LISC
*Helping neighbors build communities*

**SIGN THIS COPY AND RETURN TO:**
**Local Initiatives Support Corp.**
**ATTN: Grants and Contracts Management Department**
**501 7th Ave, (7th floor)**
**NYC 10018**

November 14, 2013

Nueva Esperanza, Inc.
4261 N. 5th Street
Philadelphia, PA
19140 - 2615

**Re: LISC's Program Action Number #40748-0018**

Dear Ms. L~~ichtash~~ Oxholm

I am pleased to inform you that Local Initiatives Support Corporation ("LISC") has approved recoverable grant financing in the amount of **$50,000** (the "Recoverable Grant") to Nueva Esperanza, Inc. (the "Grantee" or "Nueva Esperanza, Inc. "), the proceeds of which shall be used for the purposes set forth in Section 1, below. **Note that *one* original of this recoverable grant agreement (the "Recoverable Grant Agreement") must be countersigned by Nueva Esperanza, Inc. and returned to LISC's New York City headquarters, in accordance with Section 29 below.**

This Recoverable Grant is being funded from monies that LISC has received from the Philadelphia Authority for Industrial Development ("PAID") pursuant to an agreement by and between LISC and PAID (the "PAID Contract") under the Cultural and Commercial Corridors Program. The PAID Contract, and applicable regulations and ordinances pertaining to the use of the PAID funds made available to LISC pursuant to the PAID Contract, impose certain requirements on LISC and all recipients of PAID funds, including Nueva Esperanza, Inc. This Recoverable Grant Agreement, **Attachment 1** (Certification Regarding Debarment, Suspension, and Other Responsibility Matters), **Attachment 2** (Certification Regarding Lobbying), **Attachment 3 (Certification Regarding Drug-Free Workplace Requirements)**, and **Attachment 4 (Certification Regarding the United States Patriot Act)**, specifically attached hereto and made a part hereof, contain certain of those requirements.

By countersigning this Recoverable Grant Agreement and signing the attached certification forms, Nueva Esperanza, Inc. hereby agrees to comply with all such requirements and the following terms and conditions:

**(1) Purpose of the Recoverable Grant.** The Recoverable Grant will be used to support predevelopment activities in preparation for the submission of a LIHTC application in the fall of 2013 (the "Project").


LOCAL INITIATIVES SUPPORT CORPORATION
501 Seventh Avenue, 7th Floor ■ New York, NY 10018 ■ Phone 212-455-9800 ■ Fax 212-557-1634
WWW.LISC.ORG

(2) **Grantee's Principal Contact at LISC.** Nueva Esperanza, Inc. 's principal contact person at LISC with respect to the Recoverable Grant shall be *Dana Hanchin, Deputy Director for LISC's Philadelphia Program.* Unless otherwise indicated in this Recoverable Grant Agreement, all correspondence concerning said Recoverable Grant should be addressed to her and include the Program Action Number stated above.

(3) **Costs to be Paid with Recoverable Grant Proceeds.** Nueva Esperanza, Inc. hereby agrees to use the Recoverable Grant proceeds only to pay the costs described in the budget attached hereto as **Exhibit A**, which have been or shall be incurred in support of the Project.

(4) **Term of the Recoverable Grant.** The Recoverable Grant shall be available beginning September 1, 2013, and ending on June 30, 2015 (the "Maturity Date"). The Recoverable Grant shall be available for disbursement to Nueva Esperanza, Inc. commencing on the date that all of the standard conditions contained in Section 6 herein have been satisfied, continuing through and including the Maturity Date.

(5) **Repayment of Disbursed Recoverable Grant Amounts.** Nueva Esperanza, Inc. shall repay all disbursed amounts of the Recoverable Grant to LISC in full, on the earlier to occur of (i) the close of construction financing for the Project, or (ii) the Maturity Date. In the event that LISC is satisfied, however, that Nueva Esperanza, Inc. has made best efforts to move the Project forward to development, completion, and/or successful operation (as the case may be), including but not limited to the obtainment and close of construction financing for the Project, and if LISC and Nueva Esperanza, Inc. shall have mutually agreed in writing that the development of the Project cannot proceed due to a lack of financing, or a completed Project cannot generate sufficient revenue to repay the Recoverable Grant, or for some other reason beyond Nueva Esperanza, Inc. 's control the Recoverable Grant cannot be repaid, repayment of the portion of the Recoverable Grant that is unable to be repaid shall not be required.

(6) **Conditions to Disbursement(s) of the Recoverable Grant.** The Recoverable Grant will be disbursed to Nueva Esperanza, Inc. , upon fulfillment of the following conditions:

- **(a)** receipt by LISC's Grants and Contract Management Department in New York City of one of the enclosed copies of this letter agreement (this "Agreement"), countersigned in accordance with Section 29, below;
- **(b)** receipt by LISC's Grants and Contract Management Department in New York City of a good standing certificate issued in favor of Nueva Esperanza, Inc. , *dated no more than 12 months prior to the date of this Recoverable Grant Agreement;*
- **(c)** receipt and approval by LISC's Philadelphia Deputy Director of the most recent audited financial statements of Nueva Esperanza, Inc. ;
- **(d)** receipt and approval by LISC's Philadelphia's Deputy Director of a written request by Nueva Esperanza, Inc. for each disbursement, which shall contain (i) the amount of the disbursement requested, (ii) the requested date of

disbursement, (iii) a breakdown of the costs to be paid with the disbursement, and (iv) if requested by the Philadelphia Deputy Director, invoices or bills supporting the costs to be paid with the disbursement and a revised project schedule.

**(e)** receipt by LISC's State & Local Government Contracts Coordinator in New York City of the Philadelphia LISC Deputy Director's written approval of the disbursement.

**(7) Funds Not Disbursed to Nueva Esperanza, Inc. Prior to Maturity Date.** Any Recoverable Grant funds not disbursed to Nueva Esperanza, Inc. by the Maturity Date shall be automatically reprogrammed by LISC, and shall no longer be available for disbursement to Nueva Esperanza, Inc. ; provided, however, that if the Maturity Date is extended pursuant to Section 24 of this Recoverable Grant Agreement, then the funds shall remain available for disbursement until the new Maturity Date.

**(8) Return of Recoverable Grant Proceeds to LISC.** Nueva Esperanza, Inc. will return to LISC any Recoverable Grant funds it has not expended by the Maturity Date, unless Nueva Esperanza, Inc. 's Maturity Date has been extended pursuant to Section 24 of this Recoverable Grant Agreement, in which case Nueva Esperanza, Inc. will return to LISC any Recoverable Grant funds it has not expended by the new Maturity Date.

**(9) Recordkeeping Requirements.** The parties hereto acknowledge that PAID requires all recipients of PAID Funds to keep records and report on the use of PAID funds. Nueva Esperanza, Inc. shall maintain all relevant financial data, according to generally accepted accounting principles, including records of each expenditure, as well as all books, records, documents, correspondence, and other data pertaining to this Recoverable Grant Agreement. Nueva Esperanza, Inc. shall maintain its records in a manner that enables Nueva Esperanza, Inc. and LISC to identify all services being or having been provided by Nueva Esperanza, Inc. , any recipient of those services, any person or persons, whether subcontractor, subconsultant, subgrantee or not, assisting Nueva Esperanza, Inc. and the time and resources spent in providing each service. If LISC has probable cause to believe Nueva Esperanza, Inc. is not providing the services or conducting the activities as required by or in accordance with this Recoverable Grant Agreement, LISC may so inform Nueva Esperanza, Inc. , in writing, whereupon Nueva Esperanza, Inc. shall document to LISC the services provided and any of the other above information requested by LISC. LISC shall have the right to require further documentation, if necessary, to ensure compliance with this Recoverable Grant Agreement.

All records shall be accessible to LISC and/or PAID at any time, upon forty-eight (48) hours prior notice, during the term of this Recoverable Grant Agreement and for seven (7) years after the expiration or termination of this Recoverable Grant Agreement. If LISC desires to audit, examine, or make copies of Nueva Esperanza, Inc. 's books pertaining to the Project or this Recoverable Grant Agreement, it may do so and may, at its discretion, retain an independent certified public accountant (CPA) to audit Nueva Esperanza, Inc. 's

books to determine whether there is compliance with this Recoverable Grant Agreement and with federal, state and local laws and regulations.

Records shall be retained while any audit requested by LISC is being conducted and any question arising therefrom is unresolved, or until seven (7) years after Nueva Esperanza, Inc. 's submission of a final report in connection with this Recoverable Grant Agreement, whichever is later. This provision survives any termination of this Recoverable Grant Agreement.

**(10) Report to National LISC Office.** Nueva Esperanza, Inc. shall furnish to LISC at its New York City headquarters address *(attn: Government Contracts Analyst)*, within 30 days after the Maturity Date (including as the same may have been extended), a final narrative report, signed by an officer of Nueva Esperanza, Inc. having knowledge and authority, describing (1) the costs paid with Recoverable Grant proceeds disbursed to Nueva Esperanza, Inc. during the term of the Recoverable Grant, and (2) the final progress made by Nueva Esperanza, Inc. in completing the Project.

**(11) Reports to Local LISC Program Office.** Nueva Esperanza, Inc. shall furnish a copy of the final report described in Section 11 herein, to LISC at its Philadelphia address (attn: Dana Hanchin, Deputy Director), at the same time it is furnished to the Government Contracts Analyst.

**(12) Rights in Data; Intellectual Property.** Data submitted to and accepted by LISC under or related to this Recoverable Grant Agreement shall be the property of LISC, and LISC shall have full right to use such data for any purpose in whatever manner deemed desirable and appropriate, including making it available to the general public. Such use shall be without any additional payment to or approval of Nueva Esperanza, Inc. . Nueva Esperanza, Inc. relinquishes any and all intellectual property and/or all intellectual property rights, and/or privileges to data developed under this Recoverable Grant Agreement. Nueva Esperanza, Inc. shall not include in the data submitted any copyrighted, trademarked or patented matter, without the prior written approval of LISC, unless Nueva Esperanza, Inc. provides LISC with written permission of the copyright, trademark, or patent owner for LISC and/or PAID to use such copyrighted, trademarked or patented matter in the manner provided for in this Section 12. The term "data", as used in this Section 12, includes written reports, studies, drawings, or other graphic, electronic, chemical, or mechanical representations, and work of any similar nature which are required to be delivered under this Recoverable Grant Agreement.

**(13) No Disbursement if Non-Compliance.** LISC shall not make any disbursement of the Recoverable Grant unless on the proposed date of disbursement Nueva Esperanza, Inc. is in full compliance with all the terms and conditions of this Recoverable Grant Agreement. In addition, LISC shall not make any disbursement of the Recoverable Grant if it will (i) violate any provision of law, regulation or administrative ruling to which LISC is subject, (ii) subject LISC to any tax, penalty, or fine, or (iii) not further the charitable purposes of LISC.

**(14) No Disbursement if Default Exists, or Material Adverse Change Has Occurred.** LISC shall not make any disbursement of the Recoverable Grant if, at the time of the proposed disbursement, Nueva Esperanza, Inc. , or any subsidiary of Nueva Esperanza, Inc. , or any partnership affiliated with Nueva Esperanza, Inc. , is in default under the terms of any LISC financing, whether for the Project or provided by LISC for any other project or purpose. In addition, LISC shall not make any disbursement of the Recoverable Grant if there has been a material adverse change in the financial or other condition of Nueva Esperanza, Inc. or the Project, including, but not limited to, any adverse change in Nueva Esperanza, Inc. 's key personnel working on the Project (with LISC determining, in its reasonable discretion, what constitutes a material adverse change in key personnel).

**(15) Restrictions on Use of the Recoverable Grant.** Under Sections 501 and 4945 of the Internal Revenue Code (the "Code"), the Recoverable Grant may not be used to carry on propaganda, to attempt to influence legislation, or to participate in, intervene in, or attempt to influence the outcome of, political campaigns or elections. Additionally, under the applicable provisions of the Code, LISC funds may only be used in furtherance of LISC's charitable purposes. By countersigning this Recoverable Grant Agreement and returning it to LISC, Nueva Esperanza, Inc. agrees (i) not to use the Recoverable Grant for any purposes prohibited by the preceding two sentences, (ii) to use the Recoverable Grant in furtherance of Nueva Esperanza, Inc. 's charitable purposes (as set forth in its Articles of Incorporation and Application For Recognition of Exemption submitted to the IRS), and (iii) to promptly reimburse LISC any amounts of the Recoverable Grant not used to further charitable purposes.

**(16) Not Excluded from Federal Programs.** By countersigning this Recoverable Grant Agreement and **Attachment 1** hereto, Nueva Esperanza, Inc. is certifying that neither it, nor any employee whose salary is funded from, nor any subcontractor or subgrantee whose fee is to be paid from the proceeds of this Recoverable Grant Agreement are included on the Federal Government's "Excluded Parties List System" ("EPLS"), and that Nueva Esperanza, Inc. agree to notify LISC if any change in this status occurs during the term of this Recoverable Grant Agreement. Information on the EPLS can be obtained at http://www.sam.gov. LISC reserves the right to cancel this Recoverable Grant Agreement upon discovery of the Nueva Esperanza, Inc. 's engagement of any federally debarred contractor or a contractor that is presently identified on the list of parties excluded from federal procurement and non-procurement contracts.

**(17) Non-Discrimination.** In connection with the utilization of the PAID funds provided under this Recoverable Grant Agreement, Nueva Esperanza, Inc. agrees as follows:

a. Nueva Esperanza, Inc. will not discriminate nor permit discrimination against any employee or applicant for employment because of race, religion, color, national origin, familial status, handicap, age, sex, sexual orientation, or gender preference. Nueva Esperanza, Inc. action shall include, but shall not be limited to, the following: employment; upgrading; promotion; demotion; transfer; recruitment advertising;

layoff or termination; rates of pay or other forms of compensation; terms, privileges, or conditions of employment; and selection for training including apprenticeship.

b. In the hiring of any employees for the performance of work or any other activity required under this Recoverable Grant Agreement or any subcontract, Nueva Esperanza, Inc. , the subcontractor (if permitted), or any person acting on behalf of Nueva Esperanza, Inc. or any such subcontractor shall not by reason of gender, race, creed, or color discriminate against any citizen of the Commonwealth of Pennsylvania who is qualified and available to perform the work to which the employment relates.

c. Neither Nueva Esperanza, Inc. nor any subcontractor nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the performance of work or any other activity required under this Recoverable Grant Agreement on account of gender, race, creed, or color.

d. Nueva Esperanza, Inc. and any subcontractors shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.

e. Nueva Esperanza, Inc. shall not discriminate by reason of gender, race, creed, or color against any subcontractor who is qualified to perform the work to which the contract relates.

f. Nueva Esperanza, Inc. and each subcontractor shall furnish all necessary employment documents and records to and permit access to its books, records, and accounts by LISC and/or PAID for purposes of investigation to ascertain compliance with the provisions of this Non-Discrimination clause. If Nueva Esperanza, Inc. or any subcontractor does not possess documents or records reflecting the necessary information requested, it shall furnish such information on reporting forms supplied by LISC and/or PAID.

g. Nueva Esperanza, Inc. shall include the provisions of this Non-Discrimination clause in every subcontract so that such provisions will be binding upon each subcontractor.

h. Breach of any of the covenants herein, may be regarded as a material breach of this Recoverable Grant Agreement, and LISC shall take whatever necessary actions provided by law that it deems appropriate.

**(18) Compliance with Anti-Discrimination Rules.** In its use of the Recoverable Grant funds provided by LISC, and in its development, marketing and operation of the Project, Nueva Esperanza, Inc. shall fully comply with all applicable federal, state, local (and any other governmental), anti-discrimination laws, executive orders, rules and regulations.

**(19) Tax-Exempt Status.** Nueva Esperanza, Inc. confirms that its letter received from the IRS, dated 1983, which determines that Nueva Esperanza, Inc. is (i) exempt from federal income taxation under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code, and (ii) an organization that is not a private foundation under Section 509(a)(1) of the Code, has not been revoked or modified, and that Nueva Esperanza, Inc. has delivered a copy of said letter to LISC. *If either determination is revoked or modified, Nueva Esperanza, Inc. shall immediately notify LISC.*

**(20) Review of Operations.** LISC may monitor and conduct an evaluation of activities funded by the Recoverable Grant. Nueva Esperanza, Inc. 's evaluation may include a visit from LISC personnel to observe the activities funded by the Recoverable Grant, to discuss said activities with Nueva Esperanza, Inc. 's personnel, and/or to review financial and other records and materials relating to the activities financed or facilitated by the Recoverable Grant. In addition, upon LISC's providing of reasonable advance notice, the Philadelphia Senior Program Officer shall be allowed to attend at least one Board meeting of Nueva Esperanza, Inc. a year.

**(21) Publicity.** Nueva Esperanza, Inc. agrees that LISC may include information regarding the Recoverable Grant and the Project in its periodic public reports. Nueva Esperanza, Inc. shall also make best efforts to provide LISC with reasonable advance notice of any groundbreaking or ribbon-cutting events for the Project. LISC may refer to the Recoverable Grant in press releases, and asks that until Nueva Esperanza, Inc. 's press release is issued, Nueva Esperanza, Inc. will not make any public announcement relating to the Recoverable Grant without first consulting the LISC contact person referred to in Section 2, above. A copy of all issued press releases shall be promptly sent to Nueva Esperanza, Inc. 's contact person.

**(22) No Right of Assignment or Delegation.** Nueva Esperanza, Inc. may not assign or otherwise transfer its rights, or delegate any of its obligations, under this Recoverable Grant Agreement.

**(23) LISC's Authorization to Instruct.** Nueva Esperanza, Inc. authorizes LISC, on Nueva Esperanza, Inc. 's behalf and prior to the expected financing event that will cause the Maturity Date to occur as described in Section 4, above, to instruct any funder expected to provide take-out financing to repay the Recoverable Grant to pay a portion of Nueva Esperanza, Inc. 's take-out financing directly to LISC, as required, to fully repay the Recoverable Grant.

**(24) Amendment of Term of Recoverable Grant.** LISC shall consider, but is not obligated to agree to, requests by Nueva Esperanza, Inc. to extend the Maturity Date or make other modifications to the terms of the Recoverable Grant. Amendments to the Recoverable Grant shall be made only after (i) LISC's Philadelphia Senior Program Officer has received a written request from Nueva Esperanza, Inc. stating the nature of the amendment

requested, and (ii) an authorized officer of LISC shall have executed a written agreement describing the terms of the amendment.

**(25) Indemnification.** Nueva Esperanza, Inc. agrees to defend, indemnify and hold harmless LISC, its affiliates, subsidiaries, directors, officers, employees, agents and representatives, and any other party acting on behalf of LISC from and against and respect of any and all claims, demands, suits, causes of action, judgments, obligations, damages, settlements, liabilities, penalties, costs and expenses of any kind or nature, including, without limitation, reasonable attorneys' fees or disbursements, arising out of, or relating to Nueva Esperanza, Inc. 's performance or breach of this Recoverable Grant Agreement or negligent or wrongful act or omission (or alleged act or omission) in connection with this Recoverable Grant Agreement. Nueva Esperanza, Inc. agrees to provide LISC with prompt notice of any event or assertion of which it has knowledge concerning any matter as to which a request for indemnification under this Recoverable Grant Agreement may be made.

**(26) Interest of Grantee.** Nueva Esperanza, Inc. covenants that it presently has no interest, and shall not acquire any interest, direct or indirect (as defined in the Public Official and Employee Ethics Act, 65 Pa.C.S.A. Sections 1101-1113) which would conflict in any manner or degree with the performance of its activities hereunder. Nueva Esperanza, Inc. further covenants that, in the performance of the obligations under this Recoverable Grant Agreement, it will not knowingly employ, or contract for services from, any person having any such interest.

**(27) MacBride Principles.**

(a) In accordance with Section 17-104 of the Philadelphia Code, Nueva Esperanza, Inc. by execution of this Recoverable Grant Agreement certifies and represents that (i) Nueva Esperanza, Inc. (including any parent company, subsidiary, exclusive distributor or company affiliated with Nueva Esperanza, Inc. ) does not have, and will not have at any time during the term of this Recoverable Grant Agreement, any investments, licenses, franchises, management agreements or operations in Northern Ireland, and (ii) no product to be provided to LISC, PAID, or the City of Philadelphia under this Recoverable Grant Agreement will originate in Northern Ireland, unless Nueva Esperanza, Inc. has implemented the fair employment principles embodied in the MacBride Principles.

(b) In the performance of this Recoverable Grant Agreement, Nueva Esperanza, Inc. agrees that it will not utilize any contractors at any tier (i) who have (or whose parent, subsidiary, exclusive distributor or company affiliate have) any investments, licenses, franchises, management agreements or operations in Northern Ireland, or (ii) who will provide products originating in Northern Ireland unless said supplier, sublicensee or subcontractor has implemented the fair employment principles embodied in the MacBride Principles. Nueva Esperanza, Inc. further agrees to include the provisions of this Section 27 with

appropriate adjustments for the identity of the parties, in all subcontracts and supply agreements which are entered into in connection with the performance of this Recoverable Grant Agreement.

(c) Nueva Esperanza, Inc. agrees to cooperate with LISC and/or PAID in any manner which LISC and/or PAID deems reasonable and necessary to carry out the City of Philadelphia's Director of Finance's responsibilities under Section 17-104 of the Philadelphia Code. Nueva Esperanza, Inc. expressly understands and agrees that any false certification or representation in connection with this Section 27 or any failure to comply with the provisions of this Section 27 shall constitute a substantial breach of this Recoverable Grant Agreement entitling LISC and/or PAID, as the case may be, to all rights and remedies provided in this Recoverable Grant Agreement or otherwise available at law (including, but not limited to, Section 17-104 of the Philadelphia Code) or in equity. In addition, it is understood that false certification or representation is subject to prosecution under Title 18 Pa. C.S.A. Section 4904.

**(28) Certification Regarding Compliance with the United States Patriot Act.** By countersigning this Recoverable Grant Agreement and **Attachment 4** hereto, the Grantee is certifying that Grantee will comply with the requirements outlined in **Attachment 4** regarding the Executive Order 13224 and the United States Patriot Act.

**(29) Right of Last Look by National Equity Fund, Inc.**
In consideration for LISC providing the Recoverable Grant to the Grantee in furtherance of the Project, which is strategically important to LISC and the Grantee for the purposes described above, the Grantee hereby agrees and grants to National Equity Fund, Inc. ("NEF") an unconditional right to make the last offer to the Grantee (the "Right of Last Look") to be the equity syndicator for any low-income housing tax credit project arising out of or related to the Project or the purposes for which the Recoverable Grant is being provided (the "Tax Credit Project"). If the Grantee or any related or affiliated entity is awarded an allocation of low-income housing tax credits ("LIHTCs") for the Tax Credit Project and the Grantee receives a bona fide offer from a third party to be the equity investor in the Tax Credit Project, then prior to executing any letter of intent or any binding agreement whatsoever, the Grantee shall give NEF written notice thereof and provide NEF with sufficient information to enable NEF to underwrite the equity investment as well as copies of offers by said third parties to invest. If NEF is interested in investing in the Tax Credit Project, NEF will exercise its Right of Last Look by delivering to the Grantee a written engagement letter containing the terms, including pricing, upon which NEF would be willing to invest in the Tax Credit Project. The Grantee agrees that the pricing shall reflect a price per tax credit dollar after taking into consideration factors such as LISC providing this Recoverable Grant in furtherance of the Project (and to facilitate the Tax Credit Project) and that pricing does not mean the highest price per tax credit dollar available in the industry at such time. As long as the material terms of NEF's offer to invest in its engagement letter are at least as favorable as the best bona fide offer made by a third party taking into account factors including,

but not limited to, pricing, capital contribution required by the Grantee or a related entity and reserve and guaranty requirements, then within ten (10) days, the Grantee shall execute the NEF engagement letter giving NEF the right to invest in the Tax Credit Project. If NEF elects not to make an offer to invest in the Tax Credit Project that is at least as good as the next bona fide offer, then within five (5) days after receiving all information in this paragraph, NEF shall provide written consent allowing the Grantee to discuss the investment with other equity syndicators.

By signing this Agreement, and accepting the proceeds of the Recoverable Grant, the Grantee expressly represents, agrees, and covenants that it will comply with the requirements of this Paragraph 29.

This provision of this Paragraph 29 shall survive the termination or expiration of this Agreement.

**(30) Countersignature Required.** If this Recoverable Grant Agreement correctly sets forth Nueva Esperanza, Inc. 's understanding of the terms and conditions of the Recoverable Grant, please indicate acceptance of and agreement to said terms and conditions by having the enclosed copies of this Recoverable Grant Agreement countersigned and dated by an authorized officer of Nueva Esperanza, Inc. in the space provided below. **Return one copy of the Agreement to the following address: LISC, 501 Seventh Avenue, 6th Floor, New York, NY, 10018, Attn: Grants and Contract Management.**

On behalf of LISC, may I extend every good wish to you for the success of the Project.

Sincerely,

Executive Vice President

cc: Dana Hanchin, Deputy Director

*(Please countersign on the following page.)*

**TERMS OF RECOVERABLE GRANT ACCEPTED AND AGREED TO:**

**Nueva Esperanza, Inc.**

By: Perfecta Oxholm

Name: Perfecta Oxholm

Title: Executive Director
Esperanza Housing & Economic Development

Date: 12/3/13

Please direct disbursement check to:

Name: Nueva Esperanza, Inc

Title: _____

Full Mailing Address:

# EXHIBIT A

## RECOVERABLE GRANT BUDGET[1]

| **Sources:** | |
|---|---|
| LISC – City of Philadelphia Corridor Acquisition Pool | $50,000 |
| **Total:** | **$50,000** |
| **Uses:** | |
| Acquisition Holding Costs & Option fees | $17,000 |
| Architectural Design | $8,000 |
| Market Analysis | $5,500 |
| Environmental Inspection & testing | $13,000 |
| Application Fee | $4,000 |
| Professional Fees | $2,500 |
| **Total:** | **$50,000** |

[1] Any change in a line item of (1) 10% of the budget, or (2) $1,000 or more (whichever is greater), shall be not be made without LISC's prior written approval. LISC reserves the right to approve any professionals or consultants hired with funds under this Recoverable Grant.

## ATTACHMENT 1

## CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS PRIMARILY COVERED TRANSACTIONS

This certification is required by the regulations implementing executive Order 12549, Debarment and Suspension, 29 Code of Federal Regulations ("CFR") Part 98, Section 98.510, Participants' responsibilities. The regulations were published as Part VIII of the May 26, 1988, Federal Register (pages 19160-19211).

1. The Grantee certifies to the best of its knowledge and belief, that it:

   (a) Is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by and Federal department or agency.

   (b) Has not within a three (3) year period preceding the closing date for this LISC agreement, been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state or local) transaction or contract under a public transaction; violation of Federal or state antitrust statutes or commission or embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.

   (c) Is not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, state or local) with commission of any of the offenses enumerated in paragraph 1(b) of this certification.

   (d) Has not within a three (3) year period preceding the LISC agreement had one or more public transactions (Federal, state or local) terminated for cause or default.

2. Where the Grantee is unable to certify to any of the statements in this certification, the Grantee shall attach an explanation to this certification form.

**[Continued on the following page]**

3. The undersigned shall require that the language of this certification be included in all subcontract awards pursuant to the agreement and agrees to require any of Grantee's subcontractors to sign a Debarment Certification form.

**Grantee Name:** Nueva Esperanza, Inc

Authorized Signature: Perfecta Oxholm

Name and Title of Authorized Signatory: Perfecta Oxholm Executive Director
Esperanza Housing & Economic Development

Date: 12/3/13

## ATTACHMENT 2

## CERTIFICATION REGARDING LOBBYING

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

(1) No Federal appropriated funds have been paid, or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or an employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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

**Grantee Name:** Nueva Esperanza Inc

Authorized Signature: Perfecta Oxholm

Name and Title of Authorized Signatory: Perfecta Oxholm Executive Director
~~Acting~~ Esperanza Housing & Economic Development

Date: 12/3/13

## ATTACHMENT 3

## CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS

**Instructions for Certification:**

1. As part of the Recoverable Grant Agreement, the Grantee is providing the certification set forth below.

2. The certification set forth below is a material representation of fact upon which reliance was placed in LISC's decision to provide the LISC Recoverable Grant to the Grantee. If it is later determined that the Grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, LISC and/or HUD, in addition to any other remedies available to LISC and/or the Federal Government, may take action authorized under the Drug-Free Workplace Act.

3. The Grantee certifies that it will provide a drug-free workplace by:

   (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the Grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

   (b) Establishing a drug-free awareness program to inform employees about:

      (1) the dangers of drug abuse in the workplace;

      (2) the Grantee's policy of maintaining a drug-free workplace;

      (3) any available drug, rehabilitation, and employee assistance programs; and

      (4) the penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

   (c) Making it a requirement that each employee engaged in the performance of any services rendered in connection with the Grantee's use of the LISC Recoverable Grant proceeds as stated in the Recoverable Grant Agreement, be given a copy of the statement required by paragraph 3(a), above.

   (d) Notifying the employee in the statement required by paragraph 3(a), above, that as a condition of employment in connection with Grantee's use of the LISC Recoverable Grant proceeds, the employee will:

      (1) abide by the terms of the statement; and

(2) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.

(e) Notifying LISC within ten (10) days after receiving notice under sub-paragraph 3(d)(2) from an employee or otherwise receiving actual notice of such conviction.

(f) Taking one of the following actions within thirty (30) days of receiving notice under sub-paragraph 3(d)(2) for any employee who is so convicted:

(1) taking appropriate personnel action against such an employee, up to and including termination; or,

(2) requiring such employee to participate satisfactorily in a drug assistance or rehabilitation program approved for such purposes by a Federal, state, or local health, law enforcement, or other appropriate agency.

(g) Making a good faith effort to continue to maintain a drug-free workplace through the implementation of paragraphs 3(a) through 3(f), above.

The Grantee is required to insert in the space below, the site(s) for the performance of work to be done in connection with the LISC Recoverable Grant proceeds.

**Place of Performance:**

3921 - 3961 N 5th St
(Street Address)

Philadelphia / Philadelphia County
(City and County)

PA 19140
(State and Zip Code)

The Grantee further certifies that it will maintain its drug-free workplace policies and conform to the requirements of the Drug-Free Workplace Act.

**Grantee Name:** Nueva Esperanza Inc

Authorized Signature: Perfecta Ox

Name and Title of Authorized Signatory: Perfecta Oxholm Executive Director
Esperanza Housing + Economic Development

Date: 12/3/13

## ATTACHMENT 4

## CERTIFICATION REGARDING THE UNITED STATES PATRIOT ACT

As a requirement of the Recoverable Grant Agreement, the Grantee is providing the certification set forth below.

1. The certification set forth below is a material representation of fact upon which reliance was placed in LISC's decision to provide the LISC Recoverable Grant to the Grantee. If it is later determined that the Grantee knowingly rendered a false certification, or otherwise violates the requirements set forth in this certification, LISC, the Federal Government and/or state or local governmental agency may take any action and exercise all remedies available to LISC, the Federal Government and/or state or local governmental agency.

2. Grantee is not now, nor has it ever been, named on (i) the list of Specifically Designated Nationals and Blocked Persons established pursuant to Executive Order 13224 and maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control or any successor agency or other entity, or (ii) any other list of terrorists or terrorist organizations maintained by any agency of the United States or any other governmental authority. Grantee shall submit such information as LISC may reasonably request to enable LISC to confirm that Grantee is not named on any such list.

Grantee further certifies that it will comply with the requirements outlined in this certification and/or any other applicable Federal, state or local rules or regulations.

**Grantee Name:** Nueva Esperanza Inc

Authorized Signature: Perfecta Oxholm

Name and Title of Authorized Signatory: Perfecta Oxholm Executive Director
Esperanza Housing & Economic Development

Date: 12/31/13