



Capital Improvement Grant Funding Contract

This Capital Improvement Grant Funding Contract (“Contract”) is made and entered into this ____ day of _____, 202_ (“Effective Date”) by and between the Sandy Urban Renewal Agency, hereinafter referred to as “Agency”, Cascade Investment and Development LLC, (“Grantee”).

WHEREAS, the Agency has allocated funding for capital improvement grants for qualified projects within the Sandy Urban Renewal Area, providing matching grants of up to \$100,000 to support permanent building improvements, business expansions, and property upgrades that prepare a project for long-term operation and investment; and

WHEREAS, these capital improvement grants are limited to eligible construction, renovations, permanent equipment installation, and site or building improvements, and funds cannot be used for operating expenses, working capital, inventory, or portable equipment; and

WHEREAS, Grantee has applied to Agency for a grant wherein Grantee has proposed to use Agency funds for an appropriate governmental purpose authorized by and consistent with the City of Sandy Energize Sandy Capital Improvement Grant Program for Grantee’s Project (as hereinafter defined), and

WHEREAS, the Grantee’s Project will be located within the Sandy Urban Renewal Area; and

WHEREAS, it is the purpose of this Contract to set forth the terms under which Agency funds shall be provided to Grantee.

NOW, THEREFORE, in consideration of the promises contained herein, it is agreed as follows:

1. Location of Project. The proposed capital improvements will occur at the following address: 38888 Pioneer Boulevard, Sandy, OR 97055 (the “Property”). The Property is legally described as follows:

Taxlot Number: 24E13CA05200

Parcel Number: 00659175

Grantee is the owner of the Property.

2. Purpose of Grant Funding. The Grantee submitted a grant application to Agency setting forth the purposes for and uses of Agency funding related to the desired capital improvements on the Property, as further described in Exhibit A (the “Project”). This application and any related conditions of approval are attached hereto as Exhibit A and incorporated into herein by reference. All representations made by Grantee in this application are contractual obligations of Grantee, and funds provided by Agency pursuant to this Contract shall be used only for the purposes set forth in Exhibit A.
3. Agency Agreement to Fund Grant. Subject to Grantee’s compliance with the terms of this Contract, the representations contained in its grant application, and any conditions of approval, Agency agrees to provide Grantee funding according to this Contract’s terms and in an amount not to exceed

one hundred thousand **dollars (\$100,000)** ("Grant") for the Project. As additional inducements for Agency to enter into this Contract, Grantee:

- Acknowledges that this Contract's term contract shall not exceed the life of Agency.
 - Authorizes any person or consumer reporting agency to complete and furnish to Agency's agents any information it may have or obtain in response to Agency's credit inquiries.
 - Authorizes Agency to provide information concerning its credit relationship to credit reporting agencies or other creditors.
4. Funding. Agency's obligations hereunder are expressly made subject to the availability of uncommitted funds on all dates anticipated for Agency payments of the Grant. If the Grant funds are not available on the anticipated date, but are expected in the future, Grant funding may be deferred until funds become available. Although Agency intends to fund the Capital Improvement grant program, and funds are currently committed to the program, Grantee acknowledges that any unpaid funds may be withdrawn from commitment or not be committed in the future as anticipated.
5. Consequences of Unauthorized Expenditure by Grantee.
- a. In the event that Grantee expends any Grant funds for a purpose outside of, or beyond that, set forth in this Contract, Agency may withhold any future Grant funding otherwise due Grantee under this Contract and Grantee shall be immediately obligated to repay Agency all Grant funds which have been expended for a purpose outside or beyond that set forth in the grant application or this Contract. Expenditures shall be subject to inspection annually by Agency auditors.
 - b. If Grantee does not repay Agency within 30 days of an unauthorized expenditure, or a longer period with Agency's written consent, Agency may exercise any and all equitable and legal rights available to it in order to compel repayment of the unauthorized expended Grant funds. As provided by law, Agency may lien the real Property to recover any Grant funds to which it is due. Grantee waives any right it may have to object to such a lien. Agency is entitled to its reasonable fees and costs in pursuing any action to recoup unauthorized expended funds, including attorney fees.
6. Project Completion. Grantee agrees to complete the Project described in Exhibit A. The Project shall be deemed complete when all permits required for use or occupancy of the structure have been issued, all construction and improvements have been completed in a good and workmanlike manner, and the Project conforms to the grant application (Exhibit A). If necessary, Grantee may request in writing a six-month extension to complete the Project. Agency has the sole discretion to authorize such an extension.
7. Duty to Maintain. Grantee will maintain the capital improvements for no less than 10 years after Project completion. Maintenance includes but is not limited to repainting, cleaning, and keeping capital improvements in a good general state of repair. Grantee permits Agency to enter onto the Property at reasonable times during the 10-year period to ensure Grantee is maintaining the capital improvements. Failure to maintain the capital improvements is a material breach of this Contract. Without limiting any of Agency's equitable and legal rights, if Grantee fails to maintain the capital improvements, Agency may hire a contractor to perform the maintenance and Agency may lien the Property to recover the cost of the maintenance. Grantee waives any right it may have to object to such a lien. If the capital improvements are demolished or significantly altered within 10 years of

Project completion, Grantee must refund to Agency all funds Agency distributed to Grantee plus nine percent (9%) interest per annum.

8. Consequences of Failing to Complete Project or Other Breach of this Contract. In the event that the Grantee fails to complete the Project, including any conditions of approval, described in Exhibit A within twelve (12) months of the Effective Date, or commits any other material breach of this Contract, all sums granted by the Agency must be immediately repaid to Agency by Grantee. If Grantee does not repay the Agency as set forth herein, the procedure set out in Section 5(b) above will apply.
9. Force Majeure: If Grantee completion of the Project is delayed by reason of weather, fire, strikes, Acts of God, or other unforeseeable circumstances beyond Grantee's reasonable control, Grantee shall be entitled to additional time to complete this Project equal to that lost by any or all of the above causes.
10. Invoice Requirement. Grant payments are only due from Agency upon receipt of a written invoice detailing Grantee's entitlement to payment and explaining the basis therefore. The following additional invoice requirements also apply:
 - Grantee will provide Agency staff with all invoices and proofs of payment associated with the Project, and Agency will reimburse 50 percent of documented, eligible expenses to Grantee within 30 days of receiving Grantee's request, up to the Grant amount. Copies of invoices or receipts and canceled payment checks must be submitted. With the exception of the final Grant draw, Grant funds must be drawn in amounts of at least \$1,000.
 - Agency may physically inspect and review the finished Project to ensure that all elements have been satisfactorily completed. Agency has the discretion to determine whether or not Grantee complied with its obligations herein. Agency's determination on this matter is final and binding. The Project must be completed within twelve (12) months of the Effective Date.
 - Expenses incurred prior to the date of Agency signature on this Contract are not eligible for funding unless otherwise approved by Agency.
 - Only actual business expenditures or encumbrances for the Project are eligible for Grant reimbursement.
 - All construction and material supply contracts will be between Grantee and Grantee's contractors and suppliers. The Agency is not a party to these contracts by virtue of providing this financial assistance.
 - It is Grantee's sole responsibility to obtain all necessary regulatory reviews and approvals, including but not limited to land-use review, historic review, and requisite building permits. The Project must remain in compliance with all regulatory bodies and approval agencies. It will be Grantee's sole responsibility to resolve any regulatory issues. Grantee will comply with all federal, state and local laws, ordinances, statutes, rules, regulations, orders, injunctions, or decrees of any government agency or instrumentality applicable to Grantee, the Property, the operation(s), occupancies and use(s) thereof, including all applicable health, safety, environmental and zoning laws
11. Special Provisions. In addition to compliance with all representations made in the grant application (Exhibit A), this Grant shall further be conditioned upon Grantee's compliance (and Owner's compliance, if applicable) with the following special conditions:
 - Any deviation of work from the Project as submitted in Exhibit A must be preapproved in

writing by Agency staff to be eligible for reimbursement.

- Grantee will post *two signs* provided by Agency during the construction or improvement period of this Project at a visible, protected location agreed to with Agency staff.
- Grantee will provide Agency with before and after photos of the work completed with your final reimbursement request.
- If requested, Grantee will coordinate an open house showcasing the improvements funded under this Project in cooperation with Agency within an agreed upon time after Project completion.
- Grantee agrees that all improvements for the Project, including but not limited to permanent equipment, fixtures, and any other construction, alteration, or repairs funded by or purchased with Grant funds, shall remain on the Property. If Grantee is a tenant, such improvements must remain on the Property at the termination or expiration of any applicable lease.

If Grantee is a tenant, the Property Owner must consent to the Project and construction must be allowed under any applicable lease.

If applicable, Owner's signature herein shall serve as Owner's consent to the Project.

Any applicable lease or property agreement must be consistent with this Contract.

12. Insurance. Upon the Effective Date, Grantee shall provide the Agency with copies of insurance for the Property as follows: (a) A Commercial General Liability and Property Damage Insurance Policy in an amount not less than ONE MILLION and NO/ 100 Dollars (\$1,000,000.00), naming the Agency, the City of Sandy, and their respective officers, elected and appointed officials, employees and agents as additional insured; and (b) insurance against loss or damage to the Project and other tangible property (including the land) by fire and any of the risks covered under an "all risk" policy, with extended coverage and course of construction endorsements and with a standard lender's loss payable clause naming as beneficiary Agency in an amount not less than the full replacement value of the Project and any alterations or additions.
13. Other Obligations. Grantee will timely pay and discharge (before the same shall become delinquent) all taxes, indebtedness and other obligations for which it is liable or to which its income or property is subject and all claims for labor and materials or supplies except any whose validity or amount is being contested in good faith by Grantee in appropriate proceedings with adequate provision being made consistent with generally accepted accounting principles for the payment thereof if the contest is determined adverse to Grantee.
14. Records and Inspection. Grantee shall keep proper books of account and records on all activities associated with this Contract including, but not limited to, books of account and records on the expenditure of all Grant funds. Grantee will maintain these books of account and records in accordance with generally accepted accounting principles and shall retain the books of account and records until the later of three (3) years after the Contract termination or expiration, or the date that all disputes, if any, arising under this Contract have been resolved. Grantee will permit Agency and/or its duly authorized representatives to inspect, review and make excerpts and transcripts of its books of account and records with respect to the receipt and disbursement of Grant funds received from Agency. Access to these records is not limited to the required retention period. The authorized representatives shall have access to the records at any reasonable time for as long as the records are maintained. The obligations of this Section survive completion of the Project and any termination of this Contract.
15. Attorney's Fees. If the Agency prevails in a suit or action to enforce this Contract or seek damages for its breach, it is entitled to an award of its reasonable attorney fees including any incurred upon

appeal.

16. Indemnification. Grantee covenants and agrees to indemnify, defend, and hold harmless Agency and the City of Sandy, their agents, officers, elected and appointed officials, and employees from any claim, demand, damage or expense (including reasonable attorney fees) resulting in any manner from the extension of grant funds from Agency to Grantee, any use of Agency funds by Grantee, and/or this Contract. Without limiting the general obligation of Grantee to indemnify Agency and the City of Sandy, by granting funds under this Contract Agency does not assert any interest in, endorse, or assume any liability for the Project's design, engineering, construction, use, operation or maintenance.
17. No Assignment. Grantee's obligations hereunder are not assignable or transferable without the prior written consent of Agency, which consent is in Agency's sole and absolute discretion. Grantee's obligations under this Contract are binding upon any third-party assignee.
18. Interest. In the event Grantee fails to repay any money owed to Agency under this Contract or otherwise breaches any term, Grantee's obligation shall bear interest at nine (9) percent per year.
19. Tax Consequences. Agency makes no representations concerning the tax consequences to the recipient of any Agency grant or loan. Any questions in this regard should be resolved by the Grantee with his/her own tax professional.
20. Guarantee. The obligations of Cascade Investment and Development LLC under this Contract are personally guaranteed by Cascade Investment and Development LLC. By signing this Contract, Cascade Investment and Development LLC acknowledges and accepts personal liability for all obligations set forth herein.
21. Third-Party Beneficiaries. This Contract is the entire agreement between the parties concerning its subject matter, supersedes all prior agreements and understandings, whether or not written, and is not intended to confer upon any person other than the parties any rights or remedies hereunder.
22. Governing Law. All questions concerning the validity, operation, interpretation, construction and enforcement of any terms, covenants or conditions of this Contract are in all respects to be governed by and determined in accordance with the laws of the State of Oregon without giving effect to any choice of law principles.
23. Venue. All legal proceedings brought in connection with this Contract may only be brought in the Circuit Court for Clackamas County, Oregon. Each party submits to the personal jurisdiction of that court.
24. Amendments. No amendment or other modification of this Contract will be valid unless it is reduced to a writing referencing this contract and is signed by the parties.
25. Waiver. In order to be effective, any waiver of any right, benefit or power hereunder must be in writing and signed by an authorized representative of the party against whom enforcement of such waiver would be sought, it being intended that the conduct or failure to act of either party shall imply no waiver. Unless otherwise specifically set forth herein, neither party shall be required to give notice to the other party to enforce strict adherence to all terms of this Contract.
26. Severability. If any provision of this Contract is held to be invalid, illegal, unenforceable, or in

conflict with any law of a federal, state, or local government having jurisdiction over it, the provision will be construed to make it enforceable and effective to the greatest extent permitted, and the remaining provisions of this Contract shall remain in full force and effect.

27. Construction. The paragraph and section headings used in this Contract are for convenience and ease of reference only, and do not affect scope, content or intent of this Contract. Any term referencing time, days or periods for performance are calendar days, unless otherwise expressly provided.
28. Counterparts. This Contract may be signed in two or more counterparts, each of which shall constitute an original, and both of which constitute one and the same document.

[SIGNATURE PAGE FOLLOWS]

AGENCY:

By: [AGENCY REPRESENTATIVE]

Printed Name: _____

Title: _____

Date: _____

GRANTEE:

By: Cascade Investment and Development LLC

Printed Name: _____

Title: _____

Date: _____

OWNER (IF APPLICABLE):

By: _____

Printed Name: _____

Title: _____

Date: _____

DRAFT

[EXHIBIT A]

EXHIBIT A
Grant Application and Conditions of Approval

Grantee: Cascade Investment and Development LLC
Primary Contact: Marlin Good, Member
38888 Pioneer Boulevard, Sandy, OR 97055
Phone: (971) 221-6791
Email: mggood@emypeople.net
Project Address: 38888 Pioneer Boulevard, Sandy, OR 97055
Entity Type: LLC **Year Established:** 2013
Grant Amount: One hundred thousand dollars (\$100,000)
Total Project Cost: \$775,000
Matching Funds: \$675,000

Project Description

The Project consists of the redevelopment of 38888 Pioneer Boulevard, a long-blighted property at the core of the city, into a childcare facility. The scope of work includes demolition of the north walls and reconstruction behind the property line; new foundation, sidewalks, curbs, and entry landings; installation of plumbing and a stormwater retention/detention system; framing and finishing of the new north walls and porch; an ADA-compliant entry and public civic space; facade enhancement and landscaping; and interior modifications, including walls and plumbing, to improve usability. The project converts a blighted property into an active community use, providing childcare services and employment in the core of the city, with an estimated post-improvement assessed value of approximately \$800,000 and approximately 17 jobs.

Eligible Uses of Grant Funds

Grant funds shall be applied toward construction, site and civil work, and permanent improvement expenses associated with the Project, including demolition and reconstruction of the north walls; foundation, sidewalks, curbs, and entry landings; plumbing and stormwater retention/detention; framing and finishing of new walls and porch; ADA entry and civic space; facade and landscaping; and interior modifications. Planning, design, engineering, and permitting completed prior to Agency signature, as well as portable equipment, operating supplies, inventory, furniture, and working capital, are not eligible for reimbursement. Agency will reimburse fifty percent (50%) of documented eligible expenses, up to the Grant amount of \$100,000.

Funding Sources

Private match (owner equity, tenant contribution, and Anabaptist Financial construction loan)	\$675,000
Agency Grant (50% reimbursement)	\$100,000
Total	\$775,000

Project Timeline

Grant award	[TBD]
Building permit (issued – for reference)	March 3, 2026
Construction / civil work commencement	Upon award
Project completion	Within 12 months of Effective Date

Conditions of Approval

In addition to all terms and conditions set forth in the Contract, this Grant is subject to the following conditions:

1. Grant funds shall be used exclusively for forward-looking construction and civil/site work as described herein; expenses incurred prior to Agency signature, including completed planning, design, engineering, and permitting, are not eligible.
2. Grantee shall maintain compliance with the building permit issued March 3, 2026 and all other applicable permits, codes, and zoning regulations.
3. Grantee shall coordinate with the City regarding the rear stormwater system and any associated Strauss Avenue and Junker alley civil improvements.
4. Grantee shall submit itemized third-party invoices and proof of payment for all expenses claimed for reimbursement.
5. The completed Project shall conform to the project description set forth in this Exhibit A.

Certifications

Grantee certifies that all information provided in the grant application is accurate and true to the best of Grantee's knowledge. Grantee authorizes the City of Sandy to verify any information provided in connection with this application and acknowledges that Grant funds must be used solely for eligible project purposes as set forth herein and in the Contract.