A Community Development Block Grant Funded Program



December 18, 2012

1.0 INTRODUCTION

1.0.1 The objective of the Microenterprise Assistance Program (MAP) Grant is to fulfill a need in the community; create opportunity for the establishment and expansion of microenterprise businesses within the City of Redlands; to create quality jobs, principally benefitting employees in the low-to-moderate income levels; and to preserve and expand the City's tax base.

1.0.2 Program procedures, manuals, forms, documents and agreements shall be administered by the City's Development Services Director, or his designees, in accordance with these program guidelines.

1.0.3 The total amount of CDBG funds available to award in MAP Grants each year is limited. Applications are accepted on a continuous, open cycle until all funds are exhausted.

1.0.4 The MAP Grant provides grants in amounts ranging from $5,000 to $25,000 to eligible businesses that want to establish a business or expand an existing business located within the City of Redlands. This is a grant, and does not have to be repaid as long as all program terms are met.

1.0.5 The MAP Grant was made possible through a Community Development Block Grant (CDBG) from the U.S. Department of Housing and Urban Development (HUD). CDBG funds are Federal funds and as such have a number of Federal requirements that must be met as further described in this document. MAP Grants are not from the City's general fund.

1.1 ELIGIBILITY AND MINIMUM REQUIREMENTS

1.1.1 Microenterprise business applicants include private for-profit business concerns including corporations, limited liability corporations, partnerships (general and limited), or sole proprietorships that have legal standing as a business and are licensed by the City of Redlands.

1.1.2 Non-profit organizations are not considered microenterprises for the purposes of this program.

1.1.3 Applicants can also be individual persons/partnerships who wish to start a business but have not completed all the steps to open their business. A condition of funding for these applicants will be to have the business development process completed, such that they can be recognized by the City as a legal business. This can be documented by providing copies of a City of Redlands Business License, fictitious business name or trade name, etc.

1.1.4 To be eligible for the MAP Grant, the following minimum requirements must be met:

a. Business must be located within the Redlands city limits.
b. Business must have five (5) or fewer employees, one (1) or more of which must be the principal(s) who owns the business at the time of application. All employees, part-time and full-time, on the business payroll at the time of grant application will be counted. The term "employee" includes all owners of the business on the payroll, even if the owner's "salary draws" are not done on a regular basis.
c. The proposed project must meet a National Objective and be an eligible activity under the Community Development Block Grant (CDBG) Act. In general, the project must either:
   1. Be a business whose owner is certified as being low- to moderate-income; or
   2. Create/retain jobs.
d. The CDBG program requires that at least 51% of the jobs, computed on a fulltime equivalent basis, created or retained must be held by or made available to low- and moderate-income persons. The grant applicant must acknowledge that if it fails to create and/or retain the jobs identified in the agreement by the end of the project period and maintain them for a period of time (usually 18 months from the date of the award); it may be required to reimburse the City some or all of the grant funds awarded as a result of the new employment shortfall.
e. In counting the jobs to be used in the calculation for determining the percentage that benefit low-moderate income persons, the following criteria apply:

   - Part-time jobs must be converted to full-time equivalents (FTE).
   - Only permanent jobs count; temporary jobs may not be included.
   - Jobs indirectly created by an assisted activity (spin-off jobs) or jobs located outside of the City may not be counted.

1.1.5 The City will not provide grant assistance in situations where it is determined that any representation, warranty or statement made in connection with the MAP Grant application is incorrect, false, misleading or erroneous in any material respect. In the event assistance has already been provided prior to the discovery of incorrect, false, or misleading representation, the City may initiate legal action to recover the funds.

1.1.6 Adult entertainment establishments, as defined in the Redlands Municipal Code, are ineligible for a CDBG funded MAP Grant.

1.2 AMOUNT OF MAP GRANT REQUEST

1.2.1 A MAP Grant can range from $5,000 to $25,000. The City will review the level of grant assistance requested and will consider the appropriateness of the project's scope, the level of demonstrated need and the financial resources of the applicant. If the City determines that a lesser amount is appropriate than the amount requested by the applicant, it may be necessary to revise the application before it is submitted in final form. The maximum award is not intended to serve as a target figure for requests for grant assistance.

1.3 USE OF PROGRAM FUNDS

1.3.1 MAP Grant funds must be justified and be used directly by the applicant to purchase capital goods; including machinery; fixtures; equipment; and/or to provide working capital to support operations.

1.3.2 MAP Grant funds may not be used to purchase portable equipment, such as personal computers, adding machines, desks, desk chairs, etc.; real estate; repay existing debt; undertake building façade or building interior renovations; refinance loans made by other lenders; subsidize interest payments on existing loans; lobbying any governmental entity; political or religious activities; or make any investments or payments that are outside the scope of the business.

1.3.3 MAP Grant funds may not be used for job pirating. This is the use of Federal funds to lure or attract businesses and its jobs away from one labor market to another.

1.3.4 All MAP Grant funding will be provided on a reimbursement basis.

1.4 PRE-APPLICATION REVIEW

1.4.1 A pre-application is required to be submitted to the City by all MAP Grant applicants. A review of this pre-application by the City will determine if the basic CDBG eligibility requirements exist in order to move forward in the application review process.

1.5 NON-REFUNDABLE APPLICATION FEE

1.5.1 The City will review the pre-application and provide authorization to continue. The application, along with all supporting documentation (business plan, financial pro-forma, financial statements, tax returns, information release authorization, budget, employment chart, etc., and a non-refundable $100 application fee (to cover the costs of obtaining a current credit report and other hard costs necessary for the application review and qualification process) will be required in order to move the application forward in the review process.

1.6 ENVIRONMENTAL REVIEW

1.6.1 National Environmental Policy ACT (NEPA) regulations require an Environmental Review Record (ERR) to be submitted for each project/business funded with CDBG monies prior to award or approval of funds. The ERR level of review is based on the type of project proposed.

1.6.2 The environmental review must identify and address the physical, social and economic impacts of the entire proposed activity. The environmental review process must consider the impacts of the entire proposed activity.

1.6.3 Compliance with any other federal, state, county, or local environmental regulations, such as California Environmental Quality Act (CEQA), may also be required and will be based upon a review of the entire proposed activity.

1.7 PROCUREMENT

1.7.1 Federal procurement standards must be utilized by grantees when procuring services, supplies, or equipment that maximize free and open competition and the efficient, economical use of the CDBG funds.

1.8 APPLICATION REVIEW

1.8.1 . MAP Grant applications shall be reviewed and evaluated based upon the following guidelines from the U.S. Department of Housing and Urban Development (HUD), Office of Community Planning and Development and by the Small Business Administration (SBA):

a. Ability to repay the MAP Grant in case of default or termination of business based upon the following criteria:

1. Balance Sheet Analysis
2. Historical Earnings and Cash Flow Records
3. Collateral
4. Commitment
5. Management Experience
6. Direct Experience

7. Business Plan

All of the above criteria are important, and the absence of any one of the above criteria may be sufficient to deny a grant request.

b. The following conditions are considered undesirable without mitigating circumstances:

1. Requests for a grant to repay existing creditors;
2. Funds used to repay debt to applicant owner(s), partners, stockholders;
3. Lack of profitable operations;
4. Grants to businesses with restricted membership or discriminatory groups/organizations;
5. Lack of sufficient equity/highly leveraged situations;
6. Personal or business bankruptcy, or prior business failure without sufficient, documented information to mitigate;
7. Poor personal or business credit as evidenced by many derogatory items including public record items, tax liens, judgments, or excessive existing credit;
8. Undocumented aliens;
9. Felony convictions, dishonorable discharge or "Bad Conduct" discharge from military service (each situation will be independently evaluated); and
10. Business active in any unlawful activity.

1.9 CONFLICT OF INTEREST

1.9.1 In accordance with Title 24, Section 570.611 of the Federal Regulations, no member of the governing body and no official, employee or agent of the local government, nor any other person who exercises policy or decision-making responsibilities in connection with the planning and implementation of the CDBG program shall directly or indirectly be eligible for this program.

1.10 RELOCATION

1.10.1 Any MAP Grant request that would result in displacement of a person or a business, as defined by Federal or state relocation laws, is not eligible for a MAP Grant.

1.11 NON-DISCRIMINATION

1.11.1 Discrimination by the City against any applicant because of race, color, sex or sexual orientation, religion, age, national origin, disability or veteran's status is prohibited by law. The City actively supports this legislation.

1.12 APPLICANT CONFIDENTIALTIY

1.12.1 Employees of the City will not disclose any of the grantee's personal confidential information as part of the grant approval process. Financial information supplied by the applicant, including but not limited to business operating statements, tax information, personal and business financial information, and similar data are considered to be confidential. All confidential information of businesses will only be disclosed to persons required to view the information as part of grant review and approval. All personal and business confidential information of grant applicants will be kept in a locked, secured storage facility and unavailable to persons outside of the program. If the City receives a request for public records related to a grant application, only non-confidential information, as verified by the City Attorney, will be provided.

1.13 DEFAULT

1.13.1 The following circumstances will be determined to be "Events of Default" which could trigger either full or partial repayment of the MAP Grant:

a. If representations, conditions or warranties made by the MAP Grant recipient prove to be incorrect in any material respect when made or changed so that the statement becomes incorrect, whether voluntarily or involuntarily.
b. Grant recipient fails to complete Entrepreneurial Training as defined in article 1.16.1.
c. Grant recipient fails to create or retain at least 80% of the job requirements specified in the agreement.
d. Grant recipient fails to meet the minimum of 51% of new jobs being made available to low- and moderate-income persons.

1.14 DATA UNIVERSAL NUMBERING SYSTEM (DUNS)

1.14.1 A DUNS number is required for all businesses who wish to receive a Federally funded MAP grant. The DUNS number is free and can be obtained online at: http://fedgov.dnb.com/webform.

1.15 INCOME AND DEMOGRAPHIC DATA COLLECTION

1.15.1 Annual income level, household size, and demographic data, such as racial and ethnic background, must be collected by the grantee and provided to the City for any new hires resulting from the investment of CDBG funds in accordance with HUD requirements during the term identified in the funding agreement.

1.16 REQUIREMENT TO ATTEND ENTREPRENEURIAL TRAINING WORKSHOPS

1.16.1 To help alleviate risk and assure success, all MAP Grant recipients, independent of existing skills and experiences, must attend a minimum of three (3) City of Redlands sponsored small business educational workshops (or other pre-approved business training workshop sponsored by another organization) of their choosing within a one year period.

1.17 SITE AVAILABILITY

1.17.1 The grantee agrees to make the property/business available during reasonable hours to the City for monitoring and inspection purposes throughout the term defined in the agreement.

1.18 ADDITIONAL INFORMATION

1.18.1 Upon review of a submitted application, the City reserves the right to request additional information in order to assist the City with its evaluation of an application.

1.19 PROGRAM ELIGIBILITY

1.19.1 CDBG funded MAP Grants are limited to one per business. However, a MAP Grant recipient may also qualify to receive a CDBG funded Economic Development Loan.