

SUBRECIPIENT AGREEMENT

AGREEMENT BETWEEN THE CITY OF KILLEEN, TEXAS
AND
HILL COUNTRY COMMUNITY ACTION ASSOCIATION, INC.
FOR

**KILLEEN SENIOR MEALS ON WHEELS PROGRAM
SPECIFICALLY UTILIZED IN RESPONSE TO THE CORONAVIRUS PANDEMIC
(COVID-19 Killeen Senior Meals on Wheels Program)**

THIS AGREEMENT, entered this ____ day of _____, 20__ by and between the City of Killeen, Texas (herein called the "Grantee") and HILL COUNTRY COMMUNITY ACTION ASSOCIATION, INC. (herein called the "Subrecipient") collectively referred to as the "Parties".

WHEREAS, the Grantee has applied for and received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (HCD Act), Public Law 93-383; and the City Council of the City of Killeen authorized a **\$20,000.00 grant to HILL COUNTRY COMMUNITY ACTION ASSOCIATION, INC., San Saba County, Texas**, from the Community Development Block Grant Program (CDBG)(CFDA 14.218) **B-19-MC-48-0020** by Ordinance **20-019**:

WHEREAS, the Grantee wishes to engage the Subrecipient to assist the Grantee in utilizing such funds;

NOW, THEREFORE, it is agreed between the parties hereto that;

I. SCOPE OF SERVICE

A. Activities

The Subrecipient will be responsible for administering **REPROGRAMMED FY2019-2020** CDBG funded activity and/or program in a manner satisfactory to the Grantee and consistent with any standard required as a condition of providing these funds. Such program will include the following activities eligible under the CDBG program: Subrecipient shall use said grant **for increasing necessary public service programs to address community needs in relation to response and reducing the spread of Coronavirus (COVID-19)**. The public services approved are determined as an eligible activity and is within the CDBG national program objective of benefiting low- and moderate-income clients, to wit: CDBG funds will be used for **salary and operations cost associated with the KILLEEN SENIOR MEALS ON WHEELS PROGRAM to support additional clients added due to effects of COVID-19**. Funds are to be used to reimburse the Subrecipient in the payment of the following services: **PAYMENT OF SALARY and FRINGE BENEFITS FOR ONE (1) MEAL DELIVERY DRIVER, MILEAGE FOR DELIVERY OF INCREASED NUMBER OF SENIOR MEALS IN KILLEEN AT THE RATE OF \$0.50 PER MILE, AND PURCHASE OF MEALS (HOT, FROZEN, SHELF STABLE) TO DIRECTLY BENEFIT THE INCREASED NUMBER OF KILLEEN RESIDENTS ADDED TO THE KILLEEN SENIOR MEALS ON WHEELS PROGRAM** provided, however, that no funds shall be distributed until Subrecipient submits required documentation to the City of Killeen Community Development Department Executive Director, and disbursement of said funds is expressly approved and authorized by said Director.

B. National Objectives

All activities funded with CDBG funds must meet one of the CDBG program's 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 Subrecipient certifies that the activity(ies) carried out under this Agreement will meet the CDBG National Objective of benefiting low- and moderate-income persons **through the COVID-19 Killeen Senior Meals on Wheels Program providing meals to low-income elderly persons residing in Killeen, age 62 years and older and are considered as one of the most vulnerable populations and are taking appropriate public health precautions (sheltering in place) in response of prevention of the Coronavirus.**

Eligibility is determined through use of the City of Killeen Client Self Certification Form.

The program administration and record retention will be maintained at the Killeen Multi-Service Senior Center, 916 Abercrombie Drive, Killeen, Texas 76543 [client records] located in Bell County, and Hill Country Community Action Association, Inc. 2905 W. Wallace, San Saba, Texas 76877 [employment records] in San Saba County, Texas. Persons from within the jurisdiction of Killeen will be served through the COVID-19 KILLEEN SENIOR MEALS ON WHEELS PROGRAM which is classified under the LOW/MOD CLIENTELE eligibility criterion achieving regulatory compliance as 05A Senior Services 570.201(e) and 05 Public Services (General) 570.201(e).

C. Levels of Accomplishment – Goals and Performance Measures

The levels of accomplishment may include such measures as units rehabbed, persons or households assisted, or meals served, and should also include time frames for performance.

The Subrecipient agrees to provide the following levels of program services:

Program Activities	Program Accomplishments	Proposed Output			Performance Measures
		May – Jun 2020	Jul – Sep 2020	Oct – Dec 2020	
Increased Public Services in response to prevention of COVID-19 – Increased program operations providing direct benefit to clients; paid meal delivery driver (employee) and mileage for delivery of increased number of senior meals to eligible Killeen residents.	Implement additional funding to specifically provide increased public services to eligible low-income elderly persons within the jurisdiction to ensure Killeen's priority of increasing necessary public service programs are met through eligible activities specifically addressing community needs related to effects from the COVID-19 pandemic; Paid employee performing assigned duties in delivery of meal to eligible Killeen seniors; mileage tracking for Killeen deliveries; meal purchases for increased services; Submit for fund reimbursements with 20% of total funds reimbursed for approved expenses; Direct assistance to eligible elderly clients assisted through the COVID-19 Killeen Senior Meals Program	X			Increased number of homebound Killeen residents receiving nutritious meals in response to reducing the spread of COVID-19; Requested reimbursement for 20% of total grant. Timely reporting.

	Paid employee performing assigned duties in delivery of meal to eligible Killeen seniors; mileage tracking for Killeen deliveries; meal purchases for increased services; Submit for fund reimbursements with 60% of total funds reimbursed for approved expenses; Direct assistance to eligible elderly clients assisted through the COVID-19 Killeen Senior Meals Program		X		Increased number of homebound Killeen residents receiving nutritious meals in response to reducing the spread of COVID-19; Requested reimbursement for 60% of total grant. Timely reporting.
Continued direct benefit to clients through paid employee, purchase of meals (hot, frozen, shelf stable) and delivery to increased number of Killeen clients; process program participant information as necessary	Paid employee performing assigned duties in delivery of meal to eligible Killeen seniors; mileage tracking for Killeen deliveries; meal purchases for increased services; Submit for fund reimbursements with 100% of total funds reimbursed for approved expenses; Direct assistance to eligible elderly clients assisted through the COVID-19 Killeen Senior Meals Program			X	Increased number of homebound Killeen residents receiving nutritious meals in response to reducing the spread of COVID-19; Requested reimbursement for 100% of total grant. Timely reporting.
Performance Outcome Specifically Addressing Community Needs in Response to COVID-19 Pandemic		X	X	X	200 additional Killeen homebound elderly residents receiving nutritious meals in response to reducing the spread of COVID-19; Requested reimbursement for 100% of total grant. Timely reporting.

D. Staffing

Subrecipient agrees to notify Grantee within fifteen (15) days, in writing, of any changes in the Key Personnel assigned or their general responsibilities under this project and such changes are subject to the prior approval of the Grantee.

E. Performance Monitoring

The Grantee will monitor the performance of the Subrecipient against goals and performance standards as stated above, by conducting monitoring visits at least, but not limited to, once during the course of the Time of Performance stated in this Agreement. Monitoring visits may include actual site visits, visits conducted in City offices, visits conducted via telecommunication or electronics, or in other locations as agreed by Grantee and Subrecipient.

Monitoring visits will be coordinated by Grantee, with the Subrecipient, and will include Grantee and Subrecipient staff familiar with funded project activities. The Subrecipient shall facilitate Grantee access and review of the Subrecipient's management and training systems; internal controls; records supporting Agreement compliance and analysis; and program income. All monitoring visits shall be documented in written form and will become part of the Grantee project file. Substandard performance will be determined by the Grantee and will constitute noncompliance with this Agreement.

The Grantee shall provide Subrecipient a written report within thirty (30) days of the monitoring visit. The written report shall identify necessary recommendations and requirements, if any, for corrective actions. If action to correct substandard performance is

not taken by the Subrecipient within the period of time specified by the Grantee in the written report to Subrecipient, suspension or termination procedures will be initiated.

II. TIME OF PERFORMANCE

Services of the Subrecipient shall start on the 1st day of **MAY, 2020** and end on the **31ST day of DECEMBER, of 2020, which is the anticipated to be the concluding stage of the disaster declaration associated with the Coronavirus pandemic in Killeen. In the event the concluding stage is lifted sooner than the end date of this Agreement, the Subrecipient will cease operations associated with this activity and by doing so will therefore release all remaining funds, without recourse by the Subrecipient, to the Grantee.** The term of this Agreement and the provisions herein may be extended, in writing under an Agreement Addendum **to further respond in the prevention and spread of the Coronavirus,** to cover an additional time period during which the Subrecipient is permitted to perform increased public services with designated CDBG funds or other CDBG assets, including program income.

Unless otherwise indicated and otherwise approved by Grantee, Subrecipient must complete public service programs by the last day of the date above in accordance with the conditions in which these funds are granted.

No construction projects exist in the award of these grant funds.

Subrecipients not in compliance with this period are subject to the revocation of grant funding and the cancellation of project. Cancelled funds and/or remaining funds at the completion of the Time of Performance shall be subject to reallocation to other eligible activities in accordance with governing ordinances, statutes, and regulations. All projects shall stay on schedule. Deviation from this schedule must be approved by CD Executive Director and/or City Manager prior to commencement of action(s) causing change in the Time of Performance by the Subrecipient. Action taken without prior written approval and amendment to this Agreement will subject the project to grant funding revocation.

III. BUDGET

Project budget is described on the following expense summary.

EXPENDITURE CATEGORY	DESCRIPTION	CDBG FUNDS	FEDERAL SOURCE	PUBLIC/PRIVATE SOURCE	PROJECT TOTAL
PERSONNEL COSTS					
Personnel	Payment of salary and fringe benefits for a Meal Delivery Driver delivering meals to homebound Killeen residents age 62 years of age and older;	\$12,000.00	-0-	-0-	\$12,000.00
Operations	Reimbursement of mileage, at the rate of \$0.50 per mile, for increased delivery of meals to homebound Killeen residents, in response to preventing spread of COVID-19.	\$2,000.00	-0-	-0-	\$2,000.00

	Reimbursement for the purchase of meals (hot, frozen, shelf stable) meals for homebound Killeen residents, in response to preventing spread of COVID-19.	\$6,000.00	-0-	-0-	\$6,000.00
TOTAL PERSONNEL & OPERATIONS COSTS		\$20,000.00	-0-	-0-	\$20,000.00
TOTAL PROJECT EXPENSES		\$20,000.00	-0-	-0-	\$20,000.00

No reimbursements shall be made for expenditures incurred prior to MAY 1, 2020 and not included in the approved Budget expense summary; for expenditures made in excess of the amounts budgeted for each line item in an approved budget; or for expenditures not made within the approved scope of service. Prior to expending CDBG funds for items not included as part of the approved budget or in amounts exceeding those for approved line items, or for items not within the scope of the work plan, the Subrecipient must receive prior written permission from the Community Development Department. Requests for budget revisions and requests for work plan revisions must be submitted to the City, on forms provided by the City, in accordance with the City of Killeen Grants Administration Manual.

Subrecipient shall submit requests for reimbursements, for eligible expenses as identified in the Budget expense summary, on forms provide by the City or other formats as approved per the type of project. All requests will be submitted to the Community Development Department. Subrecipient is permitted to submit requests for reimbursements on a monthly basis.

Subrecipient(s) funded under this COVID-19 Increased Public Services funding category shall submit requests for reimbursements on a monthly basis for each month identified in the Agreement. Reimbursement requests are required to be submitted within 10 (10) days after the last day of each month.

No changes in a currently approved agreement budget shall be made or approved during the last forty-five (45) days of the grant period and no changes to the approved work plan will be made or approved during the grant period.

IV. PAYMENT

It is expressly agreed and understood that the total amount to be paid by the Grantee to the non-profit Subrecipient, under this Agreement, shall not exceed \$20,000.00 The non-federal entity, Grantee, will pass through to the Subrecipient no more than a total of TWENTY THOUSAND DOLLARS AND NO/100, (\$20,000.00) of REPROGRAMMED FY 2019-2020 CDBG funds for eligible costs and expenses detailed in number III-Budget above. Disbursements shall be made to Subrecipient upon satisfactory completion of required records and reports to Grantee from Subrecipient.

Reimbursement requests from Subrecipient to Grantee shall be submitted on the Financial Request for Reimbursement Form attached hereto and incorporated by reference for all purposes, which are directly attributed to this Agreement. Form shall be accompanied by

sufficient documentation to include invoices or statements, copies of paid invoices and cancelled checks for any such expense(s) supported and outlined in same. Form shall be signed by an authorized official as identified by the Signature Certification Form, which is attached hereto and incorporated by reference for all purposes, which are directly attributed to this agreement. Payments shall be made to Subrecipient within thirty (30) days of receipt of proper documentation.

Payments may be contingent upon certification of the Subrecipient's financial management system in accordance with the standards specified in 2 CFR 200.300 to 200.309.

V. NOTICES

Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, personal delivery, sent by facsimile, sent via personal communication (email) or other electronic means. Notices shall be effective on the date of sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communication and details concerning this agreement shall be directed to the following representatives:

Grantee	Subrecipient
LESLIE HINKLE, EXECUTIVE DIRECTOR Name and Title	TAMA SHAW, CHIEF EXECUTIVE OFFICER Name and Title
CITY OF KILLEEN, TEXAS Grantee	HILL COUNTRY COMMUNITY ACTION ASSOCIATION, INC. Grantee
802 N. 2ND STREET, BLDG. E Address	PO BOX 846 Address
KILLEEN, TX 76541 City, State, Zip Code	SAN SABA, TX 76877 City, State, Zip Code
254-501-7847 Telephone	325-372-5167 Telephone
lhinkle@killeentexas.gov Email	tshaw@hccaa.com ; khobbs@hccaa.com Email

VI. SPECIAL CONDITIONS

The following SPECIAL CONDITIONS apply to this Agreement:

FUNDING OF PROJECTS/PROGRAMS IN RESPONSE TO EXIGENCE: At such time necessary measures are required for immediate response to an unforeseen event, to include situations of federal, state, or locally declared exigence, and/or declaration(s) of disaster requiring use and expenditure of funding, granted to the City of Killeen Texas from the U.S. Department of Housing and Urban Development, to provide reasonable

response to such event, grant funds under this Agreement shall automatically revert to Grantee after providing written notice to Subrecipient. The written notice will state the last date Subrecipient may incur eligible costs associated with funding identified in this Agreement.

FUNDING OF ACTIVITIES IN RESPONSE TO CORONAVIRUS (COVID-19): The funding granted under this Agreement is specifically authorized by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-13, which was effective March 27, 2020, to respond to growing effects of the historic public health crisis. The Grantee has taken specific approaches in prioritizing unique needs of low- and moderate-income persons and the development of partnerships between all levels of government, private for-profit and non-profit sectors, and state and local health authorities to undertake activities in support and response to the local and state pandemic without replication of benefits to any individual, household, City Department, or local business. Furthermore, these funds may not replace funds that were previously paid by another source for the same project/program expense where CDBG funds are now designated.

Activities funded under this Agreement must be specifically used for the preparation, prevention, or response to the spread of COVID-19

UNIVERSAL NUMBERING SYSTEM and SYSTEM FOR AWARD MANAGEMENT (SAM): The Subrecipient shall comply with requirements established by the Office of Management and Budget (OMB) concerning the Universal Numbering System and System for Award Management (SAM) requirements in Appendix A to 2 CFR part 25, and the Federal Funding Accountability and Transparency Act (FFATA) in Appendix A to 2 CFR part 170.

EXCHANGE or CREDIT OF FUNDS:

The Subrecipient, shall not sell, trade, or otherwise transfer all or any such portion of such funds to another such entity in exchange for any other funds, credits or non-Federal considerations, but must use such funds for the program(s) or activity(ies) consistent with and eligible under Title I of the Housing and Community Development Act of 1974 (the Act), P.L. 113-235, Consolidated and Further Continuing Appropriations Act, 2015, Division K, Title II, Community Development Fund.

USE FOR EMINENT DOMAIN:

The Subrecipient shall ensure that no CDBG funds are used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use. For the purposes of this requirement, public use shall not be construed to include economic development that primarily benefits private entities. Any use of funds for mass transit, railroad, airport, seaport or highway projects as well as utility projects which benefit or serve the general public (including energy-related, communication-related, water- related and wastewater-related infrastructure), other structures designated for use by the general public or which have other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfields as defined in the Small Business Liability Relief and Brownfields Revitalization Act (Public Law 107-118) shall be considered a public use for purposes of eminent domain. P.L. 113-235, Consolidated and Further Continuing Appropriations Act, 2015, Division K, Title IV, General Provisions, Section 407.

FACILITY ALTERATION, REHABILITATION, CONSTRUCTION:

In accordance with the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157), Subrecipient agrees to abide by laws and regulations requiring certain Federal and Federally-funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of "residential structure" as defined in 24 CFR 40.2 or the definition of "building" as defined in 41 CFR 101-19.602(a) is subject to the requirements of this Act and shall comply with the Uniform Federal Accessibility Standards. In accordance with the Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218 and 225) (ADA), the Subrecipient agrees to comply with the provision of comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. Discrimination includes a failure to design and construct facilities for first occupancy no later than January 26, 1993 that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable.

REPORTING:

Monthly reports shall be filed with the Grantee no later than the 10th day of the month following the end of the previous month for grants awarded for projects/programs in response to exigence.

Quarterly reports shall be filed with the Grantee no later than the 15th day of the month following the end of the quarter as follows:

First Quarter – October 1 through December 31 - first quarter report due January 15.

Second Quarter – January 1 through March 31 - second quarter report due April 15.

Third Quarter – April through June - third quarter report due July 15.

Fourth Quarter – July through September - fourth quarter report due October 15.

In the event the report due date is on a weekend or holiday, the report will be due on the following business day. (Example – January 15th is on Sunday – the quarterly report will be due the next business day of January 16th.)

FINANCIAL REPORTS:

Subrecipient shall furnish Grantee a copy of its most recent audit or financial reports, as applicable, and a copy of subsequent audits and financial reports during the Time of Performance of this Agreement. Subrecipient shall furnish Grantee, within 15 days of adoption, a copy of the Subrecipient's completed, current annual budget with line item detail of all sources of funding.

BENEFICIARY POPULATIONS:

Direct services provided through programs supported by CDBG Grants shall assist residents of Killeen whose annual family income is at or below 80% of the median family income for the Killeen Metropolitan Statistical Area (MSA) as established by the U.S. Department of Housing and Urban Development. At its discretion, the Community Development Department may establish an income test lower than the 80% median income for specific projects supported by CDBG funds.

VERIFICATION OF INCOME:

The Grantee has elected to use the definition of “annual income” as defined in 24 CFR Part 5, referred to as "Part 5 annual income".

Where information on income by family size is required, Subrecipient of Public Service programs is permitted to have client complete the City of Killeen Client Self Certification Form regarding the client household make-up (total, age(s), race/ethnicity, and source(s)/amount(s) of income to the household members), with the client signature attesting to the information contained on the form. Otherwise, Subrecipient shall document income verification for low-income beneficiaries receiving assistance through programs supported by CDBG funds by use of the following documents for verification:

wage/income statements, retirement/pension, supplemental income, cash held in savings/checking accounts, cash value of stocks, bonds, certificates of deposit, money market accounts, individual retirement accounts, cash value of life insurance policies, W-2 Forms; the number and age of all persons living in the household; the calculated annual income for all family/household members; client self-report pertaining to their income, signed client declarations

In lieu of the above documents, Subrecipient may substitute with:

- a. Documentation of client participation in other programs of public assistance including TANF, SSI, SNAP (Food Stamps), Low-Income Energy Assistance, Title XX, General Assistance, Public Housing, Housing Choice Voucher Program [Section 8 Rental Assistance], or similar income-tested programs having the same income qualification criteria at least as restrictive as the limits established under 24 CFR Part 5 (Section 8 low-income limit).
- b. Documented evidence that the assisted person is homeless;
- c. A copy of a verifiable certification from the assisted person that his or her family income does not exceed the applicable income limit established or;
- d. A notice that the assisted person is a referral from a state, county or local employment agency or other entity that agrees to refer individuals it determines to be low- and moderate-income persons based on HUD's criteria and agrees to maintain documentation supporting these determinations.

Each Subrecipient is responsible for insuring income guidelines of other Public Assistance programs are consistent with the income guidelines and documentation required by the selected Grantee's income definition.

Annual income verification, of each assisted person, his-her family or household, must be calculated within six months (181 days) of first benefitting from the federally funded program.

Records shall provide sufficient information to facilitate completion and quarterly submission by Subrecipient of required client beneficiary data and project performance reports on forms attached hereto and incorporated by reference for all purposes, which are directly attributed to this agreement.

VII. GENERAL CONDITIONS

A. General Compliance

The Subrecipient agrees to comply with the requirements and amendments thereto of Title 24 of the Code of Federal Regulations- 2 CFR Part 200, 24 CFR Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations, except that (1) the Subrecipient does not assume the Grantee's environmental responsibilities described in 24 CFR 570.604 and (2) the Subrecipient does not assume the Grantee's responsibility for initiating the review process under the provisions of 24 CFR Part 52. The Subrecipient also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this agreement. The Subrecipient further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. "Independent Contractor"

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Subrecipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Subrecipient is an independent contractor.

C. Hold Harmless

The Subrecipient shall hold harmless, defend and indemnify the Grantee from any and all claims, actions, suits, charges and judgments whatsoever that arise out of the Subrecipient's performance or nonperformance of the services or subject matter called for in this Agreement.

D. Workers' Compensation

The Subrecipient shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement as required by State law.

E. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage to protect agreement 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 Grantee.

The Subrecipient shall comply with the bonding and insurance requirements of 2 CFR 200.310-Insurance Coverage and 200.325-Bonding Requirements.

F. Grantee Recognition

The Subrecipient shall insure recognition of the role of the Grantee in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Subrecipient will include reference to the support provided herein in all publications made possible with funds made available under this Agreement by including one or more

of the authorized “city recognition logos” as provided and/or the following reference statement on the front cover, title page, etc.:

“This program is funded in part by the City of Killeen Community Development Block Grant Program, with funding received from the U.S. Department of Housing and Urban Development.”

G. Amendments

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

The Grantee may, in its discretion, amend this Agreement 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 Agreement, such modifications will be incorporated only by written amendment signed by both Grantee and Subrecipient.

H. Suspension or Termination and Remedies for Non Compliance

In accordance with 2 CFR 200.338 through 200.342, the Grantee may suspend or terminate this Agreement, in whole or in part, if the Subrecipient materially fails to comply with any terms of this Agreement, 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 Subrecipient to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the Subrecipient to the Grantee of reports that are incorrect or incomplete in any material respect.

In accordance with 2 CFR 200.339, this Agreement may also be terminated for convenience by either the Grantee or the Subrecipient, 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 Grantee determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the Grantee may terminate the award in its entirety.

When a Federal award is terminated or partially terminated, both the Grantee and Subrecipient remain responsible for compliance with the requirements in 2 CFR 200.343 Closeout and 200.344 Post-closeout adjustments and continuing responsibilities.

VIII. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards

The Subrecipient agrees to comply with 2 CFR 200.300 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.

2. Cost Principles

The Subrecipient shall administer its program in conformance with 2 CFR 200.400 as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

3. Local Governmental Agencies

Suprecipients shall adhere to the requirements of 2 CFR Part 200 at such time the agency meets the definition terms of “local government” at 2 CFR 200.64. Local governmental agencies are those agencies that are identified as a: County, Municipality, City, Town, Local public authority, including a public housing agency under the United States Housing Act of 1937; Special district, School district, Council of governments whether or not incorporated as a nonprofit under state law, and any other agency or instrumentality of a multi-, regional, or intra-state or local government.

B. Documentation and Record Keeping

1. Records to be Maintained

The Subrecipient 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 Agreement. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken with CDBG funds, including its location, the amount of CDBG funds budgeted, obligated and expended for the activity and the provision under which it is a basic eligible activity;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program including:
 - i. Data on the extent to which each racial and ethnic group and single-head of households have applied for, participated in, or benefitted from, any program or activity funded in whole or in part with CDBG funds.
 - ii. Data on employment in each of the Subrecipient’s operating units funded in whole or in part with CDBG funds with such data maintained in the categories prescribed on the Equal Employment Opportunity Commission, EEO-4 form and documentation of any

- actions undertaken to assure equal employment opportunities to all persons regardless of race, religion, color, sex (including pregnancy, gender identity, and sexual orientation), parental status, national origin, age, disability, family medical history or genetic information, political affiliation, military service or other non-merit based factors in operating units funded with CDBG funds.
- iii. Data indicating the race and ethnicity of households displaced because of CDBG funded activities, together with the address and census tract of the housing units to which each displaced household relocated.
- f. Financial records as required by 24 CFR 570.502, and 2 CFR 200.300; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

Records shall provide sufficient information to facilitate completion and quarterly submission by Subrecipient of required Beneficiary and Client Characteristics; Project Progress as attached hereto and incorporated by reference for all purposes, which are directly attributed to this agreement. Grantor shall have access to Subrecipient's records at all times during the term of the grant and for five (5) years following the completion of the Agreement term. Subrecipient shall retain records for five (5) years after completion of Agreement term. Subrecipient shall file quarterly reports with Grantor no later than the 15th day of the month following the end of the quarter unless otherwise stipulated under the "TERM" section of this document.

2. Retention

The Subrecipient shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of five (5) years. The retention period begins on the date of the submission of the Grantee's annual performance and evaluation report to HUD in which the activities assisted under the Agreement are reported on for the final time. 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 five-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever occurs later.

3. Client Data

The Subrecipient shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to Grantee monitors or their designees for review upon request.

4. Disclosure

The Subrecipient understands that client information collected under this agreement is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Subrecipient's responsibilities with respect to services provided under this agreement, 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. Subrecipient shall ensure protection and privacy of individuals' information stored electronically or in paper form, in accordance with the Privacy Act of 1974, as

amended and other federal privacy-related laws, guidance, and best practices. Compliance includes: limiting collection of personally identifiable information (PII) and sensitive personally identifiable information (SPII); manage access to PII and SPII by:

- i. only sharing or discussing PII with those who have a need to know for work purposes;
- ii. do not distribute or release SPII to others until a release is authorized;
- iii. before discussing SPII on the telephone, confirm you are speaking to the right person and do not leave messages containing SPII on voicemail;
- iv. avoid discussion PII in the presence of unauthorized persons;
- v. treat notes and minutes of conversations as confidential unless verification is made regarding the absence of PII/SPII;
- vi. protect hard copy and electronic files containing SPII;
- vii. protect electronic transmission of sensitive PII via facsimile, personal communication (email), shared electronic drives, multi-access calendars and the like with encryption;
- viii. protect hard copy files containing PII and SPII;
- ix. follow written records management, retention, and disposition policies, and shred paper containing PII/SPII;
- x. sanitize PII/SPII from all computer storage drives and other electronic storage devices; and
- xi. immediately report all suspected compromises in accordance with written policies and, if a suspect compromise occurs related to a HUD funded program, immediately report the incident to the City of Killeen Community Development Department, local law enforcement authorities, and to the HUD National Help Desk at 1-888-297-8689.

Do not email sensitive personal identifying information to email accounts when the information being transferred is not encrypted.

5. Close-outs

The Subrecipient's obligation to the 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 unspent cash advances, program income balances, and accounts receivable to the Grantee). Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Subrecipient has control over CDBG funds, including program income.

6. Audits & Inspections

All Subrecipient records with respect to any matters covered by this Agreement shall be made available to the Grantee, grantor agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Subrecipient within thirty (30) days after receipt by the Subrecipient. Failure of the Subrecipient to comply with the above audit requirements will constitute a violation of this agreement and may result in the withholding of future payments. The Subrecipient hereby agrees to have an annual agency audit conducted in accordance with current Grantee policy concerning subrecipient audits and 2 CFR 200.500. The Subrecipient shall require its auditor, accountant, and/or accounting firm to identify, in its accounts,

the City of Killeen Community Development Block Grant [federal] program award amount received and expended. Identification of these funds shall include the grant title and number.

C. Reporting and Payment Procedures

1. Program Income

The Subrecipient shall report QUARTERLY all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG funds made available under this agreement. The use of program income by the Subrecipient shall comply with the requirements set forth at 24 CFR 570.504. By way of further limitations, the Subrecipient may use such income during the agreement period for activities permitted under this agreement and shall reduce requests for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the Grantee at the end of the agreement period. Any interest earned on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the Grantee.

2. Direct and Indirect Costs

Only direct costs, that can be identified specifically with a particular final cost objective, and can be directly identified and assigned and charged to this CDBG award will be considered as eligible costs under this agreement. These direct costs must not be recoverable under any other Federal award under a direct or indirect cost center.

Indirect costs shall not be charged under this agreement.

3. Payment Procedures

The Grantee will pay to the Subrecipient funds available under this Agreement based upon information submitted by the Subrecipient and consistent with any approved budget and Grantee policy concerning payments. Payment will be made for eligible expenses actually incurred by the Subrecipient, and not to exceed actual cash requirements. In addition, the Grantee reserves the right to liquidate funds available under this agreement for costs incurred by the Grantee on behalf of the Subrecipient.

4. Progress Reports

The Subrecipient shall submit regular Progress Reports to the Grantee in the form, content, and frequency as required by the Grantee and identified in section IV above.

D. Procurement

1. Compliance

The Subrecipient shall comply with the requirements of Title 2 Grants and Agreements, Subtitle A-Office of Management and Budget Guidance for Grants and Agreements and current Grantee policy as defined by the City of Killeen Grants Administration Manual and other such policy as may be applicable regarding the expenditure and use of CDBG funds provided herein. All program

assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement.

2. Use of Debarred, Suspended, Ineligible Contractors or Subrecipients:

Subrecipient agrees and binds itself that it has not and will not directly or indirectly employ, award contracts to, or otherwise engage the services of any contractor or other subrecipient of CDBG monies during any period of that contractor's or subrecipient's debarment, suspension, or placement of ineligibility status to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contain the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

3. OMB Standards

Unless specified otherwise within this agreement, the Subrecipient shall procure all materials, property, or services in accordance with the requirements of the City of Killeen Grants Administration Manual and 2CFR 200.317-200.326.

4. Energy Conservation

Unless specified otherwise within this agreement, the Subrecipient and its contractors shall comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94A 163, 89 Stat. 871).

5. Travel

The Subrecipient shall obtain written approval from the Grantee for any travel outside the metropolitan area with funds provided under this Agreement.

E. Use and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of the City of Killeen Grants Administration Manual, 2 CFR Part 200 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

1. The Subrecipient shall transfer to the Grantee any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration, cancellation, or termination.
2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement shall be used to meet one of the CDBG National Objectives until ten (10) years after expiration of this Agreement [or such longer period of time as the Grantee deems appropriate]. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Subrecipient shall repay Grantor one hundred percent (100%) of any grant amount received for acquisition, rehabilitation, and new construction for a period of five (5) years under

the Agreement. If project is used for more than five (5) years, Grantor shall reduce the percentage of the amount required to be repaid by twenty (20) percentage points for each year for years six (6) through ten (10); OR, pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantee. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the ten-year period or such period of time as the Grantee deems appropriate.

3. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be (a) transferred to the Grantee for the CDBG program or (b) retained after compensating the Grantee [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

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

The Subrecipient 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 section 104(d) of the HCD Act; and (c) the requirements in 24 CFR 570.606. The Subrecipient 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 Subrecipient also agrees to comply with applicable Grantee ordinances, resolutions and policies concerning the displacement of persons from their residences.

X. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Subrecipient agrees to comply with The Constitution of the State of Texas, Texas Fair Housing Act, Texas Property Code Chapter 301 and the Texas Labor Code, Chapter 21, 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 Subrecipient 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 Section 109 of the HCDA are still applicable.

3. Land Covenants

This agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352) 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 agreement, the Subrecipient 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 Grantee and the United States are beneficiaries of and entitled to enforce such covenants. The Subrecipient, 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 Subrecipient 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 Grantee shall provide the Subrecipient with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B. Affirmative Action

1. Approved Plan

The Subrecipient agrees that it shall be committed to carry out pursuant to the Grantee's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. The Grantee shall provide Affirmative Action guidelines to the Subrecipient to assist in the formulation of such program. The Subrecipient shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

2. Women and Minority-Owned Businesses (WMBE)

The Subrecipient 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 agreement. As used in this agreement, 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. For the purpose of this definition, "minority group members" are defined as having an ethnic background consisting of Asian, Black, Hispanic, East Asian Indian, and/or Native American. The minority group members must be residents with rights as a U.S. Citizen. 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

The Subrecipient 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 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 Subrecipient will send to each labor union or representative of workers with which it has a collective bargaining agreement or other agreement 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.

5. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement

The Subrecipient 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.

6. Subcontract Provisions

The Subrecipient will include the provisions of Paragraphs X.A, Civil Rights, and B, 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 Subrecipient is prohibited from using funds provided herein for personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

2. Labor Standards

The Subrecipient agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 *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 Agreement. 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 Grantee for review upon request.

The Subrecipient agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under agreements in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided

under this agreement, shall comply with Federal requirements adopted by the Grantee pertaining to such agreements and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR 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 Subrecipient of its obligation, if any, to require payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such agreements subject to such regulations, provisions meeting the requirements of this paragraph.

3. “Section 3” Clause

a. Compliance

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this agreement, shall be a condition of the Federal financial assistance provided under this agreement and binding upon the Grantee, the Subrecipient and any of the Subrecipient’s subrecipients and subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Subrecipient and any of the Subrecipient’s subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other impediment that would prevent compliance with these requirements.

The Subrecipient further agrees to comply with these “Section 3” requirements and to include the following language in all subcontracts executed under this Agreement:

“The work to be performed under this Agreement 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. 1701u (section 3)). 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.”

The Subrecipient 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 agreements 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 Subrecipient certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

b. Subcontracts

The Subrecipient 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 Subrecipient 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 135 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.

D. Conduct

1. Assignability

The Subrecipient shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto; provided, however, that claims for money due or to become due to the Subrecipient from the Grantee under this agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontracts

a. Approvals

The Subrecipient shall not enter into any subcontracts with any agency or individual in the performance of this contract without the written consent of the Grantee prior to the execution of such agreement.

b. Monitoring

The Subrecipient 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 Subrecipient shall cause all of the provisions of this contract in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process

The Subrecipient shall undertake to insure that all subcontracts let in the performance of this Agreement 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 Grantee along with documentation concerning the selection process.

3. Hatch Act

The Subrecipient agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

4. Conflict of Interest

The Subrecipient agrees to abide by the provisions of 2 CFR 200.112 and 570.611, which include (but are not limited to) the following:

- a. The Subrecipient 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 agreements supported by Federal funds.
- b. No employee, officer or agent of the Subrecipient shall participate in the selection, or in the award, or administration of, an agreement 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 agreement, or have a financial interest in any agreement, 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 any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Subrecipient, or any designated public agency.

The Subrecipient must disclose, in writing, any potential conflict of interest to the Federal awarding agency, non-Federal entity or pass-through entity in accordance with applicable Federal awarding agency policy.

5. Lobbying

The Subrecipient hereby certifies that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, 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 agreement, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal agreement, 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 agreement, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
- c. It will require that the language of paragraph (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and agreements under grants, loans, and cooperative agreements) and that all Subrecipients shall certify and disclose accordingly:
- d. Lobbying Certification
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 agreement results in any copyrightable material or inventions, the Grantee and/or grantor agency reserves the right to 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 Subrecipient agrees that funds provided under this Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

Additionally, the following shall apply to faith-based organizations receiving funding under the CDBG program:

- a. During the competitive CDBG funding process, Subrecipient was assessed on merit and performance of eligible activities and not on religious or secular character.
- b. Subrecipient shall retain its independence from federal, state, and local governments, and shall continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct HUD funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Subrecipient may still engage in inherently religious activities provided they are voluntary for participants in HUD-funded activities and activities occur separately in time or location from the HUD-funded activities. Subrecipient shall retain its authority over internal governance, constitute its board on a religious basis, display religious symbols and icons, and retains its Title VII exemption, which permits it to hire only employees that share its religious beliefs without incurring liability under the Civil Rights Act. Subrecipient must comply with all the statutory requirements of the CDBG program imposing nondiscrimination requirements on all grantees and their recipients, subrecipients, subgrantees, and contractors that no person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.
- c. Subrecipient must serve all eligible beneficiaries without regard to religion and shall not restrict CDBG-funded services or housing to people of a particular religion or religious denomination.
- d. Subrecipient shall allocate its costs so that CDBG funds are used only for eligible acquisition, construction, and rehabilitation of buildings or other real property. Subrecipient shall not use CDBG funds for improvements to sanctuaries, chapels, or any other room that the congregation uses as its principal place of worship.
- e. Subrecipient shall be subject to the government-wide regulations governing real property disposition either after the term of the grant or changes in the use of the real property during the term of the grant.
- f. All requirements under the 24 CFR Part 92 participation in HUD Programs by Faith-Based Organizations; Providing for Equal Treatment of all HUD Program Participants shall apply to state or local funds if a state or local government chooses to commingle its own funds with the HUD funds covered by the rule.
- g. Subrecipient shall be monitored in accordance with Performance Monitoring section of this agreement to assure compliance with program requirements.

XI. ENVIRONMENTAL CONDITIONS

A. Air and Water

The Subrecipient agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

- Clean Air Act, 42 U.S.C. , 7401, *et seq.*;
- 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 114 and Section 308, and all regulations and guidelines issued thereunder;

- 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 Subrecipient shall assure that for 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 Subrecipient agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, Subpart B. 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

The Subrecipient agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are included or are eligible for listing on a Federal, state, or local historic property list.

XII. SEVERABILITY

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

XIII. SECTION HEADINGS AND SUBHEADINGS

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

XIV. WAIVER

The Grantee's failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the Grantee to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

XV. ENTIRE AGREEMENT

This agreement along with the City of Killeen Grants Administration Manual constitutes the entire agreement between the Grantee and the Subrecipient for the use of funds received under this Agreement and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the Grantee and the Subrecipient with respect to this Agreement.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, GRANTEE and SUBRECIPIENT have signed two (2) original Agreements, with one original to be retained by GRANTEE and one original to be retained by SUBRECIPIENT. All portions of Agreement documents are signed and identified by GRANTEE and SUBRECIPIENT.

Executed this _____ day of _____, _____.

GRANTEE: CITY OF KILLEEN

SUBRECIPIENT:

KENT CAGLE, CITY MANAGER
CITY OF KILLEEN, TEXAS

TAMA SHAW, CHIEF EXECUTIVE OFFICER

ATTEST

Fed. I. D. # 74-1547195

D.U.N.S. # 09-705-2021

STATE OF TEXAS §
COUNTY OF BELL §

BEFORE ME, a Notary Public, on this day personally appeared _____
known to me to be the person and officer whose name is subscribed to the foregoing instrument,
and acknowledged to me that he executed the same for the purpose and consideration therein
expressed, in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of

_____, _____
(Seal)

Notary Public, State of Texas