



GEORGETOWN HOUSING AUTHORITY

December 28, 2009

Dan A. Gattis
County Judge
Williamson County, Texas
710 Main Street, Suite 101
Georgetown, Texas 78626

Dear Judge Gattis,

We are enclosing a signed original of the Settlement Agreement that was drafted in order for the Georgetown Housing Authority to repay Williamson County for the use of CDBG Funds in the amount of \$318,314.00. This is not the latest draft wherein we were asked to increase our repayment amount to \$15,000 per quarter. Although our intent is to pay this debt off as soon as possible, we can't in good conscience obligate ourselves to this larger payment. Our income in the near future is unpredictable and the outcome of an ongoing Office of Inspector General investigation of our finances could change our financial picture.

Thank you for your patience regarding this matter. Again, we will pay the County back more quickly if circumstances permit. Please let us know if this signed draft enclosed meets with your approval.

Sincerely,
Georgetown Housing Authority

Marvin Dorsey
Chair

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

SETTLEMENT AGREEMENT

This agreement is made on November 30, 2009 between the **GEORGETOWN HOUSING AUTHORITY** (hereinafter called "GHA") and **WILLIAMSON COUNTY, TEXAS** (hereinafter called "County") at Georgetown, Texas.

RECITALS

Whereas, County entered into and executed certain Funding Approval/Agreements with the U.S Department of Housing and Urban Development (HUD) for Community Development Block Grant Funds (CDBG);

Whereas, GHA entered into and executed subrecipient Agreements with GHA for use of CDBG funds for Fiscal Year 2006 and 2007 funding of the Sierra Ridge Apartments Project for CDBG funds in the total amount of \$ 318,314.00;

Whereas, for various reasons, GHA has failed to proceed with the Sierra Ridge Apartments Project after initial funding for certain engineering, planning and administrative costs, and HUD has demanded repayment of the total amount of previous funding from County based on HUD's interpretation that the funds must be repaid due to failure to comply with CDBG regulations;

Whereas, County has asserted a claim to GHA pursuant to the terms of the subrecipient Agreement for payment of the amounts claimed by HUD and GHA has paid County the amount of \$159,000.00 as partial payment on this obligation; and

Whereas, the GHA and County enter into this Agreement for purposes of compromising and settling County's claim for payment of the remaining amount (\$ 159,314.00) of funds to be paid;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, GHA and County agree as follows:

SECTION 1.

PAYMENTS BY GHA

1.01 GHA agrees and acknowledges that it owes the County the amount of \$ 159,314.00, being the remainder of the sum of \$ 318,314.00 in funds previously received by GHA from County pursuant to the subrecipient agreement less the \$ 159,000.00 partial payment paid or committed to be paid by GHA. In the event County must pay to HUD the \$159,314.00 owed prior to receipt of payment of the same from GHA, then GHA additionally agrees to pay pursuant to the terms of this Agreement the amount of interest (from TexPool or other investments) the County would have received on the amount of money paid to HUD for the period of time beginning with the date of County's payment to HUD and ending with receipt of full payment to County by GHA.

1.02 GHA agrees and promises to pay to County from unrestricted funds of GHA the amount of \$ 2,500.00 in quarterly payments on the dates of January 1, April 1, July 1 and October 1 of each year until GHA fully pays County the remaining amount owed County or until the amount owed County is fully satisfied from the sale of property and the payments described herein in 1.03, 1.04, 1.05 and 1.06 and the quarterly payments.

1.03 In the event GHA sells the real property described in Exhibit A attached to this Agreement (referred to elsewhere herein as the "Sierra Ridge Development Property"), then GHA shall pay to County the amount of money then due and owing to County pursuant to this Agreement from surplus proceeds of that sale, if any, that exceed the sum due to satisfy the debt and first lien owed to Union State Bank and customary closing costs. The parties understand and agree that the County's right to receive payment from funds received by GHA from the sale and County's right to a lien on the Sierra Ridge Development Property is inferior to and subordinate to the right of Union State Bank to recover the debt owed to it and secured by its first lien on the property.

1.04 GHA additionally agrees to pay to County, if received and upon receipt, seventy-five percent (75%) of the unrestricted amounts to be received by GHA from Shady Oaks GHA Housing L.P., including a development fee payment and promissory note payment(s) to be paid to GHA by Shady Oaks GHA Housing L.P.

1.05 In the event GHA sells the real property described as 1525 Northwest Boulevard consisting of 0.825 acre (an additional tract of land for the Sierra Ridge development), then GHA

shall pay to County the amount of money then due and owing to County pursuant to this Agreement from surplus proceeds of that sale, if any, that exceed the sum due to satisfy the debt and first lien owed to Compass Bank and customary closing costs. The parties understand and agree that the County's right to receive payment from funds received by GHA from the sale and County's right to a lien on this property is inferior to and subordinate to the right of Compass Bank to recover the debt owed to it and secured by its first lien on the property.

1.06 In addition to all other payments described herein, GHA shall pay to County any and all unrestricted funds received by GHA from any other source until the amount owed County is fully paid. The term "unrestricted funds", as used in this Agreement, shall mean funds of GHA that are not committed by legal regulation and requirements to be paid to other sources or uses and those funds that are not committed by reasonable budget appropriation to be paid to minimally necessary and reasonable operating expenses of GHA.

SECTION II

TERM

2.01 This contract shall commence on the above stated date, and shall remain in effect until GHA has fully paid the amounts to be paid to County pursuant to this Agreement.

SECTION III.

GRANT OF LIEN

3.01 Subject to GHA's receipt of consent from the first lien lender, GHA hereby agrees to grant to County a lien on the Sierra Ridge Development Property described in Exhibit A

attached hereto to secure payment of the obligation and the promise of GHA to pay County the amount due County pursuant to the terms of this Agreement. This lien will be secondary to, inferior and subordinate to the lien of Union State Bank. It will be memorialized by a deed of trust, filed in the real property records and a subordination agreement satisfactory to the first lien lender.

- 3.02** Subject to GHA's receipt of consent from the first lien lender, GHA additionally agrees to grant to County a lien on property described as 1525 Northwest Boulevard consisting of 0.825 acre (an additional tract of land for the Sierra Ridge development) to secure payment of the obligation and the promise of GHA to pay County the amount due County pursuant to the terms of this Agreement. This lien will be secondary to, inferior and subordinate to the lien of Compass Bank. It will be memorialized by a deed of trust, filed in the real property records and a subordination agreement satisfactory to the first lien lender.

SECTION IV.

SPECIAL PROVISIONS

- 4.01** GHA agrees to waive and does hereby waive governmental immunity to suit, if any, to the extent of any necessary future legal action by County to recover amounts due and owing pursuant to this Agreement.

SECTION V.

NON-ASSIGNMENT

5.01 This agreement may not be assigned by GHA without the prior written consent of the County.

SECTION IX.

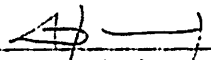
ENTIRETY

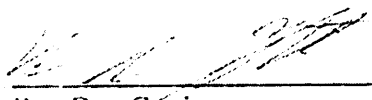
6.01 This contract contains the entire agreement between the parties hereto and no representation, inducements, promises, agreements, oral or otherwise between the parties not embodied herein shall be of any force or effect.

EXECUTED in duplicate original copies this 30 day of November, 2009.

GEORGETOWN HOUSING AUTHORITY

WILLIAMSON COUNTY


By: Marvin Dorsey
Chairperson,
Board of Commissioners

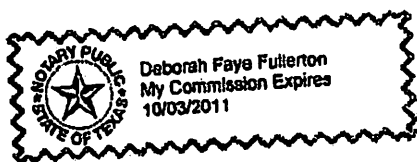

By: Dan Gattis
County Judge 11.30.2009

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

BEFORE ME, the undersigned authority, on this day personally appeared MARVIN DORSEY, Chairperson of the Georgetown Housing Authority, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 32 day of November, 2009.



Deborah Faye Fullerton

NOTARY PUBLIC, STATE OF TEXAS

My Commission Expires 10/03/2011

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

BEFORE ME, the undersigned authority, on this day personally appeared DAN GATTIS, County Judge of Williamson County, Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of November, 2009.

NOTARY PUBLIC, STATE OF TEXAS

My Commission Expires _____

EXHIBIT A

Lots 1 and 2, Block A, Lots 1 through 7, inclusive, Block B and Lots 1 through 9, inclusive, Block C, GATEWAY NORTHWEST, according to the map or plat thereof, recorded in Cabinet G, Slide 121, Plat Records, Williamson County, Texas

CDBG Georgetown Housing Authority Agreement Commissioners Court - Regular Session

Date: 01/05/2010
Submitted By: Sally Bardwell, HUD Grants
Department: HUD Grants
Agenda Category: Regular Agenda Items

Information

Agenda Item

Discuss and take appropriate action regarding the Georgetown Housing Authority Settlement Agreement that has been executed by the Housing Authority for the repayment of CDBG funds in the amount of \$159,314.

Background

The Georgetown Housing Authority Sierra Ridge Project was identified as an ineligible project by CDBG due to the lack of progress of the project. The Housing Authority must repay the County \$318,314 (CDBG funds utilized on the project). To date, \$159,000 has been repaid. The remaining dollar amount (\$159,314) is to be repaid based on an agreed upon settlement agreement.

Attached is the agreement that the Housing Authority has executed and submitted for the County's review.

Fiscal Impact

From/To	Acct No.	Description	Amount	Sort Seq
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Attachments

Link: [GHA Agreement](#)

Form Routing/Status

Form Started By: Sally Bardwell Started On: 12/29/2009 11:23 AM
 Final Approval Date: 12/29/2009
