ASSIGNEE CONTRACT FOR
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING
ENTITLEMENT FUNDS CFDA# 14.218

SECTION I.
RECITALS

WHEREAS, CommonBond Communities herein referred to as "Subrecipient" entered into a Subrecipient Contract (Exhibit D) and Indenture of Restrictive Covenants ("Indentures") (Exhibit E) for Community Development Block Grant Funding Entitlement Funds CFDA #14.218 for property located at 121 North Lacrosse Street, Rapid City, South Dakota, 57701 and legally described as:

Lot 3A, Eastbrooke Subdivision, Rapid City, Pennington County, South Dakota;

WHEREAS, the property legally described above and located at 121 North Lacrosse Street ("the Property") was acquired and/or improved by CommonBond Communities, in whole or in part, with CDBG funds in excess of Fifteen Thousand dollars ($15,000) and was required to be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until thirty (30) years after expiration of the Subrecipient Agreement's signature dates;

WHEREAS, CB Rapid City Housing Limited Partnership herein referred to as "Assignee" purchased and now holds title to the property located at 121 North Lacrosse Street, Rapid City, South Dakota, 57701; and

WHEREAS, by holding title to the property located at 121 North Lacrosse Street, Rapid City, South Dakota, 57701, Assignee is obligated to the terms of the Subrecipient Contract between CommonBond Communities and the City of Rapid City (Exhibit D) and the Indenture of Restrictive Covenants filed with the Pennington County Register of Deeds in Rapid City, South Dakota (Exhibit E).

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the City/Grantee and the Assignee hereby agree as follows:

SECTION II.
RESPONSIBILITY OF THE CITY/GRANTEE

City/Grantee shall designate representatives of the City/Grantee who will be authorized to make all necessary decisions required of the City/Grantee on behalf of the City/Grantee in connection with the execution of this Assignee Contract.

Assignee Contract for Community Development Block Grant Funding Entitlement Funds CFDA# 14.218/CB Rapid City Housing Limited Partnership FY21 Mid-Year
SECTION III.
SCOPe OF SERVICE

A. Activities
The Assignee will be responsible for administering a CDBG Fiscal Year 2021
☒ Housing, ☐ Rehabilitation, ☐ Public Facility,
☐ Public Improvement, ☐ Public Service, or ☐ Economic Development
program in a manner satisfactory to the City/Grantee and consistent with any standards
required as a condition of providing these funds, and consistent with all provisions of this
Assignee Contract. Assignee warrants and represents it has the requisite authority and
capacity to perform all terms and conditions on Assignee's part to be performed
hereunder. Assignee hereby agrees to use all real and personal property, acquired
or improved, in whole or in part, with CDBG funds, as set forth in this Scope of
Service.

CommonBond Communities, a Minnesota non-profit Corporation (the
"Subrecipient") submitted a Community Development Block Grant (CDBG) Program
FY2021 Mid-Year Application for Funding on August 27, 2021 to develop a 42-unit
building. Project to be Located at 121 North Lacrosse Street, Rapid City, South
Dakota, 57701, and legally described as follows ("the Property"):

Lot 3A, Eastbrooke Subdivision, Rapid City, Pennington County, South Dakota

CommonBond Communities utilized Three Hundred Forty-Seven Thousand Dollars
& 00/100 ($347,000.00) of CDBG funds for the above-referenced activity.

General Administration
Assignee assumes the contractual agreement of developing a 42-unit apartment
building of which 30 units will be income-indexed and occupied by households
earning 80% Area Median Income or less when the building is fully occupied. The
remaining 12 units will be market-rate units. All units are allowed to rotate
amongst themselves with no particular unit to be reserved for either category.

The 30 income-indexed units shall conform to rent limits where the total costs of
rent plus utilities shall not exceed 30% of a household's gross income. Ten
percent (10%) of the monthly rental rate may be used as an estimate for monthly
utility costs or the actual average utility costs may be used when calculated using
the most recent 12 months' bills. Annual income as defined in accordance with 24
CFR 5.609 (formerly called 'Section 8').

CB Rapid City Housing Limited Partnership shall remain in compliance for thirty
(30) years after the first day of the term of Indenture for Subrecipient
CommonBond Communities as reflected in the date and time stamped document
filed with the Pennington County Register of Deeds Rapid City, South Dakota. CB
Rapid City Housing Limited Partnership will provide supportive services.

Assignee Contract for Community Development Block Grant Funding Entitlement Funds CFDA# 14.218/GB Rapid City Housing Limited Partnership FY21 Mid-Year

Page 2 of 31
including eviction prevention, health & wellness classes and community building events.

The building will be a three-story, slab-on grade wood frame structure with an elevator. Building amenities include a playground, community room, computer lab, laundry facility, and on-site property management and supportive services, which will be available to all residents. In-unit amenities will include a refrigerator, dishwasher, and central air conditioning. The owner will pay water/sewer and trash, as well as electricity used in the common areas.

The major tasks the Assignee will perform include, but are not necessarily limited to the following:

1. Submit documentation of Surety (Irrevocable Letter of Credit (ILOC), Performance Bond, or other acceptable surety), as approved by the City Attorney’s Office, equal to full grant award, from date of contract to documentation of final occupancy. This surety requirement continues to apply to any approved transfer to any other entity, whether in whole or in part, from date of contract to documentation of final occupancy;
2. Solicit bids for materials and labor in accordance with applicable rules and regulations;
3. Select contractor(s) in accordance with applicable procurement regulations;
4. Execute a contract with contractor(s) that includes all required language per Section 3, and other applicable rules and regulations (See Exhibit C for required contract language);
5. Provide project oversight and site visits during course of installation;
6. Ensure that all work is meeting expectations and guidelines as contracted;
7. Maintain financial records;
8. Maintain beneficiary eligibility documentation;
9. Submit reimbursement invoices for draw-downs against grant;
10. Submit monthly reports and maintain all required documentation;
11. Submit final reports required for City’s grant compliance records;
12. Provide rent rolls as requested by the City throughout the compliance period.

B. National Objective Compliance
1. All activities funded with CDBG funds must meet one of the HUD CDBG Program National Objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208.

The Assignee certifies that the activity(ies) carried out under this Assignee Contract will Assignee Contract for Community Development Block Grant Funding Entitlement Funds CFDA# 14.218/CB Rapid City Housing Limited Partnership FY21 Mid-Year
meet the following HUD National Objective:
- Benefit low- and moderate-income persons;
- Aid in the prevention or elimination of slums or blight;
- Meet community development needs of particular urgency, as defined in 24 CFR 570.208

Failure by the Assignee to fulfill the national objective may result in grant funds being disallowed and required to be returned to the City/Grantee. Assignee must fulfill the national objective for the “Compliance Period,” which is as follows: Real and personal property under the Assignee’s control that was acquired or improved in whole or in part, with funds under this Assignee Contract in excess of Fifteen Thousand dollars ($15,000) shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until thirty (30) years from the end of the CDBG program fiscal year in which funded activities were completed. Real and personal property acquired or improved, in whole or in part, with funds under this Assignee Contract between Seven Thousand and One Dollars ($7,001) and Fifteen Thousand dollars ($15,000) shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until ten (10) years from the end of the CDBG program fiscal year in which funded activities were completed. The Compliance Period for any building that is part of the project shall terminate on the date the project is acquired by foreclosure or transferred by a deed or other instrument in lieu of foreclosure unless the Secretary of the Treasury determines that such acquisition is part of an arrangement with Assignee a purpose of which is to terminate such Compliance Period.

2. Assignee also hereby agrees to enter into an Indenture of Restrictive Covenants ("Indenture") with the City/Grantee at the time of the entering into this Assignee Contract. In this Indenture, Assignee agrees to represent, warrant and covenant throughout the term of the Indenture that the land and/or facility purchased or improved with CDBG funds will be used in accordance with Section 42 of the United States Code during the Compliance Period. Further, Assignee agrees that the use of such property may not change from that for which the acquisition was made unless the Owner provides affected citizens with reasonable notice of, and opportunity to comment on, any proposed change, and either (1) the new use of such property qualifies as meeting one of the national objectives in Volume 24 of the Code of Federal Regulations, Section 570.208 (24 CFR 570.208), or (2) if the Owner determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use that does not qualify under 24 CFR, Section 570.208. After such determination is made, Assignee may retain or dispose of the property for the changed use if the CDBG program is reimbursed in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property.

3. Should the City/Grantee approve any transfer in ownership, whether in whole or in part,
this "Indenture" shall continue between the City/Grantee and new owner(s) under the terms of Section III.B.2. The new owner(s) and the City/Grantee must sign and file a new Indenture to complete the terms of the original Indenture.

C. Level(s) of Performance & Accomplishment - Goals and Performance Measures

In addition to the normal administrative services required as part of this Assignee Contract, the Assignee agrees to provide monthly reports on achievements and program impact (Exhibit B), for a period no less than from the beginning of the contract to the end of the program year in which activities were completed. Additional reporting, including but not limited to, documentation of beneficiary statistics may be required at the request of the City.

Statement of Work:
Assignee will be responsible for administering a CDBG FY21 Mid-Year Affordable Housing project for the City of Rapid City, South Dakota. Scope of Services Include: The development of a 42-unit apartment building of which 30 units will be income-indexed and occupied by households earning 80% Area Median Income or less when the building is fully occupied. The remaining 12 units will be market-rate units. All units are allowed to rotate amongst themselves with no particular unit to be reserved for either category.

The 30 income-index units shall conform to rent limits where the total costs of rent plus utilities shall not exceed 30% of a household’s gross income. Ten percent (10%) of the monthly rental rate may be used as an estimate for monthly utility costs or the actual average utility costs may be used when calculated using the most recent 12 months’ bills. Annual income as defined in accordance with 24 CFR 5.609 (formerly called ‘Section 8’).

Assignee shall remain in compliance until thirty (30) years from the end of the CDBG program fiscal year in which funded activities were completed. Assignee will provide supportive services, including eviction prevention, health & wellness classes and community building events.

The building will be a three-story, slab-on grade wood frame structure with an elevator. Building amenities include a playground, community room, computer lab, laundry facility, and on-site property management and supportive services, which will be available to all residents. In-unit amenities will include a refrigerator, dishwasher, and central air conditioning. The owner will pay water/sewer and trash, as well as electricity used in the common areas.

Affordability Provisions: Assignee must remain in compliance until thirty (30) years from the end of the CDBG program fiscal year in which funded activities were completed.
D. Personnel Assigned to Scope of Work
(This information is requested for the sole purpose of documenting Assignee's personnel for soliciting bids, submitting reports, certifying payroll, submitting draw requests and determining beneficiary eligibility to support completion of work required on the project.)

<table>
<thead>
<tr>
<th>Staff Member</th>
<th>Job Title</th>
<th>General Program Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angela M. Riley</td>
<td>CFO</td>
<td>Financial Management; Record Retention Compliance</td>
</tr>
<tr>
<td>JoAnne Solis</td>
<td>Administrative Assistant</td>
<td>Progress Report Submission (monthly)</td>
</tr>
<tr>
<td>Tammie Fallon</td>
<td>Director of Construction Management</td>
<td>Construction Project Management, RFP Solicitation, Procurement, Contractor Bonding, Licensing, and Insurance Review, Pre-Construction Meeting Attendance, Execution of Construction Contracts, Section 3 Reporting (Weekly)</td>
</tr>
<tr>
<td>Sally Rabban</td>
<td>Project Manager</td>
<td>Draw Request Submission (periodically)</td>
</tr>
<tr>
<td>Karen Law</td>
<td>Executive Vice President of Talent, Equity and Culture</td>
<td>Fair Housing and Equal Opportunity Compliance</td>
</tr>
<tr>
<td>Andrea Hermersmann</td>
<td>Director of Compliance</td>
<td>Household Income and Occupant Eligibility Determination</td>
</tr>
</tbody>
</table>

Any changes to the program goals, scope of services, schedule or budget, unless otherwise noted, may only be made through a written amendment to this Assignee Contract, executed by the Assignee and the City/Grantee. Changes to key Personnel assigned or their general responsibilities under this project are subject to notification and approval from the City/Grantee.

E. Performance Monitoring
The City/Grantee reserves the right to monitor and evaluate the progress and performance of the Assignee to assure the terms of this Assignee Contract are being satisfactorily met in accordance with HUD, City/Grantee and other applicable monitoring and evaluating criteria and standards. Assignee shall cooperate with the City/Grantee relating to such monitoring and evaluation.

The City/Grantee will monitor the performance of the Assignee against goals and performance standards as stated above. Substandard performance as determined by the City/Grantee will constitute noncompliance with this Assignee Contract. If action to correct such substandard performance is not taken by the Assignee within a reasonable period of time after being notified by the City/Grantee, Assignee Contract suspension or termination procedures will be initiated.

F. Project Schedule/Milestones
The Subrecipient provided the City/Grantee with the written project schedule (Exhibit A) and Assignee hereby agrees to the written project schedule which is made part of this Assignee Contract. The project schedule is an estimate of project completion, and the Assignee Contract for Community Development Block Grant Funding Entitlement Funds CFDA# 14.218/CB Rapid City Housing Limited Partnership FY21 Mid-Year
start date is contingent upon prompt return of signed contracts from the Assignee. Assignee will also submit request for proposals and public notice ads, prior to publication, for review by the Community Enrichment Division for compliance with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) that is regulated by the provisions of 24 CFR 75, and HUD guidelines.

G. Time of Performance and Term
1. **Assignee** shall perform the services set out above, and shall not expend the CDBG funding prior to execution of this contract or later than March 31, 2024. CDBG funds will not be provided for commitments or expenditures that are agreed to or made prior to the execution of this contract.

The terms and provisions of this Assignee Contract will continue and be in effect until all obligations are fulfilled by Assignee.

2. **Special Conditions for Release of Funds**
Funding in the amount stipulated in Section III of this Assignee Contract will not be released to the Assignee by the City/Grantee until the following special conditions for release of funds are met, and the City/Grantee reserves the right to terminate this Assignee Contract if these special conditions are not met within ninety (90) days of the Assignee Contract execution date.

   a) **Environmental Review**
   
   An Environmental Review must be completed prior to the Assignee committing or expending any CDBG funds. The City/Grantee will conduct the Environmental Review and provide documentation of the findings to the Assignee upon its completion. **The Assignee may not proceed with any services until receipt of written notification of the Environmental Review findings by the City/Grantee.** Housing projects will require environmental reviews to be conducted on each property as it is identified. If the Environmental Review requires mitigation, no funds may be expended until mitigation has been accomplished and certified as completed and meeting HUD minimum standards by an acceptable source to the City/Grantee. Documentation evidencing the Assignee’s completion of its responsibilities and compliance with the National Environmental Policy Act of 1969 (NEPA), and a solid fence 5’ tall will be erected on the east side of the playground to mitigate noise. The exterior walls will be built to current 2018 IECC Zone 6 requirements which consist of; cement board siding, house wrap, 1/2" sheathing, 2x6 wall, blown in fiberglass insulation gasket 6 mil, poly and 5/8" sheetrock. The windows will have a 30 STM rating. And other provisions of federal law as specified in 24 C.F.R. Part 58 which furthers the purposes of the NEPA.
b) Procurement Standards and Code of Conduct
   Documentation evidencing adoption of Procurement Standards and Code of Conduct equivalent to those established in 2 CFR 200, as now in effect and as may be amended from time to time, and 24 CFR Part 570.

c) Fair Housing
   Documentation that the Assignee has specifically provided a description of the actions they will take during the course of the grant to fulfill the requirements to affirmatively further fair housing. (Applicable to housing projects)

d) Implementation Schedule
   Assignee to comply with the Implementation Schedule submitted by Subrecipient.

e) Sources and Uses of Funds
   Listing of funding sources being utilized for the funded project must be provided.

f) Other Special Conditions
   Certification of prioritization of efforts for employment, training, and contracting.

3. Retainage
   Assignee acknowledges that City/Grantee will retain, at its discretion, up to 10% of the project award amount, pending completion of the work and project close out, which includes not only completion of the physical project, but also fulfillment and provision of all required reports to document Grant compliance, as well as occupancy.

H. Notices
   Notices required by this Assignee Contract shall be in writing and delivered via United States Postal Service mail (postage prepaid), commercial courier, or personal delivery or sent by facsimile or other electronic means. Any notice delivered or sent as aforesaid shall be effective on the date of delivery. All notices and other written communications under this Assignee Contract shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice. Communication and details concerning this Assignee Contract shall be directed to the following Assignee Contract representatives:

City/Grantee:  
Attn: Michelle Schuelke
City of Rapid City
Community Enrichment Division
300 6th Street
Rapid City, SD 57701
Tel. Number (605) 394-4181
michelle.schuelke@rcgov.org

Assignee:  
Attn: Cecile Bedor
CB Rapid City Housing GP LLC
c/o CommonBond Communities
1080 Montreal Avenue
Saint Paul, Minnesota 55116
Tel. Number: (651) 291-1750
cecilie.bedor@commonbond.org

SECTION IV.

Assignee Contract for Community Development Block Grant Funding Entitlement Funds CFDA# 14.218/CB Rapid City Housing Limited Partnership FY21 Mid-Year

Page 8 of 31
GENERAL CONDITIONS

A. General Compliance
The Assignee hereby agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants including Subpart K of these regulations) except that (1) the Assignee does not assume the City/Grantee’s environmental responsibilities described in 24 CFR 570.604 and (2) the Assignee does not assume the City/Grantee’s responsibility for initiating the review process under the provisions of 24 CFR Part 52. The Assignee also agrees to comply with all other applicable federal, state, and local laws, regulations, and policies governing the funds provided under this Assignee Contract.

B. Assignee Independent Responsibilities
Assignee assumes sole responsibilities for its performances of services under this contract. Assignee maintains sole responsibility for its obligations to its own employees, as well as to any sub-contractors which Assignee may engage. Nothing in this contract should be construed to create any type of employer/employee relationship between City and Assignee.

C. Hold Harmless
Assignee further agrees to indemnify, defend and hold harmless the City/Grantee, its officers, agents and employees, from and against any and all claims, liabilities, costs, expenses, penalties or attorney fees, arising from such injuries to persons, or damages to property, or based upon or arising out of the performance or non-performance of this Assignee Contract by Assignee, or out of any violation of Assignee of any local, state, or federal statute, ordinance, rule or regulation.

D. Worker’s Compensation
The Assignee shall provide Workers’ Compensation Insurance coverage in the amount required by law, for all of its employees involved in the performance of this Assignee Contract.

E. Insurance and Bonding
The Assignee shall carry sufficient insurance coverage to protect Assignee Contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City/Grantee. The Assignee shall provide proof of compliance with the bonding and insurance requirements of 2 CFR 200, as now in effect and as may be amended from time to time, prior to City/Grantee paying draw requests.

F. City/Grantee Recognition
The Assignee shall ensure recognition of the role of the City/Grantee in providing services through this Assignee Contract. All activities, facilities and items utilized pursuant to this

Assignee Contract for Community Development Block Grant Funding Entitlement Funds CFDA# 14.218/CB Rapid City Housing Limited Partnership FY21 Mid-Year

Page 9 of 31
Assignee Contract shall be prominently labeled as to the funding source. In addition, the Assignee will include a reference to the support provided herein in all publications.

G. Amendments
The City/Grantee or Assignee may amend this Assignee Contract at any time provided that such amendments make specific reference to this Assignee Contract, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the City/Grantee’s governing body. Such amendments shall not invalidate this Assignee Contract, nor relieve or release the City/Grantee or Assignee from its obligations under this Assignee Contract.

The City/Grantee may, in its discretion, amend this Assignee Contract to conform with federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Assignee Contract, such modifications will be incorporated only by written amendment signed by both City/Grantee and Assignee.

SECTION V.
LIABILITY

Assignee agrees to assume the risk of all personal injuries, including death resulting therefrom, to persons, and damage to and destruction of property, including loss of use therefrom, caused by or sustained, in whole or in part, in connection with or arising out of the performance or non-performance of this Assignee Contract by Assignee, or by the conditions created thereby.

SECTION VI.
SUSPENSION OR TERMINATION FOR CAUSE

In accordance with 2 CFR 200, as now in effect and as may be amended from time to time, the City/Grantee may suspend or terminate this Assignee Contract if the Assignee materially fails to comply with any terms of this Assignee Contract, which include but are not limited to, the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;

2. Failure, for any reason, of the Assignee to fulfill in a timely and proper manner its obligations under this Assignee Contract;

3. Ineffective or improper use of funds provided under this Assignee Contract;

4. Submission by the Assignee to the City/Grantee reports that are incorrect or
incomplete in any material respect; or

5. Financial instability of the Assignee organization that will affect the abilities of the organization to carry out or complete the stated activities and scope of work.

In the event Assignee fails to comply, the City/Grantee may take the following actions:

A. Suspension for Cause
After notice to the Assignee, the City/Grantee may suspend the Assignee Contract and withhold any further payment or prohibit the Assignee from incurring additional obligations of grant funds, pending corrective action by the Assignee.

B. Termination for Cause
This Assignee Contract may be terminated, in accordance with 2 CFR 200, as now in effect and as may be amended from time to time, if the Assignee materially fails to comply with any term of the Assignee Contract or applicable federal regulations. The City/Grantee may terminate the Assignee Contract upon ten (10) days written notice, together with documentation of the reasons therefore, and after an opportunity for a hearing is afforded. The determination of the City/Grantee as to the cause of termination and the appropriateness therefore shall be final and binding upon both City/Grantee and Assignee. In the event projects are delayed, the Assignee shall notify the City/Grantee in writing, informing the City/Grantee of the issues surrounding the delay of the project. In cases where the project is not moving forward, the City/Grantee shall notify the Assignee of termination of the funding, as per Section VIII.

In the event of termination, all finished or unfinished documents, data, studies and reports prepared by the Assignee under this Assignee Contract shall, at the option of the City/Grantee, become its property and the Assignee shall be entitled to receive just and equitable compensation for satisfactory work completed on such materials for which compensation has not previously been paid.

SECTION VII.
TERMINATION FOR CONVENIENCE

This Assignee Contract may be terminated for convenience in accordance with 2 CFR 200, as now in effect and as may be amended from time to time, by either the City/Grantee or the Assignee, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City/Grantee determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City/Grantee may terminate the award in its entirety.
SECTION VIII.
TERMINATION OF CITY/GRANTEE’S OBLIGATIONS
This section is not applicable.

SECTION IX.
ADMINISTRATIVE REQUIREMENTS

A. Financial Management
The Assignee agrees to comply with 2 CFR 200, as now in effect and as may be amended from time to time, and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Documentation & Record Keeping
1. Records to be Maintained
The Assignee shall maintain all records required by the federal regulations specified in 24 CFR 570.506 that are pertinent to the activities to be funded under this Assignee Contract. Such records shall include but are not limited to:

   a) Record(s) providing a full description of each activity undertaken;
   b) Record(s) demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
   c) Record(s) required to determine the eligibility of activities;
   d) Record(s) required to document the acquisition, improvement, use or disposition of real and personal property acquired or improved with CDBG assistance;
   e) Record(s) documenting compliance with the fair housing and equal opportunity components of the CDBG program;
   f) Financial records as required by 24 CFR Part 570.502 and 2 CFR 200, as now in effect and as may be amended from time to time;
   g) Other records as necessary to document compliance with Subpart K of 24 CFR 570;
   h) Records of efforts to recruit and contract with Section 3 targeted low and very-low income workers and businesses providing opportunity to Section 3 targeted workers; and
   i) Real and personal property inventory records which clearly identify properties purchased, improved or sold. Properties retained shall continue to meet eligibility criteria and shall conform to the “changes in use” restrictions specified in 24 CFR 570.505, as applicable.

2. Records Retention
The Assignee shall retain all records pertinent to expenditures incurred under the Assignee Contract (Exhibit D) for a period of four (4) years. The retention period begins on the date of submission of the City/Grantee’s Consolidated Annual Performance and Evaluation Report (CAPER) to HUD in which the activities...
assisted under the Assignee Contract are reported on for the final time. Records for non-expendable property acquired with funds under the Assignee Contract shall be retained for four (4) years after final disposition of such property. Records for any displaced person must be kept for four (4) years after he/she has received final payment. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

3. Client Data
The Assignee shall maintain client data demonstrating client eligibility for services provided. Such information shall be made available to City/Grantee monitors or their designees for review upon request. Such data shall include, but not be limited to:

a) Client name;
b) Client address;
c) Client/Household income level or other basis for determining eligibility;
d) Description of services provided;
e) Dates services provided;
f) Beneficiary information (ethnicity, income, sex, female head of household, elderly, disabled, etc.); and
g) Household/Family Size.

Such information shall be made available to City/Grantee monitors or their designees for review upon request.

4. Disclosure
The Assignee understands that client information collected under this Assignee Contract is private and the use or disclosure of such information, when not directly connected with the administration of the City/Grantee’s or Assignee’s responsibilities with respect to services provided under this Assignee Contract, is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs
The Assignee’s obligation to the City/Grantee shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the City/Grantee), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Assignee Contract shall remain in effect during any period that the Assignee has control over CDBG funds, including program income. All financial records
pertaining to the Assignee Contract upon completion shall remain the property of the City/Grantee.

6. Audits & Inspections
All Assignee records with respect to any matters covered by this Assignee Contract shall be made available to the City/Grantee, grantor agency, and the Comptroller General of the United States or any authorized representatives, and Assignee agrees to abide by the requirements of 2 CFR 200.501, as specified below, and as may be amended from time to time.

a) Audit required. A non–Federal entity that expends $750,000 or more during the non–Federal entity’s fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

b) Single audit. A non–Federal entity that expends $750,000 or more during the non–Federal entity’s fiscal year in Federal awards must have a single audit conducted in accordance with § 200.514 except when it elects to have a program-specific audit conducted in accordance with paragraph (c) of this section.

c) Program-specific audit election. When an auditee expends Federal awards under only one Federal program (excluding R & D) and the Federal program’s statutes, regulations, or the terms and conditions of the Federal award do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted in accordance with § 200.507. A program-specific audit may not be elected for R & D unless all of the Federal awards expended were received from the same Federal agency, or the same Federal agency and the same pass-through entity, and that Federal agency, or pass-through entity in the case of an Assignee, approves in advance a program-specific audit.

d) Exemption when Federal awards expended are less than $750,000. A non–Federal entity that expends less than $750,000 during the non–Federal entity’s fiscal year in Federal awards is exempt from Federal audit requirements for that year, except as noted in § 200.503, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and Government Accountability Office (GAO).

e) Recipient, Subrecipient, Contractor, and Assignee. An auditee may simultaneously be a recipient, a Subrecipient, a contractor, and an assignee. Federal awards expended as a recipient, subrecipient, or assignee are subject to audit under this part. The payments received for goods or services provided as a contractor are not Federal awards. Section § 200.331 sets forth the considerations in determining whether payments constitute a Federal award or a payment for goods or services provided as a contractor.

f) Compliance responsibility for contractors. In most cases, the auditee's compliance responsibility for contractors is only to ensure that the procurement, receipt, and payment for goods and services comply with
Federal statutes, regulations, and the terms and conditions of Federal awards. Federal award compliance requirements normally do not pass through to contractors. However, the auditee is responsible for ensuring compliance for procurement transactions which are structured such that the contractor is responsible for program compliance or the contractor's records must be reviewed to determine program compliance. Also, when these procurement transactions relate to a major program, the scope of the audit must include determining whether these transactions are in compliance with Federal statutes, regulations, and the terms and conditions of Federal awards.

If an audit is required, Assignee shall provide a copy of the audit to the City/Grantee no less than 9 months after the completion of the audit. Assignee shall notify City/Grantee in writing of the corrective actions taken or that will be taken to resolve any audit findings.

C. Reporting and Payment Procedures
   1. Program Income
      The Assignee shall immediately report to the City/Grantee all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG funds made available under this Assignee Contract. Program income generally means gross income received by the Assignee, directly generated from the use of CDBG funds, with some exceptions which are detailed in 24 CFR 570.500.

      Program income includes, but is not limited to:

      a) Payments of principal and interest on loans made using CDBG funds;
      b) Proceeds from the disposition by sale or long-term lease of real or property purchased or improved with CDBG funds;
      c) Proceeds from the disposition of equipment purchased with CDBG funds;
      d) Interest earned on program income pending its disposition; and
      e) Interest earned on CDBG funds held in a revolving loan fund’s cash balance interest bearing account.

      The use of program income by the Assignee must be approved by the City/Grantee prior to such use and must comply with the requirements set forth at 24 CFR 570.504. The Assignee may retain and use program income funds only for the activity(ies) approved under this Assignee Contract. Program income funds should be held in a non-interest bearing account. If program income funds are held in an interest bearing account, any interest earned on the program income funds must be returned to the City/Grantee on a monthly basis. Receipt and expenditures of program income funds shall be reported, in writing, at the time of receipt and expenditure, along with supporting documentation. Program income must be expended prior to drawing any remaining grant funds. In the event the

Assignee Contract for Community Development Block Grant Funding Entitlement Funds CFDA# 14.218/CB Rapid City Housing Limited Partnership FY21 Mid-Year
Assignee desires to use the program income for some other activity, it must request and receive permission from the City/Grantee before undertaking such a use. The City/Grantee will determine whether the proposed use meets the eligibility criteria of the regulations established by the CDBG funds, and notify the Assignee of either approval or disapproval. At conclusion or termination of the Assignee Contract, or in the case of disapproval, all program income will be returned to the City/Grantee. Draw requests may be delayed pending City/Grantee’s receipt of such supplementary budget information.

2. Progress Reports
The Assignee shall submit monthly progress reports to the City/Grantee in the form and content as required by the City/Grantee. Monthly progress reports are due by the 5th of each month.

Progress reports should include, but are not limited to: progress on goals to be achieved by program; total number of people assisted for the month; total number of people assisted year-to-date; and demographic information of people assisted by the program. A brief narrative must be included to describe any additional information about the program, progress, issues and accomplishments not addressed on the progress report form.

Reporting progress report attached hereto as Exhibit B and incorporated herein shall be used. Progress reports must be complete and accurate or they will be returned for completion and draws delayed until receipt of a complete report.

Additional documentation may be requested as needed for clarification.

D. Procurement
The Assignee shall maintain inventory records of all non-expendable property as defined by such policies as may be procured with funds provided herein. All program assets (unexplained program income, property, equipment, etc.) shall revert to the City/Grantee upon termination of this Assignee Contract.

E. Use & Reversion of Assets
In the event Assignee ceases to use real or personal property acquired or improved with CDBG funds, one of the following options must occur in accordance with the requirements of 2 CFR 200, as now in effect and as may be amended from time to time, and 24 CFR 570.502, 570.503, and 570.504, unless the City/Grantee approves otherwise in writing:

1. The Assignee shall transfer to the City/Grantee all CDBG funds used for the acquisition or improvement of any real or personal property; or

2. The Assignee shall pay to the City/Grantee a sum equal to the property’s fair market value (at the time that the property ceases to be used in accordance with the Scope
of Service), less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of or improvement to the property; or

3. The Assignee shall return the real or personal property to the City/Grantee.

In the event that some real and/or personal property ceases to be used in accordance with the Scope of Service, while other real and/or personal property continues to be used in accordance with the Scope of Service, Subsection IX.E. only applies to property that ceases to be used in accordance with the Scope of Service.

SECTION X.
RELOCATION, REAL PROPERTY ACQUISITION AND
ONE-FOR-ONE HOUSING REPLACEMENT

The Assignee agrees to comply with:

A. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b);

B. The requirements of 24 CFR 570.606(c) governing the Residential Anti-displacement and Relocation Assistance Plan under (42 USC 5304(d)); and:

C. The requirements in 24 CFR 570.606(d) governing optional relocation policies. The Assignee shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606(b) (2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The Assignee also agrees to comply with applicable City/Grantee ordinances, resolutions, and policies concerning the displacement of persons from their residences.

SECTION XI.
ASSURANCES

The Assignee hereby agrees to use CDBG funds for the purposes authorized by the Rapid City/Grantee Common Council. The Assignee further hereby agrees to comply with the assurances in Section XII, XIII, which are required by the U.S. Department of Housing & Urban Development for all CDBG projects. These include Federal Labor Standards requirements.

Assignee Contract for Community Development Block Grant Funding Entitlement Funds CFDA# 14.218/CB Rapid City Housing Limited Partnership FY21 Mid-Year
SECTION XII.
PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance
The Assignee hereby agrees to comply with all applicable state, local and civil rights laws and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107, and 12086.

2. Nondiscrimination
The Assignee hereby agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in (42 USC 5309 (a)) are still applicable. Assignees shall comply with state and local civil rights laws proscribing housing discrimination.

3. Land Covenants
This Assignee Contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.) and 24 CFR 570.601 and 570.602. In regard to the sale, lease or other transfer of land acquired, cleared or improved with assistance provided under this Assignee Contract, the Assignee shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination as herein defined, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, providing that the City/Grantee and the United States are beneficiaries of and entitled to enforce such covenants. The Assignee, in undertaking its obligation to carry out the program assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504
The Assignee agrees to comply with all federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any federally assisted program. The City/Grantee shall provide the Assignee with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Assignee Contract.
B. Affirmative Action

1. Equal Employment Opportunity

The Assignee hereby agrees that it shall be committed to carry out President's Executive Order 11246 as amended, Sections 202 and 203 are specified, below:

Section 202
Except in contracts exempted in accordance with Section 204 of this Order, all Government contracting agencies shall include in every Government contract hereafter entered into the following provisions:

During the performance of this contract, the contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be 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. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

2. The contractor will, in all solicitations or advancements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

3. The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.
4. The contractor will send to each labor union or representative of workers with which he 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 workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. The contractor will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

6. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

7. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

8. The contractor will include the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States. [Sec. 202 amended by EO 11375 of Oct. 13, 1967, 32 FR 14303, 3 CFR, 1966-1970 Comp., p. 684, EO 12086 of Oct. 5, 1978, 43 FR 46501, 3 CFR, 1978 Comp., p. 230, EO 13665 of April 8, 2014, 79 FR 20749, EO 13672 of July 21, 2014, 79 FR 42971]

**Section 203**

1. Each contractor having a contract containing the provisions prescribed in Section 202 shall file, and shall cause each of his subcontractors to file, Compliance Reports with the contracting agency or the Secretary of Labor as may be directed. Compliance Reports shall be filed within such times and shall contain such information as to the practices, policies, programs, and
employment policies, programs, and employment statistics of the contractor and each subcontractor, and shall be in such form, as the Secretary of Labor may prescribe.

2. Bidders or prospective contractors or subcontractors may be required to state whether they have participated in any previous contract subject to the provisions of this Order, or any preceding similar Executive order, and in that event to submit, on behalf of themselves and their proposed subcontractors, Compliance Reports prior to or as an initial part of their bid or negotiation of a contract.

3. Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor union or an agency referring workers or providing or supervising apprenticeship or training for such workers, the Compliance Report shall include such information as to such labor union's or agency's practices and policies affecting compliance as the Secretary of Labor may prescribe: Provided, that to the extent such information is within the exclusive possession of a labor union or an agency referring workers or providing or supervising apprenticeship or training and such labor union or agency shall refuse to furnish such information to the contractor, the contractor shall so certify to the Secretary of Labor as part of its Compliance Report and shall set forth what efforts he has made to obtain such information.

4. The Secretary of Labor may direct that any bidder or prospective contractor or subcontractor shall submit, as part of his Compliance Report, a statement in writing, signed by an authorized officer or agent on behalf of any labor union or any agency referring workers or providing or supervising apprenticeship or other training, with which the bidder or prospective contractor deals, with supporting information, to the effect that the signer's practices and policies do not discriminate on the grounds of race, color, religion, sex, sexual orientation, gender identity, or national origin, and that the signer either will affirmatively cooperate in the implementation of the policy and provisions of this Order or that it consents and agrees that recruitment, employment, and the terms and conditions of employment under the proposed contract shall be in accordance with the purposes and provisions of the order. In the event that the union, or the agency shall refuse to execute such a statement, the Compliance Report shall so certify and set forth what efforts have been made to secure such a statement and such additional factual material as the Secretary of Labor may require.

2. Women-and Minority-Owners Businesses (W/MBE)
The Assignee will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this Assignee Contract. As used in this Assignee Contract, the terms, "small business" means a business that meets the criteria set forth in Section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51%) percent owned and controlled by minority group members.
or women. The Assignee may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records
The Assignee shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the City/Grantee, HUD or its agent, or other authorized federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

4. Notifications
The Assignee 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 the Assignee's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The Assignee will, in all solicitations or advertisements for employees placed by or on behalf of the Assignee, state that it is an Equal Opportunity or Affirmative Action employer.

The Assignee will include the provisions of Subsections XII.A. (titled Civil Rights) and XII.B. (titled Affirmative Action) in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

C. Employment Restrictions
1. Prohibited Activity
The Assignee is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities, inherently religious activities, lobbying, political patronage, and nepotism activities.

2. Labor Standards
The Assignee hereby agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act and Related Acts as amended (40 USC 3141 et seq.), as applicable, the provisions of Contract Work Hours and Safety Standards Act (40 USC 3701 et seq.) 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 Assignee Contract. The Assignee agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 et seq.) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The

Assignee Contract for Community Development Block Grant Funding Entitlement Funds CFDA# 14.218/CB Rapid City Housing Limited Partnership FY21 Mid-Year

Page 22 of 31
Assignee shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the City/Grantee for review upon request.

The Assignee agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of $2,000,000 for construction, renovation or repair work financed in whole or in part with assistance provided under this Assignee Contract, shall comply with federal requirements adopted by the City/Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Assignee of its obligation, if any, to require payment of the higher wage. The Assignee shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this subsection.

3. "Section 3"
   a) Compliance
      Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended (12 USC 1701u), and as implemented by the regulations set forth in 24 CFR 75, and all applicable rules and orders issued hereunder prior to the execution of this Assignee Contract, shall be a condition of the federal financial assistance provided under this Assignee Contract and binding upon the City/Grantee, the Assignee and any of the Assignee's subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Assignee Contract through which federal assistance is provided. The Assignee certifies and hereby agrees that no contractual or other disability exists that would prevent compliance with these requirements.

      The Assignee agrees to comply with these Section 3 requirements and shall include the following statement on all job postings:

      "This job is a Section 3 eligible job opportunity. We encourage applications from individuals that are low income and/or live in Public Housing and/or receive a Section 8 voucher"

      The Assignee further agrees to comply with these Section 3 requirements and to include the following language in all subcontracts executed under this Assignee Contract:

      "The work to be performed under this Assignee Contract is a project assisted under a program providing direct federal financial
assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located."

Assignee further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located and to low- and very low-income participants in other HUD programs. The Assignee certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

b) Subcontracts
The Assignee will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. The Assignee will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 75 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

c) Notifications
The Assignee will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker’s representative of its commitments under this Section 3 clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.
d) **Reporting and Record Keeping**

Reporting and Recordkeeping requirements shall be followed in accordance with CDBG grant award conditions. The Assignee shall maintain documentation that demonstrates compliance and qualitative nature of actions implemented to meet employee benchmarks of 25% of labor hours performed Section 3 Workers, and 5% of labor hours performed by Targeted Section 3 Workers, or as prescribed by HUD, and as may be amended from time to time.

D. **Conduct**

1. **Assignability**

This Assignee Contract shall not be assigned or transferred, whether in whole or in part, by the Assignee without the prior written consent of the City/Grantee; provided however, that claims for money due or to become due to the Assignee from the City/Grantee under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be promptly furnished in writing to the City/Grantee. The surety requirement listed as a major task under Section III.A.1. continues to apply to any approved transfer to any other entity, whether in whole or in part, from date of contract to documentation of final occupancy.

2. **Subcontracts**

   a) **Approvals**

   The Assignee shall not enter into any subcontracts with any agency or individual in the performance of this Assignee Contract without the prior written consent of the City/Grantee prior to the execution of the subcontract.

   b) **Monitoring**

   The Assignee will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

   c) **Content**

   The Assignee shall cause the provisions itemized in Exhibit C of this Assignee Contract to be included in and made a part of any subcontract executed in the performance of this Assignee Contract.

   d) **Selection Process**

   The Assignee shall undertake to ensure that all subcontracts let in the performance of this Assignee Contract shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the City/Grantee along with documentation concerning the selection process.

3. **Hatch Act**

   The Assignee hereby agrees that no funds provided, nor personnel employed under this Assignee Contract, shall in any way or to any extent engage in the conduct of political activities in violation of (5 U.S.C.7323).

Assignee Contract for Community Development Block Grant Funding Entitlement Funds CFDA# 14.218/CB Rapid City Housing Limited Partnership FY21 Mid-Year
4. Conflict of Interest
The Assignee hereby agrees to abide by the provisions of 2 CFR 200, as now in effect and as may be amended from time to time and 24 CFR 570.611, which include (but are not limited to) the following:

a) The Assignee shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by federal funds;

b) No employee, officer or agent of the Assignee shall participate in the selection, or in the award, or administration of, a contract supported by federal funds if a conflict of interest, real or apparent, would be involved;

c) No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes but is not limited to any person who is an employee, agent, consultant, officer, or elected or appointed official of the City/Grantee, the Assignee, or any designated public agency; and

d) The Assignee covenants that neither it nor any member of its Board of Directors, officers, or employees presently have any interest in any project to be financed under the Scope of Service, and shall not acquire any interest therein which would conflict with the performance of the Scope of Service required under this Assignee Contract or applicable statute, rule or regulation. Such a conflict would arise when: the employee, officer or agent; any member of their immediate family; their partner; or an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm/household selected for award. The Assignee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements during office tenure or for one year after the closeout of the grant. This stipulation must be included in all other contracts and subcontracts to this grant.

5. Lobbying
The Assignee certifies, to the best of its knowledge and belief, that:

a) No federal appropriated funds have been paid or will be paid, by or on behalf of the Assignee, 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 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, or
the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative agreement.

b) 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.

c) The Assignee shall require that the language of paragraph (d) of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

d) 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.C. 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 such failure.

6. Copyright
If this Assignee Contract results in any copyrightable material or inventions, the Grantee and/or City/Grantee reserves the right to a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

7. Religious Activities
The Assignee hereby agrees that funds provided under the Assignee Contract will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

SECTION XIII.
ENVIRONMENTAL CONDITIONS

A. Air and Water
The Assignee hereby agrees to comply with the following requirements insofar as they apply to the performance of this Assignee Contract:

1. Clean Air Act, 42 U.S.C., 7401, et seq.;
2. Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, et seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 308, and all regulations and guidelines issued thereunder; and
3. Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

B. Flood Disaster Protection
In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Assignee shall assure that the activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

C. Lead-Based Paint
The Assignee agrees that any construction or rehabilitation of residential structures with assistance provided under this Assignee Contract shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR 35.100 et seq. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

D. Historic Preservation

In general, this 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 XIV.
SEVERABILITY

If any provision of this Assignee Contract is held invalid, the remainder of the Assignee Contract shall not be affected thereby and all other parts of this Assignee Contract shall nevertheless be in full force and effect.

Assignee Contract for Community Development Block Grant Funding Entitlement Funds CFDA# 14.218/CB Rapid City Housing Limited Partnership FY21 Mid-Year

Page 28 of 31
SECTION XV.
SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this Assignee Contract are included for convenience only and shall not limit or otherwise affect the terms of this Assignee Contract.

SECTION XVI.
WAIVER

The City/Grantee’s failure to act with respect to a breach by the Assignee shall not result in a waiver of its right to act with respect to subsequent or similar breaches. The failure of the City/Grantee to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

SECTION XVII.
REMEDIES

The City/Grantee may undertake any legal or equitable action available to enforce the provisions of this Assignee Contract. Assignee hereby agrees the City/Grantee may recover from it the City/Grantee’s reasonable expenses, including attorney’s fees incurred in respect to such actions.

SECTION XVIII.
CHOICE OF LAW AND VENUE

The parties hereby agree that the terms of this Assignee Contract shall be governed by the laws of the State of South Dakota. In the event of any conflict of law, the law of the State of South Dakota shall be controlling. Any legal action arising out of or relating to this Assignee Contract shall be brought only in the Circuit Court of the State of South Dakota, Seventh Judicial Circuit, located in the City of Rapid City, Pennington County, South Dakota.

SECTION XIX.
ENTIRE ASSIGNEE CONTRACT

The provisions set forth in Items I-XIX, and all attachments of this Assignee Contract constitute, the entire Assignee Contract between the parties hereto and no statement, promise, conditions, understanding, inducement or representation, oral or written, express or implied, which is not contained herein shall be binding or valid.

Assignee Contract for Community Development Block Grant Funding Entitlement Funds CFDA# 14.218/CB Rapid City Housing Limited Partnership FY21 Mid-Year

Page 29 of 31
Dated this ___ day of __________, 2022.

CITY OF RAPID CITY

________________________
Steve Allender, Mayor

ATTEST:

________________________
Pauline Sumption, Finance Director
Federal I.D. #: 46-6000380

STATE OF SOUTH DAKOTA )
COUNTY OF PENNINGTON )

On this the ______ day of __________________, 2022, before me, the above-signed officers, Steve Allender and Pauline Sumption, personally appeared, who acknowledged themselves to be the Mayor and Finance Director, respectively, of the City of Rapid City, a municipal corporation, and that they as such Mayor and Finance Director, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the City of Rapid City by themselves as Mayor and Finance Director.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

________________________
Notary Public, South Dakota

My Commission Expires:
(SEAL)

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

________________________
By:
Its: City Attorney or Assistant City Attorney

Assignee Contract for Community Development Block Grant Funding Entitlement Funds CFDA# 14.218/CB Rapid City Housing Limited Partnership FY21 Mid-Year

Page 30 of 31
Dated this 27th day of July, 2022.

Agency

CB Rapid City Housing Limited Partnership,
a Minnesota limited partnership
Federal I.D. # 87-3480404

By: CB Rapid City Housing GP LLC,
a Minnesota limited liability company
Its: General Partner

By: [Signature]
Angela Riley
Its: Vice President and Secretary

STATE OF MN )
COUNTY OF Ramsey )

The foregoing instrument was acknowledged before me this 27th day of
July, 2022, by Angela Riley, the Vice President and Secretary of CB Rapid City
Housing GP LLC, a Minnesota limited liability company, as the General Partner of CB
Rapid City Housing Limited Partnership, a Minnesota limited partnership, on behalf of the
limited partnership.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

[Signature]
Notary Public
My Commission Expires: 1/31/2024

AFFIRMATIVE ACTION APPROVAL

[Signature]
Contract Compliance Supervisor

Assignee Contract for Community Development Block Grant Funding Entitlement Funds CFDA# 14.218/CB Rapid City Housing Limited Partnership FY21 Mid-Year
Exhibit A

- CDBG Contract Executed: May 2022
- General Contractor Solicitation and Selection: May 2022
- Pre-Construction meeting. Attendees to include City staff, CommonBond Communities staff, and General Contractor representative: May 2022
- Certification of prioritization of effort for employment, training, and contracting submitted to City for Section 3 Compliance: July 2022
- Construction begins: September 2022
- Footing poured: December 2022
- Envelope water tight: June 2023
- Public improvement complete: December 2023
- Certificate of Occupancy obtained: December 2023
### Program Goals and Accomplishments Section

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| Total People Assisted | 0 | 0 | 0 |

### Date Submitted:

NARRATIVE

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### Demographic Reporting Section

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### Note:

Housing assistance must be used for

- Homeless, VAMC, or Other Public Service
- Non-Homeless, VAMC, or Other Public Service
- Non-Homeless, VAMC, or Other Public Service

<table>
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<th>Individual Item</th>
<th># Benefiting This Month</th>
<th># Benefiting Throughout Project</th>
<th># Benefiting Throughout CBGS Program Year</th>
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</thead>
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</table>
Exhibit C

Mandatory Language required for every tier of Subrecipient contracts to meet CDBG Funding Compliance Standards, for Subrecipient’s use with all construction contracts associated with implementation of the contemplated project:

1) All publications related to this project must include the following reference:

“This project is funded in whole or in part through the City of Rapid City, South Dakota, Community Development Block Grant funds, administered by the City of Rapid City, Community Development Program.”

2) All solicitations for every tier of contractors must include the following language:

“This project is funded in whole or in part with Community Development Block grant (CDBG) funds and all city, state, and Federal wage decisions and Labor Standards (HUD 4010), regulations and provisions apply.

Section 3 prioritization of efforts for employment and training opportunities to 1) Section 3 workers residing within the service area or neighborhood of the project, and 2) Youth Build programs is required.

3) All job postings must include the following language:

“This job is a Section 3 eligible job opportunity. We encourage applications from individuals that are low income and/or live in Public Housing and/or receive a Section 8 voucher.”

4) Mandatory contract language which must be included in every tier of Subrecipient’s contracts related to the project receiving CDBG funds:

PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

Contractor ________________________________ (insert contractor’s name) hereby agrees to comply with all applicable state, local and civil rights laws and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107, and 12086.
2. **Nondiscrimination**

Contractor ____________________________ (insert contractor’s name) hereby agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in (42 USC 5309 (a)) are still applicable. Contractors shall comply with state and local civil rights laws proscribing housing discrimination.

3. **Land Covenants**

Contractor ____________________________ (insert contractor’s name) Contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.) and 24 CFR 570.601 and 570.602.

4. **Section 504**

Contractor ____________________________ (insert contractor’s name) agrees to comply with all federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any federally assisted program. The Subrecipient ____________________________ (insert name) shall provide the Contractor ____________________________ (insert contractor’s name) with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Contract.

**B. Affirmative Action**

1. **Equal Employment Opportunity**

Contractor ____________________________ (insert contractor’s name) hereby agrees that it shall be committed to carry out President’s Executive Order 11246 as amended, Sections 202 and 203 are specified, below:

**Section 202**

Except in contracts exempted in accordance with Section 204 of this Order, all Government contracting agencies shall include in every Government contract hereafter entered into the following provisions:
During the performance of this contract, the Contractor

________________________________________ (insert contractor's name) agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be 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. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

2. The contractor will, in all solicitations or advancements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

3. The contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information.

4. The contractor will send to each labor union or representative of workers with which he 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 workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

5. The contractor will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

6. The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

7. In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
8. The contractor will include the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction, the contractor may request the United States to enter into such litigation to protect the interests of the United States. [Sec. 202 amended by EO 11375 of Oct. 13, 1967, 32 FR 14303, 3 CFR, 1966–1970 Comp., p. 684, EO 12086 of Oct. 5, 1978, 43 FR 46501, 3 CFR, 1978 Comp., p. 230, EO 13665 of April 8, 2014, 79 FR 20749, EO 13672 of July 21, 2014, 79 FR 42971]

Section 203

1. Each contractor having a contract containing the provisions prescribed in Section 202 shall file, and shall cause each of his subcontractors to file, Compliance Reports with the contracting agency or the Secretary of Labor as may be directed. Compliance Reports shall be filed within such times and shall contain such information as to the practices, policies, programs, and employment policies, programs, and employment statistics of the contractor and each subcontractor, and shall be in such form, as the Secretary of Labor may prescribe.

2. Bidders or prospective contractors or subcontractors may be required to state whether they have participated in any previous contract subject to the provisions of this Order, or any preceding similar Executive order, and in that event to submit, on behalf of themselves and their proposed subcontractors, Compliance Reports prior to or as an initial part of their bid or negotiation of a contract.

3. Whenever the contractor or subcontractor has a collective bargaining agreement or other contract or understanding with a labor union or an agency referring workers or providing or supervising apprenticeship or training for such workers, the Compliance Report shall include such information as to such labor union's or agency's practices and policies affecting compliance as the Secretary of Labor may prescribe: Provided, that to the extent such information is within the exclusive possession of a labor union or an agency referring workers or providing or supervising apprenticeship or training and such labor union or agency shall refuse to furnish such information to the contractor, the contractor shall so certify to the Secretary of Labor as part of its Compliance Report and shall set forth what efforts he has made to obtain such information.

4. The Secretary of Labor may direct that any bidder or prospective contractor or subcontractor shall submit, as part of his Compliance Report, a statement in writing, signed by an authorized officer or agent on behalf of any labor union or any agency referring workers or providing or supervising apprenticeship or other training, with which the bidder or prospective contractor deals, with supporting information, to the effect that the signer's practices and policies do not discriminate on the grounds of race, color, religion, sex, sexual orientation, gender identity, or national origin, and that the signer either will affirmatively cooperate in the implementation of the policy and provisions of this Order or that it consents and agrees that recruitment, employment, and the terms and conditions of employment under the proposed contract shall be in accordance with the purposes and provisions of the order. In the event that the union, or the agency shall refuse to execute such a statement, the Compliance Report shall so certify and set forth what efforts have been made to secure such a statement and
such additional factual material as the Secretary of Labor may require.

2. Women-and Minority-Owners Businesses (W/MBE)

Contractor ______________________________ (insert contractor's name) will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this Subrecipient Contract. As used in this Subrecipient Contract, the terms, "small business" means a business that meets the criteria set forth in Section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51%) percent owned and controlled by minority group members or women. The Subrecipient may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

3. Access to Records

Contractor ______________________________ (insert contractor's name) shall furnish and cause each of its own subrecipients or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the City/Grantee, HUD or its agent, or other authorized federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

4. Notifications

Contractor ______________________________ (insert contractor's name) 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 the Subrecipient's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.


Contractor ______________________________ (insert contractor's name) will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

Contractor ___________________________ (insert contractor's name) will include the provisions of Subsections XII.A. (titled Civil Rights) and XII.B. (titled Affirmative Action) in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subcontractors.

C. Employment Restrictions

1. Prohibited Activity

Contractor ___________________________ (insert contractor's name) is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities, inherently religious activities, lobbying, political patronage, and nepotism activities.

2. Labor Standards

Contractor ___________________________ (insert contractor's name) hereby agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act and Related Acts as amended (40 USC 3141 et seq.), the provisions of Contract Work Hours and Safety Standards Act (40 USC 3701 et seq.) 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 Subrecipient Contract. The Subrecipient agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 et seq.) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The Subrecipient shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the City/Grantee for review upon request.

Contractor ___________________________ (insert contractor's name) agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of $2,000,000 for construction, renovation or repair work financed in whole or in part with assistance provided under this Subrecipient Contract, shall comply with federal requirements adopted by the City/Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29CFR Parts 1,3,5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Contractor ___________________________ (insert contractor's name) of its obligation, if any, to require payment of the higher wage. Contractor ___________________________ (insert contractor's name) shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this subsection.
3. Section 3

Contractor ____________________________ (insert contractor's name) further agrees to comply with these Section 3 requirements and to include the following language in all subcontracts executed under this Contract:

“The work to be performed under this Contract is a project assisted under a program providing direct federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located.”

Subcontracts
Contractor ____________________________ (insert contractor's name) will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the grantor agency. Contractor ____________________________ (insert contractor’s name) will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 75 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

Contractor ____________________________ (insert contractor’s name) covenants that neither it nor any member of its Board of Directors, officers, or employees presently have any interest in any project to be financed under the Scope of Service, and shall not acquire any interest therein which would conflict with the performance of the Scope of Service required under this Subrecipient Contract or applicable statute, rule or regulation. Such a conflict would arise when: the employee, officer or agent; any member of their immediate family; their partner; or an organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm/household selected for award. The Subrecipient’s officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements during office tenure or for one year after the closeout of the grant. This stipulation must be included in all other contracts and subcontracts to this grant.

5. Lobbying
Contractor ________________________________ (insert contractor's name) certifies, to the best of its knowledge and belief, that:

a. No federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor ________________________________ (insert contractor's name), 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 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, or the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative agreement.

b. 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.

c. Contractor ________________________________ (insert contractor's name) shall require that the language of paragraph (d) of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all subcontractors shall certify and disclose accordingly.

d. 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.C. 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 such failure.