

iii. The Foundation shall at no time (a) incur total indebtedness in excess of ~~five hundred thousand dollars (\$500,000), including indebtedness due under the Foundation's line of credit (the "\$500,000 Limitation"),~~ **10% of its Total Assets as reflected on a current balance sheet or** (b) ~~draw against its existing line of credit if such draw would increase the Foundation's indebtedness thereunder to an amount in excess of one hundred thousand dollars (\$100,000) (the "Line of Credit Limitation"),~~ **in the case of needing to go above the 10% of its Total Assets, then the Foundation must receive** ~~without first obtaining~~ the City's approval. Furthermore, except as provided in the succeeding sentence the Foundation shall not, in a single occurrence, increase the Foundation's total indebtedness by fifty-thousand dollars (\$50,000) without first obtaining the City's approval. However, the Foundation shall have the right to draw against its existing line of credit (including a draw that equals or exceeds fifty thousand dollars (\$50,000)), without obtaining the City's prior approval, unless such draw would cause the Foundation's indebtedness ~~under its line of credit to exceed either the Line of Credit Limitation or the \$500,000~~ **10% of its Total Assets** Limitation. As used in this Section 3.a, the term "indebtedness" shall not include any indebtedness incurred by the Foundation, if (a) the indebtedness is incurred as a result of the Foundation having received a grant from a third party, (b) the indebtedness is secured by the proceeds of such grant **or a funding guarantee**, and (c) the indebtedness does not exceed the proceeds of such grant.