CITY OF DALLAS
TERM SHEET

EXHIBIT C

1950 Fort Worth Avenue PSH Redevelopment Project
June 5, 2024

Proposed Permanent Supportive Housing (PSH)
Conditional Grant Agreement and
Development Agreement with Forgivable Loan

This Term Sheet outlines the City of Dallas' ("**City**") general intent to provide project financing for a development proposal known as Permanent Supportive Housing ("**PSH**") Development and Operations, and Land Conveyance Notice of Funding Availability (collectively "**NOFA**") for the project located at 1950 Fort Worth Avenue, Dallas, Texas 75208 ("**Project**"). This Term Sheet is based on the **St. Jude Inc.** Project budget submitted to the City through the PSH NOFA Application released on January 9, 2024. **St. Jude Inc.** submitted its PSH Development and Operation and Land Conveyance NOFA application on March 11, 2024 for proposed redevelopment and operations through a conditional grant agreement using **$2,345,273.00 ("Grant"** or **"Grant Amount"** in 2017 General Obligation Bond Fund Homeless Assistance (J) Fund ("**Prop J**") and a development agreement with a forgivable loan with land conveyance pursuant to Texas Local Government Code ("**TLGC**") Chapter 272.001(g) and applicable laws and regulations using **$2,444,727.00** ("**Loan**" or "**Loan Amount**") in HOME Investment Partnerships Fund ("**HOME**") with the City for a total amount not to exceed **$4,790,000.00** in Prop J and HOME funds.

Under the Project requirements, the City intends to convey and the **St. Jude Inc.** agrees to accept conveyance of the city-owned real property located at 1950 Fort Worth Avenue, Dallas, Texas 75208 f/k/a known as Miramar Hotel (the "Property") (pursuant to TLGC Chapter 272.001(g) and subject to (i) a right of reverter with a right of re-entry for failure to comply with the provisions of this Term Sheet and, later, the final Grant Agreement (defined below), Loan Agreement (defined below), and Services Agreement (defined below) for PSH and (ii) deed restrictions). Failure to comply with the provisions of this Term Sheet will result in the Property being immediately reverted to the City upon the City's filing a Notice of Exercise of Reverter in the Real Property Records of Dallas County, Texas. Upon conveyance, the Developer shall rehabilitate the Property with city-funding into at least 65 but not more than 75 efficiency units that meet federal and local design standards for PSH for persons experiencing homelessness in collaboration with and acceptance of the design plans by Kirksey Architects, the City's architectural and engineering firm. Upon completion of the required rehabilitation work and occupancy of the efficiency units by Eligible Tenants (defined below), **St. Jude Inc.** shall operate the rehabilitated facility as PSH for a period of 20 years to serve the City's public purpose to assist homeless families and individuals by providing temporary and permanent housing in conjunction with supportive services, with a focus on elderly, disabled and former members of the armed forces.

St. Jude Inc. agrees to provide between 65 to 75 studio apartments with a combination living and sleeping space, kitchen, and bathroom. Each 187 square foot (approximately) efficiency unit will be furnished, and all utilities and Wi-Fi will be paid by the Owner. **St. Jude Inc. shall maintain** long-standing relationships with key service organizations, such as MetroCare, Veterans Administration Supportive Housing (VASH), and Catholic Charities along with referrals made through Housing Forward's Coordinated Entry List – will assist Developer to create a prioritized list of persons experiencing homelessness in Dallas based on the tenant's status as elderly, disabled or veteran. **St. Jude Inc. shall accept** additional subsidies provided through a combination of 50 project-based vouchers through Housing Forward and tenant-based rental assistance through partner organizations as well as fundraising from private foundations with the requirement that no tenant will pay more than 30% of his/her monthly gross income towards rent.

The final terms and conditions of the **Prop J** and **HOME** funding amounts are subject to final underwriting completed by the City followed by City Council consideration and approval, and nothing herein should be construed by **St. Jude Inc.** or any other party as a final commitment of funds.

LENDER	City of Dallas ("**City**")
DEVELOPER/MANAGER/ BORROWER/GRANTEE	St. Jude Inc., a 501(c)(3) nonprofit and/or its wholly controlled subsidiary ("**Developer**")
PROPERTY MANAGER/SUPPORTIVE SERVICE PROVIDER	Catholic Charities Dallas ("**Provider**")
USE/PROJECT DESCRIPTION	Upon the City's conveyance of the Property to Developer pursuant to TLGC 272.001(g), Developer shall rehabilitate the Property, and Provider shall be responsible to operate the Property to serve the City's public purpose, including but not limited to ensuring the units are occupied by Eligible Tenants (defined below), managing the, and providing on-site supportive services in line with PSH (the "Services"). As part of the Developer's rehabilitation work, the building exterior will be painted, roof replaced, new signage, security cameras and controlled access installed, realignment and repair of access gate, all windows replaced, and parking lot renewed and restriped to support the final unit count. The Project will be comprised of between 65 to 75 efficiency units (approximately 187 sq ft) to be newly built from the studs, plumbing, electrical, cabinets, hard countertops, subject to Director's approval, refrigerator, microwave, cooktop, full paint refresh, new vinyl flooring, new shower shells, new packaged air conditions units install in all units. The existing building common areas will be re-configured to include guest welcome area and security checkpoint, community room addition, conference room, three (3) staff offices, three (3) casework offices, resident lounge (coffee bar/tv room), exterior covered patio/picnic space, four (4) laundry rooms (two (2) upstairs/two (2) downstairs) and mailboxes. Before initiating any rehabilitation work, Developer shall submit its final plan and budget to the Director for final review and approval. If the scope of the Project is materially modified, in the Director's sole discretion, prior to his/her approval the Director shall undergo additional underwriting to ensure that the modified scope of the Project is in conformance with the City's underwriting criteria, which may result in a reduction of the Grant Amount and/or Loan Amount. Catholic Charities will provide or coordinate to provide a robust menu of supportive services to tenants. A total of 50 project-based vouchers will be made available through Housing Forward, the HUD Continuum of Care for Dallas and Collin Counties, and the remaining 25 efficiency units will be assigned to partner agencies in which such partner agencies will be assigned units within the Property by agreement. Partner agencies will provide unit subsidies (primarily tenant-based rental assistance) and assist the Property Manager to provide the on-site supportive services required for the tenants. Catholic Charities and/or an affiliate will serve as the Property Manager. Each partner agency will provide

	funds to subsidize the units and delivery of services for its individual contractual efficiency unit(s).
BOND GRANT/HOME FORGIVABLE LOAN	Total Amount not to exceed **$4,790,000.00** comprised of **$2,345,273.00** in Prop J funds (the "**Grant**") and **$2,444,727.00** in HOME funds (the "**Loan**") for eligible expenses to be more particularly described in the Permanent Supportive Housing ("**PSH**") Conditional Grant Agreement ("**Grant Agreement**") and the Development Agreement with Forgivable Loan (the "**Loan Agreement**") (collectively, the Grant Agreement and the Loan Agreement shall be referred to as the "Agreement"), the Grant Documents (defined below), and the Loan Documents (defined below). The total maximum amount of the NOFA award is **$4,790,00.00**. The Developer shall use the conditional grant funds for rehabilitation costs, as allowed by Prop J Bond fund requirements and use the forgivable loan funds for hard construction costs such as framing, roofing, carpentry, and other eligible costs, as allowed by federal regulations governing the use of HOME funds (24 CFR 92.206). All grant and loan funds will be provided on a reimbursement basis within 30 – 45 calendar days of the Director's verification and receipt of documentation.
INTEREST RATE (LOAN)	**1%** simple annual interest
LAND CONVEYANCE/SITE CONTROL	City will convey and the Developer agrees to accept conveyance of the city-owned improved real property located at 1950 Fort Worth Avenue, Dallas, Texas 75208 f/k/a known as Miramar Hotel (the "Property") (pursuant to TLGC Chapter 272.001(g) and subject to a right of reverter with a right of re-entry, and deed restrictions. Developer shall upon conveyance assume responsibility for grounds maintenance, security, and routine and major maintenance. Developer will assess recommendation to install a fence to deter the adjacent property owner from encroaching on the Property site. Developer will assume five-year renewal of the Special Use Permit No. 2453 ("**SUP**") if approved by the Dallas City Council on or about June 26, 2024 and will be solely responsible for submitting required documentation in accordance with the SUP conditions. For the term of the SUP, Developer will be required to adhere to the SUP conditions. Developer will also be required to sign a Property Management Services agreement ("**Services Agreement**"). In addition, following operation of the facility as PSH, Developer shall make best efforts to seek a re-zoning change that permits operation of the PSH.
TERMS OF GRANT AND LOAN	i. The term of the Grant is **20 years** beginning from the date council approves the Project by resolution ("**Effective date**"). ii. The term of the Loan will be effective from the Effective Date until **20 years** from the date the Project status is changed to "complete" in HUD's Integrated Disbursement and Information System ("IDIS") project reporting system, as further described in the Loan Documents.

	iii. The Loan will be forgivable, as set forth below.
PAYMENT/REPAYMENT	i. The Loan funds paid pursuant to the Agreement are secured by a promissory note and shall be repaid to the City in the event of Default. No principal and/or interest payments on the promissory note shall be due and payable to the City, however, unless there is either an uncured event of a Default or Developer refinances the Loan during the Affordability Period. If Developer complies with all obligations contained in the Grant Agreement and the Loan Agreement, the principal amount of the promissory note will be forgiven in 1/20 increments (i.e., $123,635) beginning on the first anniversary following the date the Project status is changed to "complete" in HUD's IDIS project reporting system and in accordance with the Loan Documents and the property management services agreement, as verified by the Director and confirmed by written notice to the Provider. ii. After forgiveness of the Loan, Deed Restrictions and Deed of Trust will continue to secure the Developer's performance of the requirements described in the Loan Documents until termination of the 20-year Affordability Period with the exception of the Deed Restriction for the 20-year Voucher Period as defined below. iii. The Grant is not subject to repayment but shall be subject to recapture if the Developer fails to comply with the performance requirements under the Grant commits or permits an Event of Default, fails to comply with the Bond Requirements, or fails to carry out the public purpose. iv. The Loan may be prepaid, in whole or in part at any time and from time to time, without penalty; provided however, the performance of the Loan requirements and the deed restriction under the Loan Documents will continue throughout the Affordability Period and Voucher Period as defined in the Loan Documents. v. The remaining balance of the Loan and outstanding interest is immediately due and payable upon the earlier of: sale, assignment, refinancing, transfer of the Project, or upon maturity.
COMPLETION DEADLINE	The rehabilitation of the Property and initial operation of the facility as PSH must be 100% complete no later than December 31, 2025.
PENALTY AND DEFAULT PROVISION	Developer shall comply with all the terms and provisions of the Grant Agreement, Loan Agreement, and any related Loan Documents and/or Grant Documents. If the Developer does not comply or defaults under the terms of Loan Documents and does not cure said defaults during the cure period provided in the Loan Documents, interest on the unpaid principal Loan Amount will thereafter accrue at a rate of **500** basis points (**5%**) over the interest rate in the promissory note and be immediately payable in addition to the entire outstanding principal Loan Amount. If the Developer does not comply or defaults under the terms of Loan Documents and does not cure said defaults during the cure period provided in the Loan Documents, the entire Grant is subject to recapture by the City and the full amount of the Loan paid as of the date of termination will become a debt to the City and shall be immediately due, owing,

	and paid by the Developer to the City within thirty (30) calendar days of Developer's receipt of notice from the City of such termination and demand for repayment. Any repayment liability not paid to the City within such 30-day period shall accrue interest from the due date through collection at a rate equal to the lesser of (i) twelve percent (12%) per annum or (ii) the maximum non-usurious rate allowable by law.
COLLATERAL AND LOAN; LOAN DOCUMENTS	The Loan Agreement, promissory note, deeds of trust to secure payment and performance, and deed restrictions are collectively "**Loan Documents**". Deed Restrictions shall be senior to all other Project financing, subject to bond issuer restrictions and U.S. Department of Housing and Urban Development ("**HUD**") Restrictions, if applicable, and will be recorded to secure the **20-year Affordability Period** for the Affordable Units and **20-year Voucher Period** for the Voucher Units, as defined below, regardless of any prepayment of the Loan. The Loan will be subordinate to the construction and/or permanent financing for the Project only. To secure performance in connection with the Loan, one or more Deeds of Trust will be filed against the Property, including all improvements. The City's lien or lien position can be the second or third position, with the Director's prior written approval. In no instance shall the City's lien or liens be in less than **3rd** position. An intercreditor and subordination agreement will be required by and among the City and the other lender in a form reasonably acceptable to the City.
GRANT DOCUMENTS	The Grant Agreement and exhibits thereto, the deed restrictions, and the Services Agreement are collectively "**Grant Documents**".
DRAW PERIOD AND ELIGIBLE EXPENSES	All Prop J and HOME funds in the amount of $4,790,000.00 shall be used for rehabilitation as eligible costs in accordance with Prop J Bond funds and 24 CFR 92.206. Additionally, the City will conduct progress inspections to ensure that the work completed is consistent with all applicable requirements under the Agreement. Hard construction costs are specified in the Agreement and in accordance with Bond Requirements and HUD Regulations.
RESERVES REQUIREMENT	For this Project homeless households and/or providing PSH units, given the anticipated low-income tenants for these proposed projects, the City will allow Developer to include a line item on the Project Cost Proforma for an operating deficit reserve equal to five percent (5%) of the Project Cost. The Operating Deficit Reserve will be held by the City of Dallas or its designee or St Jude, Inc. The operating deficit reserve portion will be verified and sized during credit underwriting. Any disbursements from said operating deficit reserve account shall be reviewed and approved by the City. The City may, after stabilization of the Project and request by St. Jude, Inc., in the City's sole determination, approve a waiver of the operating debt reserve and release the funds back to St. Jude, Inc. Upon the expiration of the Affordability Period, any remaining balance will be released back to St. Jude, Inc.

	City requires capitalized operating reserves equal to at least one (1) **month** of underwritten operating expenses, replacement reserve deposits, and amortizing debt service must be included in the Project budget. This amount is not in addition to any operating reserve required by the permanent lender or the equity investor. The City may, after stabilization of the Project and request by St. Jude, Inc., in the City's sole determination, approve a waiver of the capitalized operating reserve and release the funds back to St. Jude, Inc. Upon the expiration of the Affordability Period, any remaining balance will be released back to St. Jude, Inc. City requires a lease-up reserve to cover operating deficits following the completion of construction based on lease-up projections and cash flow modeling. This reserve will be the amount, and not in addition to, any lease-up reserve required by the permanent lender or the equity investor. Developer will maintain a replacement reserve and make contributions on an annual basis equal to the greater of (i) **$300** per unit, (ii) the amount required by the equity investor, or (iii) the amount required by the permanent lender. Pro-rata annual contributions will commence with construction completion of the first units delivered. Should the Project experience negative cash flow in the future due to inflation escalators as required by the NOFA, Developer will be responsible for increased operating expenses. In the event there is an operating deficit in the future, Developer will provide an operational guarantee to cover any deficits during the operation of the Project. Developer agrees to permanently donate $300,000.00 of its portion of the total developer's fee to the Project.
AFFORDABILITY/ AFFORDABILITY PERIOD	The Project is to provide 100% of the units, between **65** to **75** units ("**Affordable Units**"), to households earning at or below **30%** of Area Median Income ("**AMI**") as defined by HUD or ("**Eligible Tenants**"). Eligible Tenants must be referred from Housing Forward, the Continuum of Care for Collin and Dallas Counties and must the tenant selection criteria set forth by Developer. Developer must recertify household income of Eligible Tenants annually as described in the Agreement. The Affordable Units must remain affordable to Eligible Tenants for a minimum of **20 years** from the date the Project status is changed to "complete" in HUD's IDIS project reporting system ("**Affordability Period**"). The remaining units will be market rate. In conformance with Dallas City Code, Developer shall set aside at least **10%** of the total units, which for this Project is between seven (**7**) and eight (**8**) units ("**Voucher Units**"), and solely lease those units to holders of housing vouchers ("**Voucher Holders**"), including vouchers directly or indirectly funded by the federal government. The Voucher Units are included in, and not in addition to, the Affordable Units.

	The Voucher Units must be set aside to Voucher Holders for a minimum of 20 years from the date of initial leases-up of all Voucher Units to Voucher Holders ("**Voucher Period**") If the Affordable Units do not remain affordable for the **20-year Affordability Period** and the and Voucher Units set aside for the **20-year Voucher Period**, then the City will exercise all of its remedies under the Loan Documents including, but not limited to foreclosure of the Project and requiring repayment of all HOME funds.
TENANT SOCIAL SERVICES/SUPPORTIVE SERVICES	The Developer, the Property Manager, and its affiliates and/or other partners will provide intensive case management, transportation services, nutrition management, support groups, and community-building (social engagement) activities and access coordination for medication for tenants. Mental health services and medical services shall be referred to the appropriate medical provider or community partner. On behalf of the All-Neighbors Coalition, Housing Forward will run a local competition to identify the service provider for the Project awarded by HUD under the FY 2023 CoC Program competition. The Project funds case management and integrated Behavioral Healthcare services for 50 PSH tenants. The Project budget is $555,247.00 in projected annual funding for 50 individuals at the Property. Housing Forward will work with Developer to run a coordinated procurement for services. This will allow Developer to have input into the selected provider to best serve the Property's future tenants. Developer has committed $12,675.00 in its annual operating budget for Social Services Coordination as an eligible operating cost.
TENANT REQUIREMENTS AND RENTAL RATES	Developer will apply for 50 project-based vouchers through the HUD Request for Proposal by Housing Forward for operating subsidies. The remaining 25 efficiency units will be funded through agreements with partner agencies in which the agencies will be assigned units within the property and will provide efficiency unit subsidies and the services for the tenants. Current partner agencies include: MetroCare, VASH, and Catholic Charities Dallas. Developer will provide an irrevocable commitment to fund any operating deficits for the Project during the Affordability Period. Developer shall rent to Eligible Tenants and Voucher Holders. Additionally, in conformance with Chapter 20A of the City Code, Developer shall not discriminate against holders of any housing vouchers, including vouchers directly or indirectly funded by the federal government or on the basis of race, religion, or national origin. Developer shall rent in accordance with affirmative marketing standards and the current HUD Section 8 rental income guidelines. Developer must use the maximum allowable rents, including utility allowance, as set annually by HUD at FY 2024 Income Limits Documentation System -- Summary for Dallas, TX HUD Metro FMR Area (huduser.gov)

<table>
<tr><td></td><td>The City shall approve the final rental rates for the Affordable Units and publish such rates in accordance with HOME regulations.</td></tr>
<tr><td><u>PROPOSED UNIT MIX</u></td><td>The Project will include 65 - 75 Affordable Units as follows:

<table>
<tr><th>Unit Type</th><th>Total Units</th><th>Affordable Units</th><th>Subsidy</th></tr>
<tr><td>0-BR/1-BA</td><td>50</td><td>50</td><td>Project-Based Vouchers</td></tr>
<tr><td>0-BR/1-BA</td><td>15-25</td><td>15-25</td><td>Varied Subsidy through Partners</td></tr>
<tr><td>Total</td><td>75</td><td>75</td><td></td></tr>
</table>

<table>
<tr><th colspan="4">Unit Mix</th><th></th></tr>
<tr><th>Bedrooms</th><th>Bathrooms</th><th>% of AMGI</th><th># of Units</th><th>Accessible Units</th></tr>
<tr><td>0-BR</td><td>1-BA</td><td>30%</td><td>50</td><td>4</td></tr>
<tr><td>0-BR</td><td>1-BA</td><td>30%</td><td>15-25</td><td>2</td></tr>
<tr><td>Total</td><td></td><td></td><td>65-75</td><td></td></tr>
</table>

Affordable Units and Voucher Units must be dispersed throughout the residential floor area of each building but may not be fixed to specific units and must float within each unit type. Affordable Units must be of identical fit-and-finish and material as the market rate units. Tenants of Affordable Units may not be restricted from common areas and amenities unless the restriction applies to all tenants.</td></tr>
<tr><td><u>TITLE INSURANCE</u></td><td>Developer will pay the cost of a lender’s title policy, including endorsements, insuring the total amount of the Loan.</td></tr>
<tr><td><u>GUARANTEES, PAYMENT AND PERFORMANCE BONDS</u></td><td>Not required for non-profits or Community Housing Development Organizations (“CHDOs”) per the Dallas Housing Resource Catalog (“DHRC”).</td></tr>
<tr><td><u>CLOSING COSTS</u></td><td>The property conveyance is to be closed at no cost to City. Developer shall pay all costs associated with the closing, including attorney’s fees, filing fees, title company fees and other closing costs.</td></tr>
<tr><td><u>COMPLIANCE WITH SERIES 2017A and 2017B BONDS AND RELATED TAX REQUIREMENTS</u></td><td>The parties understand that the Project will be financed, in part, with the proceeds of the Series 2017A and 2017B Bonds, including tax-exempt bonds, the interest on which is excludible from gross income for federal income tax purposes, issued in compliance with applicable requirements of Section 141 of the Internal Revenue Code, as amended, and Rev. Proc. 97-13, 1997-5 I.R.B. 18 (as modified by Rev. Proc. 2001-39, 2001-28 I.R.B. 38) (the "Tax Requirements"), and, as tax-exempt bonds, subject to all of the same Tax Requirements. In connection therewith, Developer understands and agrees that it will be required to make certain covenants to the bondholders to assure that the Series 2017A and 2017B Bonds remain in compliance with the Tax Requirements.</td></tr>
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<table>
<tr><td></td><td>Developer understands and agrees that the parties intend that the Services Agreement constitute a "Qualified Management Agreement" in compliance with the Tax Requirements and shall be interpreted in accordance with such requirements. Developer shall require the Property Manager, by written agreement, to operate and manage the Property in a manner that preserves compliance of the Series 2017A and 2017B Bonds with the Tax Requirements relating to conditions under which bond-financed property will not be considered used for an impermissible private business use.</td></tr>
<tr><td><u>COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAWS</u></td><td>Developer acknowledges and agrees that the Project will be financed, in part, with HOME funds and must comply with all applicable federal requirements, including those described in the form of exhibit attached hereto as Exhibit A, which form, or such other form as the City may approve, will be attached to the Loan Agreement.

If it is determined by the City, HUD or other local, state or federal audit that use of all or any part of the HOME funds does not meet federal, state or local guidelines, Developer will reimburse City for the costs determined to be ineligible and/or disallowed under the said audit.

Project will meet the property standards in 24 CFR Part 92.251 and lead-based paint standards in and 24 CFR Part 92.355, as well as City building codes and standards.

Developer must comply with Section 504 of the Rehabilitation Act of 1973. Section 504 requires 5% of the total dwelling units, or a minimum of 1 unit, whichever is greater, to be accessible for persons with mobility disabilities (“Mobility Disabled Units”). An additional 2% of the total dwelling units must be accessible for persons with hearing or visual disabilities (“Sensory Impaired Units”). The Mobility Disabled Units and Sensory Impaired Units may be comprised of the Affordable Units, Voucher Units, or market rate units. The Section 504 requirements for the Project are as follows:

<table>
<tr><th>Mobility Disabled Unit(s)</th><th>Sensory Impaired Unit(s)</th></tr>
<tr><td>4</td><td>2</td></tr>
</table>

Developer must certify that it is not currently listed on the Federal Excluded Parties List System for Award Management, www.sam.gov, (“SAM”). Developer will comply with 2 CFR Part 200 which forbids the hiring or continuing to employ any contractor, subcontractor or vendor in the construction of the Project that is listed on SAM.

Developer must comply with and will ensure that its contractors comply with Section 3 of 24 CFR 75.27.

Developer must comply with all prescribed procedures regarding nondiscrimination and equal opportunity, affirmative marketing, displacement and relocation, labor relations, and conflict of interest provisions described in 24</td></tr>
</table>

	CFR 92 subpart H, 24 CFR Part 92.504, and all other applicable federal, state, and local laws and regulations. If applicable, Developer must comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act (40 U.S.C. 276a-7) 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. Developer must comply with all applicable federal, state, and local laws and regulations.
AUDITS/INSPECTIONS	City will conduct the HOME required monitoring during the Affordability Period to ensure Affordability requirements. City will inspect Affordable Units as necessary to comply with Bond and HOME requirements. Developer shall allow City, HUD, State of Texas, the Comptroller General of the United States ("**GAO**"), and all other pertinent federal or state agencies or their designated representative the right to inspect records and property. Developer will maintain records according to the recordkeeping requirements outlined below.
INSURANCE REQUIREMENTS	Developer must maintain insurance and provide coverages per the City's Risk Management Department requirements after it completes review of the full Project scope. If applicable insurance policies and required coverages are provided and the City's Risk Management Department approves, Developer can, as applicable, name the City as an additional insured or loss payee on the insurance policies required by the permanent lender.
RECORDKEEPING	Developer must maintain records that will provide accurate, current, separate, and complete disclosure of the status of the funds received from the Loan pursuant to any other applicable federal, state, and/or local regulations establishing standards for financial management. At any reasonable time and as often as City may deem necessary, Developer will make available to City all of its respective records that are applicable and will permit City to conduct audits of all contracts, invoices, materials, payrolls, records of personnel, conditions or employment, annual Eligible Tenant income verification, and all other data relating to the stated Use/Project Description. Developer will provide monthly financial and beneficiary reports that will contain such records, data and information as City may request pertinent to matters covered by the Loan. Reports will be due to the Department of Housing and Neighborhood Revitalization within **45 days** of the end of the quarter. Developer will provide any additional information as requested by the City within **10 days** of date of request. At the City's option, Developer may be required to obtain and submit an audit of Project costs (i.e., cost certification) prepared by an independent Certified Public Account.
FORGIVABLE LOAN CONDITIONS	This Term Sheet does not constitute a commitment of funds or site approval, and any commitment of funds or approval of the Grant may occur only upon satisfactory completion of the following items:

i. The Loan principal and Interest are forgivable in accordance with the terms of forgiveness.

ii. An environmental review conducted by City and completion of an Environmental Review Record and receipt by the City of an Authorization to use Loan Funds from HUD under 24 CFR Part 58. The environmental review may result in a decision by City to proceed with, modify or cancel the City's participation in the Project. If the Project is modified by Developer after receiving environmental approval, all work on the Project must stop until receiving authorization to proceed from City. Modifications to the Project that would require further environmental review include but are not limited to changes in location, elevations, site plans, or any other aspect of the Project scope originally submitted for environmental approval.

iii. **Developer is prohibited from undertaking or committing any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the completion of environmental review and receipt of the Authorization to Use Loan Funds from HUD. Violation of this provision will result in the denial of HOME funds. A Notice to Proceed from the City to Developer will be issued when environmental clearance has been received. Any change in any aspect of the Project that was originally submitted for environmental review will result in the City determining in its sole discretion whether to make the HOME forgivable Loan for the Project.**

iv. HUD Approval of Site and Neighborhood Standards per 24 CFR Parts 92.202 and 983.6(b). Developer must provide any relevant information required by HUD if a Neighborhood and Site Standards Study is required by HUD.

v. City determination that the Project is not over-subsidized with HOME funds as required by 24 CFR Part 92.250(b).

vi. City determination that the costs are reasonable as required by 2 CFR 200 subpart E.

vii. Developer must agree to all conditions to City Loan as required for Developer Programs under the Dallas Housing Policy 2033 ("**DHP33**") and DHRC.

viii. Submission of equity, construction and permanent financing documents for the Project in a form satisfactory to City.

	ix. Closing on equity and all other financing for the Project. Notwithstanding the foregoing, the City in its sole discretion can close the City's forgivable Loan earlier than closing on equity and all other financing for the Project.
REPAYMENT OBLIGATION; TERMS OF FORGIVENESS	i. The Loan funds paid pursuant to the Agreement are secured by a promissory note and shall be repaid to the City in the event of Default. No principal and/or interest payments on the promissory note shall be due and payable to the City, however, unless there is either an uncured event of a Default or Developer refinances the Loan during the Affordability Period. If Developer complies with all obligations contained in the Grant Agreement and the Loan Agreement, the principal amount of the promissory note will be forgiven in 1/20 increments (i.e., $123,635) beginning on the first anniversary following the date the Project status is changed to "complete" in HUD's IDIS project reporting system and in accordance with the Loan Documents and the property management services agreement, as verified by the Director and confirmed by written notice to the Provider. ii. The repayment obligation, however, shall not be required provided the Property is used as a PSH Facility. At the time the Provider no longer operates the Property as a PSH Facility during the Affordability Period, as determined in the sole discretion of the Director, the remaining balance of the promissory note shall be due and payable to the City. Said payment will be made to the City no later than sixty (60) days after the Director has provided written notice of the same to Provider.
OTHER REQUIREMENTS	i. Provided that the construction documents are finalized and the final Project scope of work has been approved, construction must begin within **one (1) month** of HUD authorization to use Loan funds, or execution of the Agreement with City, after obtaining all required permits to begin construction, and construction is expected to be completed by November 15, 2025, but in no event later than December 31, 2025. ii. Developer or an affiliate will be liable for and will promptly pay all fees it incurs, including expenses and charges incurred in connection with the negotiation and preparation of the documents governing or securing the Loan, and other expenses incurred in connection with the Project including appraisal and Texas Commission on Environmental Quality environmental fees, whether or not the Loan closes. iii. Documentation must be acceptable in all respects to the City. iv. Developer agrees to provide all items as required for loan closing as outlined under Developer Programs in the DHP33 and the DHRC. v. All construction contracts, plans, specifications, surveys, etc. must be acceptable to City and assigned as additional collateral. Approval is subject to review of plans, specifications and cost estimates.

	vi. Developer must agree to any reasonable terms and conditions in the Loan Documents that are necessary to ensure that City and Developer remains in compliance with all federal, state and local laws, regulations and ordinances regarding or applicable to the Project. vii. Funds expended prior to the date of the resolution of City Council approving the Loans are not eligible for reimbursement from HOME Funds. viii. **Local Hiring.** Developer shall use and document best efforts to recruit and hire City of Dallas residents for any jobs created by the Project. Best efforts shall include a written plan to advertise locally and to participate in local job fairs/recruitment events. The plan shall be prepared, coordinated with, and approved by the Director of Housing and Neighborhood Revitalization to ensure broad publication to Dallas residents from all areas of the City of the employment opportunities available with the construction and operation of the Project. ix. **M/WBE.** Developer shall make a good faith effort to comply with the City's Business Inclusion and Development ("**BID**") goal of **32%** participation by certified Minority/Women-owned Business Enterprises ("**M/WBE**") for all hard construction expenditures of the Project (i.e., public and private improvements) and meet all reporting requirements of the City of Dallas Office of Business Diversity. x. **City Council**. Developer acknowledges and agrees that deadlines and conditions beyond those contained in this Term Sheet may be imposed by the City Council and, once established and incorporated into the Agreement, Grant Documents, and Loan Documents, will require further action of the City Council to modify such deadlines and conditions, unless otherwise allowed for in the Agreement, Grant Documents, and Loan Documents in exchange for additional consideration. Be aware that any future change in the Grant Amount, the Loan Amount, the Project funding sources, the Project scope, Agreement material terms, timing of the Project completion or key milestones, will require City Council approval. City commitments to the Project may be re-evaluated and possibly reduced at that time if the Project completion is delayed, the scope of the Project is reduced in any manner, or the Developer has committed or permitted and event of default. Developer acknowledges and agrees that any change to the scope of work that reduces the number of Affordable Units below 65 and/or any modifications to the scope of work that result in a request to increase the incentive amount requires City Council approval.

Please note that City staff requires specific agreement to the proposed terms and conditions, as evidenced by your signature confirming your agreement below, **prior to taking the 1950 Fort Worth Avenue PSH Redevelopment Project forward for final underwriting, as well as Housing and Homelessness Solutions Committee and, ultimately, City Council consideration**. In addition, all proposed terms

require final approval by the City Council. These terms and conditions will be incorporated into the Agreement, the Grant Documents, and the Loan Documents.

City staff will use reasonable efforts to present this non-binding Term Sheet to City Council as soon as reasonably practicable. This Term Sheet supersedes all prior meetings and correspondence regarding this matter. Developer acknowledges that the City's final commitment of funds cannot be made prior to City Council approval.

The Parties further intend to form one or more final agreements with regard to the subject of this Term Sheet. Although the Term Sheet does not create a binding agreement, the legal force and effect of the Term Sheet is that as to all terms described herein, the terms of the final Grant Agreement and the final Loan Agreement shall be identical to these terms, unless agreed otherwise by the Developer and City Council.

It shall be an actionable breach of contract if either Party shall:

(i) Refuse to bargain in good faith toward reaching a final Grant Agreement and final Loan Agreement;

(ii) Unless the other Party waives in writing, fail to meet deadlines or duties, if any, imposed toward reaching the final Grant Agreement and final Loan Agreement by December 31, 2024;

(iii) Refuse (unless waived, in writing, by the other Party) to accept any term or terms of the final Grant Agreement and final Loan Agreement, followed by the Services Agreement prior to operation of the PSH; or

(iv) To refuse to agree to reasonable proposed final Grant Agreement terms and final Loan Agreement terms not contained in and not at variance with the Term Sheet in order to avoid a final Grant Agreement and final Loan Agreement containing terms of the Term Sheet.

Any notice to be given regarding the subject matter of the Term Sheet shall be given by any receipted means or irrevocably journalized (including, without limitation, email) to the Parties at their respective mailing addresses and email addresses below the signature lines.

It is expressly understood that if a final Grant Agreement, final Loan Agreement are not executed by the Parties in accordance by the date set forth in (b) above, followed by the Services Agreement, including any mutually extended date, the Term Sheet will be considered null and void and of no further force and effect.

Any funds disbursed will be subject to the City's receipt of satisfactory documentation and due diligence review and approval. Until the final Agreement, Grant Documents, and Loan Documents are signed, this Term Sheet is confidential and is intended solely for the use of the Developer. No other person or parties have any rights whatsoever with respect to the above terms and conditions. These terms can be modified, or other terms negotiated between the parties only upon mutual agreement. All terms are subject to final underwriting review by the City's Housing and Homelessness Solutions Committee, and subsequent consideration and approval by City Council.

This offer and Term Sheet expire at 5:00 pm CST on June 14, 2024.

APPROVED AND ACCEPTED BY DEVELOPER:

_____

By_____ Date_____

_____ _____

Email address:

_____

Physical address

_____

_____

_____

EXHIBIT A
HOME Requirements

Funding for the Agreement[1] to which this Exhibit is attached has been provided to **St. Jude Inc.** ("Obligated Party") in full or in part through the U.S. Department of Housing and Urban Development's ("HUD") HOME Investment Partnership program ("HOME"). Obligated Party shall comply with the applicable requirements of the Agreement, this Exhibit, the HOME Regulations[2], and the specific terms and conditions of the HOME grant agreement in connection with the funding for the Agreement, including, without limitation, the following:

- Eligible activities and costs under 24 CFR 92.205;
- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards under 2 CFR Part 200[3];
- Program administration requirements under 24 CFR Part 92, Subpart K, including, without limitation, requirements for;
    - Records submission and maintenance;
    - Program Income reporting;
    - Reversion of assets;
    - Debarment, suspension, and remedies;
- 24 CFR Part 92 Subpart H requirements, including, without limitation, requirements for;
    - Fair Housing Act and title VI of the Civil Rights Act;
    - Affirmatively furthering fair housing[4];
    - Non-discrimination[5];
    - Equal Employment Opportunity and Section 3[6];
    - Labor standards[7];
    - Environmental Standards under 24 CFR Part 58, including requirements of the National Flood Insurance Program;

[1] Terms not otherwise defined in this Exhibit shall have the meaning assigned to them in the Agreement unless context requires otherwise.
[2] Requirements include the regulations in 24 CFR Part 92.
[3] Requirements of 2 CFR Part 200 apply as modified by 24 CFR 92.356 and 92.505.
[4] Includes affirmative marketing requirements of 24 CFR 92.351 and Executive Order 11063, as amended.
[5] Includes requirements of Section 109 of the Housing and Community Development Act of 1974, as amended; Section 17 of the United States Housing Act of 1937 (42 U.S.C. § 1437f(o)(13)); Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §§ 794, *et seq*.) and applicable regulations at 24 CFR Part 8 and Part 9; The American with Disabilities Act of 1990 (42 U.S.C. Sections 12101 et seq.) and the regulations at 31 CFR Part 17 and 28 CFR Parts 35-36; the Architectural Barriers Act of 1968 as amended (42 U.S.C. §§ 4151 *et seq*.) and the Uniform Federal Accessibility Standards, 24 CFR Part 40, Appendix A.
[6] Includes requirements of The Age Discrimination in Employment Act of 1967; The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101, *et seq*), including regulations in 31 CFR Part 23; Executive Order 11246, as amended.
[7] Includes section 110(a) of the Housing and Community Development Act of 1974, as amended. Includes the Contract Work Hours and Safety Standards Act, as amended (40 U.S.C. § 3701, *et seq*.) and Department of Labor Regulations under 29 CFR Parts 1, 3, 5, 6 and 7 and regulations under 24 CFR Part 70 for volunteers. Includes the Fair Labor Standards Act of 1938, as amended (29 U.S.C. § 201, *et seq*.) and regulations at 29 CFR Subtitle B, Chapter V. Includes the Copeland Anti-Kickback Act (40 U.S.C. § 276c) and regulations at 29 CFR Part 3.

  - Uniform relocation assistance[8];
  - Lead-based paint[9];
  - Prohibition on use of debarred, suspended, or ineligible contractors or subrecipients under 24 CFR Part 5[10];
  - Conflicts of interest[11];
- Closeout procedures established by HUD for the applicable funding program(s).

Obligated Party shall comply, and assist the City in complying, with all duties, requirements, and obligations in the Agreement and this Exhibit. Obligated Party agrees it is its responsibility to keep itself fully informed of and in compliance with all such requirements and to provide all notices as required by law. Obligated Party certifies and agrees that it is under no contractual or other disability which would prevent it from complying with all pertinent laws and regulations.

Obligated Party agrees and acknowledges that the Federal Government is not a party to the Agreement and is not subject to any obligations or liabilities to the City, contractor or subcontractor, or any other party pertaining to any matter resulting from the Agreement.

To the extent the provisions in this Exhibit conflict with the Agreement, the stricter of the provisions shall apply, unless and to the extent specifically set forth in the Agreement; provided, however, that the parties intend this Exhibit to be interpreted consistently with all applicable federal laws, rules, regulations, interpretive guidance and other materials of the federal agency providing the funding for the Agreement ("Funding Law, Regulations, and Guidelines").

Subcontracts, if any, shall contain a provision making them subject to all of the provisions stipulated in the Agreement and/or this Exhibit. With respect to any conflict between the Agreement, this Exhibit, and/or the provisions of state law, unless and to the extent specifically set forth in the Agreement, the more stringent requirement shall control, except as otherwise required under federal laws or regulations.

REQUIREMENTS FOR AGREEMENTS FUNDED BY HOME INVESTMENT PARTNERSHIP PROGRAM FUNDS

Compliance With Law.

Obligated Party hereby covenants and agrees that it has complied and continue to comply with all applicable Federal, state and local laws, ordinances, regulations, policies, guidelines, and requirements as they relate to acceptance and use of Federal funds for this federally-assisted program. It is the Obligated Party's responsibility to keep itself fully informed of and in compliance with all such requirements and to provide all notices as required by law. The

[8] Includes requirements under 24 CFR Part 92 and 49 CFR Part 24, as applicable.
[9] Includes requirements of the Lead–Based Paint Poisoning Prevention Act; the Residential Lead–Based Paint Hazard Reduction Act of 1992; and 24 CFR Part 35, as applicable.
[10] In accordance with 24 CFR 92.350(a).
[11] Includes requirements of 24 CFR 92.356 and 2 CFR 200.

Agreement is subject to all such laws, ordinances, regulations, policies, and guidelines, including, without limitation, the HOME Regulations; 24 CFR Subtitle B, including but not limited to Parts 5, 85, and 92.

Obligated Party agrees to comply with the requirements of 24 CFR Part 92, subpart H, except that (1) Obligated Party does not assume the City's environmental responsibilities described in 24 CFR § 92.352 and (2) Obligated Party does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Parts 50 and 58. Obligated Party also agrees to comply with all other applicable Federal, state, and local laws, regulations, and policies governing the funds provided under the Agreement and to utilize funds available under the Agreement to supplement rather than supplant funds otherwise available.

Use of the HOME Funds.

The City Funds shall be used only for eligible costs (see, e.g., 24 CFR 92.209 and 92.214), and all expenditures of the City Funds shall be completed within the times referred to in the HOME Program Participation Agreement between City and Obligated Party. Obligated Party shall comply with applicable uniform administrative requirements as described in 24 CFR 92.505.

Obligated Party shall comply with all project requirements set forth in 24 CFR 92.250-92.258, as applicable, in accordance with the type of project assisted. Obligated Party shall perform any construction work and maintain the Project in compliance with the property standards in 24 CFR 92.251. City shall have the authority to enforce Obligated Party's obligation to comply with the HOME Regulations.

Affordability.

The properties shall meet the affordable rent requirements of the HOME Regulations (24 C.F.R. § 92.252) or the Agreement, whichever is more restrictive.

Affirmative Marketing.

Obligated Party shall establish for City's review and approval a plan and procedures to affirmatively market the Program. The objective of the plan shall be to provide information and attract eligible persons from all racial, ethnic, and general groups in the housing market area to the Program. In connection therewith, Obligated Party shall perform those affirmative marketing responsibilities set forth in 24 CFR 92.351(a) and the marketing plan shall include the following:

i. methods for informing the public, owners, and potential buyers about federal fair housing loans and the City's affirmative marketing policy;

ii. requirements and practices Obligated Party must adhere to in order to carry out the affirmative marketing procedures and requirements;

iii. procedures to be used by Obligated Party to inform and solicit applications from persons in the housing market area that are not likely to apply for the housing without special outreach;

iv. records that will be kept describing actions taken by Obligated Party to affirmatively market the Program and records to assess the results of those actions; and

v. a description of how Obligated Party will assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

Displacement, Relocation, Acquisition, and Replacement of Housing.

If the Project or any work provided in accordance with the Agreement will result in the displacement of persons, Obligated Party covenants and agrees to comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. §§ 4601-4655) and implementing regulations at 24 CFR Part 92 and 49 CFR Part 24.

Civil Rights Act.

Obligated Party shall comply with the Civil Rights Act of 1964, as amended, and all regulations applicable thereto, which provides that no person shall be excluded from participation, denied program benefits, or subject to discrimination based on race, color, and/or national origin under any program or activity receiving federal financial assistance.

Obligated Party shall make it known that the Project is available to all on a nondiscriminatory basis. Where the procedures that Obligated Party intends to use to make known the availability of the Project are unlikely to reach persons with disabilities or persons of any particular race, color, religion, sex, age, or national origin within the area of the Project who may qualify, Obligated Party must establish additional procedures that will ensure that these persons are made aware of Project. Obligated Party must also adopt and implement procedures designed to make available to interested persons information concerning the existence and location of the Project that are accessible to persons with a disability. Obligated Party shall include the requirements of this section in every subcontract or purchase order.

Non-Discrimination and Equal Opportunity (24 CFR § 5.105(a); 24 CFR Part 92 Subpart H).

Obligated Party shall not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, sexual orientation, gender identity, age, national origin, or ancestry and shall comply with all non-discrimination laws relating to same, including, without limitation, ensuring compliance with the following:

Requirements of 24 CFR 92.350, which include requirements on nondiscrimination and equal opportunity, disclosure requirements, debarred, suspended or ineligible contractors, and maintaining a drug-free workplace.

The Fair Housing Act (42 U.S.C. 3601 et seq.), as amended, and implementing regulations at 24 CFR Parts 100 and 107; and Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), as amended, and implementing regulations issued at 24 CFR Part 1, which prohibit discrimination in housing on the basis of race, color, religion, sex, handicap, familial status, or national origin and require actions which affirmatively promote fair housing. Obligated Party shall cooperate in the fulfillment and submission of any requirements related to certifying compliance with obligations related to affirmatively furthering fair housing as set forth in 24 CFR 5.152.

Equal Access in Accordance with Gender Identity (24 CFR § 5.106).

The Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), as amended, and implementing regulations at 24 CFR Part 146.

Executive Order 11625, as amended by Executive Order 12007, relating to Minority Business Enterprises; Executive Order 12432, relating to Minority Business Enterprise Development; and Executive Order 12138, as amended by Executive Order 12608 relating to Women's Business Enterprise.

Executive Order 11246, as amended, requiring grantees and subrecipients and their contractors and subcontractors not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.

Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as amended, and implementing regulations at 24 CFR Part 8, which prohibit discrimination on the basis of age and discrimination against otherwise qualified individuals with disabilities.

The Equal Employment Opportunity Act of 1972, as amended, and the regulations issued at 41 CFR chapter 60, which provide for the promotion and insuring of equal opportunity for all persons, without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin, employed or seeking employment.

The requirements of 2 CFR 200.321 and 2 CFR 200.509, requiring Obligated Party to make efforts encouraging minority-owned and women's business enterprises for any activities funded in connection with the Agreement or this Exhibit. Obligated Party shall comply with the requirements of the Agreement and City policies encouraging minority-owned and women's business enterprises in connection with the Agreement.

Executive Order 11063, as amended by Executive Order 12259, and 24 CFR Part 107 ("Nondiscrimination and Equal Opportunity in Housing under Executive Order 11063"); The

failure or refusal of Obligated Party to comply with the requirements of Executive Order 11063 or 24 CFR Part 107 shall be a proper basis for the imposition of sanctions specified in 24 CFR 107.60.

Americans with Disabilities Act of 1990. Obligated Party shall not discriminate against handicapped persons and shall provide accessibility for handicapped persons in connection with the Agreement and the Project. Obligated Party shall comply with all applicable requirements of the Americans with Disabilities Act of 1990 and implementing regulations (28 CFR Parts 35-36), in order to provide handicapped accessibility to the extent readily achievable.

Protections for Whistleblowers.

Obligated Party may not discharge, demote, or otherwise discriminate against an employee in reprisal for disclosing, in accordance with 41 U.S.C. § 4712, information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant.

Section 3 of the Housing and Urban Development Act of 1968.

Obligated Party acknowledges that the work to be performed under the Agreement or in connection with this Exhibit is on 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 lower income residents and that contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by, persons residing in the area of the project. Obligated Party shall comply with the provisions of Section 3 and the regulations issued pursuant thereto by the U.S. Secretary of Housing and Urban Development ("**Secretary**") as set forth in 24 CFR Part 75, and all applicable rules and orders of HUD issued thereunder as of or prior to the Agreement.

Notice to Labor Organizations.

Obligated Party shall send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising such labor organization or workers' representative of its commitments under the Section 3 clause (set forth in "Include in Subcontracts" below) and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

Include in Subcontracts.

Obligated Party shall include a Section 3 clause in every contract and subcontract for work in connection with the Project and shall, at the direction of the City, take appropriate action pursuant

to the contract or subcontract upon a finding that the contractor or subcontractor is in violation of regulations issued at 24 CFR Part 75. Obligated Party shall not contract or subcontract with any party where Obligated Party has notice or knowledge that such party has been found in violation of regulations under 24 CFR Part 75 and shall not let any contract or subcontract unless the contractor or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of said regulations.

Sanctions.

Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 75, and all applicable rules and orders of HUD issued thereunder prior to the execution of the Agreement shall be a condition of the federal financial assistance provided to the Project, binding upon the Obligated Party, its successors, and assigns. Failure to fulfill these requirements shall subject Obligated Party, its contractors and subcontractors, successors, and assigns to those sanctions as are specified by 24 CFR Part 75.[12]

Conflicts of Interest.

In addition to any conflict of interest requirements in the City Loan Agreement, 24 CFR 92.356, and 2 CFR Part 200, Obligated Party will comply with 24 CFR 92.356 regarding the avoidance of conflict of interest, which provisions include (but are not limited to) the following:

i. Obligated Party 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.

ii. No employee, officer or agent of the Obligated Party 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.

iii. No covered persons who exercise or have exercised any functions or responsibilities with respect to HOME-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 HOME-assisted activity, or with respect to the proceeds from the HOME-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 Obligated Party, or any designated public agency.

[12] Per 24 CFR 75.33(c), remedies and sanctions may be imposed by HUD "in accordance with the laws and regulations for the program under which the violation was found."

Drug Free Workplace (24 CFR § 5.105; 24 CFR 92.350(a)).

Obligated Party must comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, title v, subtitle D; 41 U.S.C. 701 *et seq*.) and implementing regulations at 2 CFR part 2429 and 2 CFR part 182, and maintain a drug-free work environment. The final rule, government-wide requirements for drug-free workplace (grants), issued by the office of management and budget (2 CFR part 182) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the contractor shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued.

Lead-Based Paint.

Obligated Party shall comply with the requirements, as applicable, of the Lead-Based Paint Poisoning Prevention Act (43 U.S.C. 4821–4846) and implementing regulations at 24 CFR Part 35, the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. §§ 4851-4856), and the implementing regulations at 24 CFR Part 35, Subparts A, B, J, K and R and 40 CFR part 745, including, without limitation, taking appropriate actions to protect occupants of residential dwellings from the hazards associated with lead-based paint abatement procedures.

Flood Insurance.

If applicable, the Agreement is subject to the requirements of the Flood Disaster Protection Act of 1973 (P.L. 93-234; 42 U.S.C. § 4001 et seq.) for areas identified by HUD as having special flood hazards. The use of any funds provided for acquisition or construction in identified areas shall be subject to the Mandatory Purchase of Flood Insurance requirements of section 102(a) of said act.

Any contract or agreement for the sale, lease, or other transfer of land acquired, cleared, or improved with assistance provided under the Agreement shall contain, if the land is located in an area identified by HUD as having a special flood hazard, provisions which obligate the transferee and its successors or assigns to obtain and maintain, during the life of the project, flood insurance as required under section 102(a) of the Flood Disaster Protection Act of 1973, as amended. These provisions shall be required notwithstanding the fact that the construction on the land is not itself funded with funds provided under the Agreement.

Environmental Laws

Obligated Party must comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 *et seq*.); (f) conformity to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C.

§§7401 *et seq*.), and U.S. Environmental Protection City regulations pursuant to 40 CFR Part 50, as amended; (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205). Obligated Party shall include this requirement in all subcontracts under the Agreement.

Political Activities.

Obligated Party agrees that moneys paid under the Agreement shall be used exclusively for performance of the work required under the Agreement, and that no funds made available under the Agreement shall be used to promote political activities as provided under 24 CFR 92.61(c)(6). Further, Obligated Party agrees that it will not perform, nor permit to be performed, any political activities in connection with the Project or the Agreement.

Obligated Party is prohibited from using funds provided under the Agreement or personnel employed in the administration of the Project for political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

Reversion of Assets (24 CFR 92.504(c)(2)(vii)).

Upon the expiration or termination of the Agreement, Obligated Party shall transfer to City any amounts paid under the Agreement from HOME funds on hand and any accounts receivable attributable to the use of such HOME funds.

Program Income (24 CFR 92.2, 92.503-.504).

At a frequency determined by the City, but no less often than quarterly, Obligated Party shall report all Program Income generated by activities carried out with funds made available under the Agreement to the City. The use of Program Income by Obligated Party shall comply with the requirements applicable to the City set forth at 24 CFR 92.503. By way of further limitations, Obligated Party may use such income during the Agreement period for activities permitted under the Agreement and shall reduce requests for additional funds by the amount of any such Program Income balances on hand.

Any Program Income must be used to further the Project and Agreement goals. Any Program Income on hand when the Agreement expires or terminates or that is received after the expiration or termination of the Agreement shall be returned to the City, unless the City specifies otherwise, and shall be administered as required under City Loan Documents, 24 CFR 92.503, and 2 CFR 200.307. Any interest earned on cash advances from the Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the City. "Program Income" has the meaning set forth in 24 CFR 92.2.

Labor Standards.

In addition to any other labor standards set forth in this Exhibit and the Agreement, Obligated Party shall comply with 24 CFR part 70 with regard to the use of volunteers.

Obligated Party agrees that, as applicable, every contract for the construction (rehabilitation or new construction) of housing that includes 12 or more units assisted with HOME funds[13] must contain a provision requiring compliance with the requirements of the Davis-Bacon Act (40 USC, Chapter 3, Section 276a-276a-5) adopted by the Federal Agency pertaining to such contracts 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 Obligated Party of its obligation, if any, to require payment of the higher wage. The Obligated Party shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

Patents and Copyrights (2 CFR 200.315).

Obligated Party acknowledges and agrees that HUD reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes:

(A) The copyright in any work developed under the Agreement;

(B) Any rights of copyright to which Obligated Party purchases ownership with proceeds from the Agreement;

(C) The patent for any invention developed under the Agreement; and

(D) Any rights in any patent to which Obligated Party purchases ownership with proceeds from the Agreement.

[13] 24 CFR 92.354(a)(2): "The contract for construction must contain these wage provisions if HOME funds are used for any project costs in § 92.206 ["Eligible Project Costs"], including construction or nonconstruction costs, of housing with 12 or more HOME-assisted units. … The wage provisions apply to any construction contract that includes a total of 12 or more HOME-assisted units, whether one or more than one project is covered by the construction contract. Once they are determined to be applicable, the wage provisions must be contained in the construction contract so as to cover all laborers and mechanics employed in the development of the entire project, including portions other than the assisted units. Arranging multiple construction contracts within a single project for the purpose of avoiding the wage provisions is not permitted."

Eligibility restrictions for certain resident aliens and noncitizens (24 CFR Part 5, Subpart E).

Obligated Party shall comply with the restrictions on the provision of benefits to noncitizens under 24 CFR Part 5, Subpart E.

Housing counseling.

If Obligated Party provides housing counseling, as defined in 24 CFR 5.100, under the Agreement, the housing counseling must be carried out in accordance with 24 CFR 5.111.

Records.

The following access to records requirements apply to the Agreement:

Obligated Party shall maintain and provide to the City on request sufficient records to meet the requirements of 24 CFR 92.508.

Obligated Party agrees to provide the City, any Federal Agency, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of Obligated Party which are pertinent to the Agreement for the purposes of making audits, examinations, excerpts, and transcriptions. Obligated Party shall keep its books, documents, papers, and records available for this purpose for at least five years after the Agreement terminates or expires. This provision does not limit the applicable statute of limitations.

Obligated Party agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

Obligated Party agrees to provide the Federal Agency or its authorized representatives access to construction or other work sites pertaining to the work being completed under the Agreement.

Obligated Party acknowledges and agrees that no language in the Agreement is intended to prohibit audits or internal reviews by the Federal Agency or its authorized representatives or the Comptroller General of the United States.

Within ten days of written request by the City, Obligated Party agrees to provide the City all relevant documentation pertaining to the Agreement to confirm compliance with Federal requirements, ensure the Agreement is achieving its purpose, and to respond to audits, as necessary.

If any litigation, claim, negotiation, audit, monitoring, inspection or other action commences during this required retention period, all records must be retained until a full and final resolution of the action.

Records for Audit Purposes. Without limitation to any other provision of the Agreement, Obligated Party shall maintain all records concerning the Agreement and the Project financed under the Agreement which the City reasonably requires from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a contractor pursuant to 2 CFR §200.334.

Obligated Party shall maintain records required by 24 CFR §135.92 for the period required under 2 CFR §200.334. Obligated Party will give the City, HUD, the Comptroller General of United States, the General Accounting Office, or any of their authorized representatives access to and the right to examine, copy, or reproduce all records pertaining to the acquisition and construction of the project and the operation of the Project. The right to access shall continue as long as the records are required to be maintained under 2 CFR §200.336.

Reports.

(a) Obligated Party shall make reports and evaluations in such form, at such times, and containing such information concerning the status and application of funds and activities under the Agreement as the City may require, including under 24 CFR 92.509, and shall keep and make available such records as may be required by the City for the verification of such reports and evaluations.

(b) Obligated Party shall prepare and submit financial, Project progress, monitoring, evaluation, personnel, property, and financial records and other reports as required by City and in the format acceptable to City to assure proper accounting of all Federal and non-Federal project funds. Obligated Party shall furnish such information that, in the judgment of the Director, may be relevant to questions of compliance with contractual conditions hereunder or granting agency directives, or with the effectiveness, legality, and goals of the Agreement. Obligated Party will establish a record keeping system which is consistent with 24 CFR 92.508. Such records shall be maintained and available to City at a minimum for at least three (3) years following the completion of the closeout of the Agreement, and in the event of litigation, claim, or audit, the records shall be retained until all litigation, claims, and audit findings involving the records have been fully resolved.

(c) Obligated Party shall submit reports specifying Program Income earned to City in accordance with 2 CFR 200.307. Each report shall contain, or be accompanied by, an itemized statement showing all information required by City, including, without limitation:

The amount expended or incurred by Obligated Party in connection with the Project or the Agreement and due and payable for such reporting quarter.

The revenue generated by Obligated Party in connection with the Project or the Agreement and the source of such revenue for each reporting quarter.

The quarterly report for the last quarter of the fiscal year shall also include Obligated Party's financial statement for the immediately preceding year, accompanied by an annual audit report of Obligated Party's financial statement for the immediately preceding year.

(d) Each report shall be certified as complete and correct by the board, authorized officer, or manager of Obligated Party.

Monitoring.

City shall have the right to conduct periodic reviews, focusing on the extent to which the Project has been implemented and measurable goals achieved, effectiveness of any Project management, and impact of the Project, and other criteria in compliance with 24 CFR Part 92.504. Authorized representatives of City and HUD shall have the right of access to all activities and facilities operated by Obligated Party under the Loan Documents and the Agreement. Facilities include all files, records, and other documents related to the performance of the Agreement. Activities include attendance at staff, board of directors, advisory committee, and advisory board meetings and inspection by City and HUD representatives. Obligated Party shall ensure that its employees, officers, managers, or board members furnish such information as, in the judgment of City and HUD representatives, may be relevant to the question of compliance with contractual conditions and HUD directives, or the effectiveness, legality, and achievements of the Project.

Accounting.

Obligated Party shall establish, and maintain on a current basis, an adequate accrual and accounting system in accordance with generally accepted accounting principles and standards in compliance with 2 CFR Part 200.

Audits (2 CFR 200.501; 24 CFR 92.506).

All Obligated Party records with respect to any matters covered by the Agreement shall be made available to the City, Federal 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 Obligated Party within 30 days after receipt by the Obligated Party. Failure of the Obligated Party to comply with the above audit requirements will constitute a violation of the Agreement and may result in the withholding of future payments. Obligated Party hereby agrees to have an annual agency audit conducted in accordance with current City policy concerning audits and 2 CFR 200.

An audit may also be conducted by Federal, State, or local funding source agencies as part of such audit responsibilities. The results of the independent audit must be submitted to City within thirty (30) days of completion. Within thirty (30) days of the submittal of said audit report, Obligated Party shall provide a written response to all conditions of findings reported in said audit report. The response must examine each condition or finding and explain a proposed resolution, including

a schedule for correcting any deficiency. All conditions or finding corrective actions shall take place within six (6) months after receipt of the audit report. City and its authorized representatives shall at all times have access for the purpose of audit or inspection to any and all books, documents, papers, records, property, and premises of Obligated Party. Obligated Party's staff shall cooperate fully with authorized auditors when they conduct audits and examinations of Obligated Party's program.

If indications of misappropriation or misapplication of any funds granted in connection with the Project or the Agreement cause City to require a special audit, the Obligated Party shall promptly reimburse City for the cost of the special audit. Should City subsequently determine that the special audit was not warranted, the cost of the special audit will be restored to the Obligated Party upon request. Should the special audit confirm misappropriation or misapplication of funds, Obligated Party shall promptly reimburse City the amount of misappropriation or misapplication, and City may impose additional conditions or pursue remedies granted under 2 CFR 200.208 and 200.339, in addition to other remedies granted under the City Loan Documents, the Agreement, at law, or in equity. In the event City uses the judicial system to recover misappropriated or misapplied funds, Obligated Party shall reimburse City for all of City's legal fees and court costs incurred in obtaining the recovery.

Obligated Party agrees that in the event its performance in connection with the Project or the Agreement is subjected to audit exceptions by appropriate federal audit agencies, Obligated Party shall be responsible for complying with such exceptions and for paying City the full amount of City's liability to any and all funding agencies resulting from such audit exceptions.

Property Acquisition During Term.

Unless specified otherwise in the Agreement or by the City, in writing, Obligated Party shall procure and dispose of all materials, property and services in accordance with the requirements of 2 CFR part 200. Obligated Party shall maintain records for each item of non-expendable, personal property and tangible, personal property acquired with moneys paid under the Agreement. These records shall be provided to City and shall be available for inspection and audit upon request of City. Obligated Party shall not purchase or lease, or agree to purchase or lease, any property with amounts paid under the Agreement not included in or contemplated by the City Loan Agreement without prior written approval of City, which shall be subject to applicable requirements under 2 CFR 200. Upon completion or early termination of the Agreement, City reserves the right to determine the final disposition of such property, which may include, but is not limited to, City taking possession of non-expendable property, in compliance with applicable laws and regulations, including, without limitation, 2 CFR 200.311-316.

Public Access to Records and Privacy (24 CFR 92.508(d)).

Obligated Party shall provide citizens with reasonable access to records regarding the use of HOME funds in connection with the Project or the Agreement, consistent with applicable State and local laws regarding privacy and obligations of confidentiality and with 24 CFR 92.508(d) and

2 CFR 200.303. Obligated Party agrees and shall ensure that no information about or obtained from any person in connection with the Project or the Agreement shall be voluntarily disclosed in any form identifiable with such person without first obtaining the written consent of such person.

Equal Participation of Faith-Based Organizations (24 CFR §§ 5.109; 24 CFR 92.257)

Obligated Party shall perform all work under the Agreement in a manner that does not discriminate against an organization on the basis of the organization's religious character, affiliation, or lack thereof, or on the basis of the organization's religious exercise and, to the extent applicable, shall comply with Executive Order 13279 (Equal Protection of Laws for Faith-Based and Community Organizations) and the implementing regulations at 41 CFR chapter 60.

Use of real property (24 CFR 5.109).

During the term of the Agreement, Obligated Party may not change the use or planned use of any property acquired or improved in whole or in part using funds provided under the Agreement without written approval from the City. The requirements of 24 CFR § 5.109 apply to the Agreement, including the requirements regarding disposition and change in use of real property by a faith-based organization.

Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking

Obligated Party shall comply with the protections provided to victims of domestic violence, dating violence, sexual assault, and stalking set forth in 24 CFR Part 5, subpart L, as applicable.

Termination and Cancellation

Notwithstanding any other provision of the Agreement,

(a) The City may terminate the Agreement for cause at any time by giving at least ten (10) calendar days' advanced written notice to Obligated Party. "Cause" consists of Obligated Party's breach of, or failure to satisfy, any of the terms or conditions of the Agreement. Cause includes but is not limited to the following:

Obligated Party's 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;

Obligated Party's failure, for any reason to fulfill in a timely and proper manner its obligations under the Agreement;

Ineffective or improper use of funds provided under the Agreement;

Submission of reports that are incorrect or incomplete in any material respect;

Obligated Party's failure to satisfy or timely cure a breach or failure to satisfy any condition set forth in the Agreement. Failure to satisfy any performance milestone will constitute a breach of the Agreement;

Obligated Party furnished any untrue or misleading material fact or representation in connection with the Agreement;

Obligated Part conceals any material fact from the City related to the Agreement; or

The City determines the objectives and requirements of the Agreement cannot be met in accordance with applicable timeframes.

The City may give written notice to the Obligated Party to cure the breach, violation, or default. If the breach, violation, or default is not cured to the City's satisfaction within a reasonable time, as determined by the City in its sole and absolute discretion, then the City may declare a default under the Agreement and seek any and all remedies that are available under the Agreement, at law, or in equity.

The City may cancel the Agreement, in whole or in part, if (i) sufficient funds are not made available by the United States Government or the State; (ii) Congress or the Legislature enacts any restrictions, limitations, or conditions that impact the Agreement or the funding of the Agreement; (iii) Obligated Party fails to satisfy any performance milestones; or (iv) cancellation is otherwise permitted under state contracting law.

The Agreement may also be terminated for convenience by either the City or Obligated Party 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 determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

To cancel the Agreement pursuant to this paragraph, the City will endeavor to give fifteen (15) calendar days' advance written notice to the Obligated Party. Obligated Party shall, within ten (10) calendar days' after the City's written notice, submit a final invoice to the City for services rendered up to, but not exceeding, the date of the written notice.

Remedies for Default or Breach of the Agreement.

A default under the Agreement shall consist of any use of funds for a purpose other than as authorized by the Agreement, any noncompliance with statutory, regulatory, or other requirements applicable to the Agreement, any other material breach of the Agreement, or any material misrepresentation in the Obligated Party's submissions to the City in anticipation of the Agreement. In addition to any remedies for breach, violation, or default of any terms of the

Agreement, the City may elect to pursue any remedy available at law or in equity, including but not limited to the following:

Repay to the City any amount which the State or the Federal government determines to have been misused or are subject to repayment pursuant to section 603(e) of the Social Security Act;

Modify any plans, budget, compensation terms, schedules, manner of providing Services, or take other actions directed or recommended by the State or Federal government.

Elect to have Obligated Party re-perform or cause to be re-performed, at Obligated Party's sole expense, any of the work which failed to meet the requirements of the contract;

In the case of goods, reject the goods and require Obligated Party to provide replacement goods that meet the needs of the City and the terms of the Agreement;

Hire another contractor or vendor to perform the work and deduct any additional costs incurred by the City as a result of substituting contractors or vendors from any amounts due to Obligated Party; or

Pursue and obtain any and all other available legal or equitable remedies.

REQUIREMENTS TO IMPLEMENT GENERAL FEDERAL LAWS

Historic Preservation (16 U.S.C. § 470; 16 U.S.C. § 469a-1 et seq.)

Obligated Party shall assist the City in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), the regulations in 36 CFR 800, EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. § 469a-1 et seq).

Energy Policy and Conservation Act (42 U.S.C. § 6201).

Obligated Party must comply with 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 (42 U.S.C. §6201).

Hatch Act

Obligated Party agrees that no funds provided, nor personnel employed under the Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of 5 U.S.C. Chapter 15.

Coastal Barriers.

Obligated Party shall comply with the Coastal Barrier Resources Act, 16 U.S.C. 3501 et seq., which provides that no financial assistance under the Agreement may be made available within the Coastal Barrier Resources System.

Disclaimer.

Obligated Party acknowledges that the Federal Government is not a party to the Agreement and is not subject to any obligations or liabilities to the City, Obligated Party, or any other party pertaining to any matter resulting from the Agreement.

False Statements.

Obligated Party acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to Obligated Party's actions pertaining to the Agreement. False statements or claims may result in criminal, civil, or administrative sanctions, including fines, imprisonment, civil damages and penalties, debarment from participating in federal awards or contracts, and/or any other remedy available by law.

Logos.

Obligated Party shall not use the Federal Agency seal(s), logos, crests, or reproductions of flags or likenesses of any Federal Agency officials without specific Federal Agency pre-approval.

Debts Owed to the City.

Any funds paid to Obligated Party (1) in excess of the amount to which Obligated Party is finally determined to be authorized to retain under the terms of its award from Treasury; (2) that are determined by the Treasury Office of Inspector General to have been misused; or (3) that are determined by Treasury to be subject to a repayment obligation pursuant to section 603(e) of the Act and have not been repaid by the Obligated Party shall constitute a debt to the City and to the Federal government.

Any debts determined to be owed to the City must be paid promptly by Obligated Party for repayment to the federal government.

A debt is delinquent if it has not been paid by the date specified in the City's initial written demand for payment, unless other satisfactory arrangements have been made or if the Obligated Party knowingly or improperly retains funds that are a debt as defined in this paragraph. The City will take any actions available to it to collect such a debt.

Increasing Seat Belt Use in the United States.

Pursuant to Executive Order 13043, 62 FR 19217 (Apr. 18, 1997), Obligated Party is encouraged to adopt and enforce on-the-job seat belt policies and programs for its employees when operating Obligated Party-owned, rented, or personally-owned vehicles.

Reducing Text Messaging While Driving.

Pursuant to Executive Order 13513, 74 FR 51225 (Oct. 6, 2009), Obligated Party is encouraged to adopt and enforce policies that ban text messaging while driving.

UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS, 2 CFR PART 200, INCLUDING APPLICABLE APPENDICES

Obligated Party must comply with the applicable requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200), including all appendices, other than such provisions as Treasury may determine are inapplicable to the Agreement and subject to such exceptions as may be otherwise provided by Treasury. All Appendices and Subparts E – Cost Principles and F – Audit Requirements of the Uniform Guidance implementing the Single Audit Act apply to the Agreement, including, but not limited, to the following:

Appendix II to Part 200 (A) – Remedies.

The administrative, contractual, or legal remedies in the Agreement and in the Funding Law, Regulations, and Guidelines apply when the Obligated Party defaults, violates, or breaches the Agreement.

Appendix II to Part 200 (B) - Termination for Cause/Convenience.

The parties shall comply with the termination for cause provision and the termination for convenience provision in the Agreement and this Exhibit.

Appendix II to Part 200 (C) – Equal Employment Opportunity

The Agreement meets the definition of a "federal assisted construction contract" in 41 CFR § 60-1.3. During the performance of the Agreement, Obligated Party agrees as follows:

i. Obligated Party will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. Obligated Party will take affirmative action to ensure that applicants are employed, including but not limited to implementing the principles in Executive Order 11246, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Obligated Party will include the requirements of this section in all subcontracts. Such action shall include, but not be limited to the following:

    a. 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. Obligated Party agrees to post in

conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this clause.

ii. Obligated Party will, in all solicitations or advertisements for employees placed by or on behalf of Obligated Party, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

iii. Obligated Party 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 Obligated Party's legal duty to furnish information.

iv. Obligated Party 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 advising the said labor union or workers' representatives of Obligated Party's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

v. Obligated Party will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

vi. Obligated Party will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records, and accounts by the Federal Agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

vii. In the event of Obligated Party's noncompliance with the nondiscrimination clauses of the Agreement or with any of the said rules, regulations, or orders, the Agreement may be canceled, terminated, or suspended in whole or in part and Obligated Party may be declared ineligible for further government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

viii. Obligated Party will include the requirements of the preceding subparagraphs of this section 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 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. Obligated Party will take such action with respect to any subcontract or purchase order as the Federal Agency may direct as a means of enforcing such provisions, including sanctions for noncompliance.

Appendix II to Part 200 (D), (E) – Davis-Bacon Act; Contract Work Hours and Safety Standards Act.

Obligated Party shall comply with the applicable requirements of 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 and 29 CFR Part 5 (labor standards originally enacted as the Davis-Bacon Act, the Contract Work Hours and Safety Standards Act, and the Copeland Anti-Kickback Act). A summary of the requirements is included with **Attachment 1** to this Exhibit.

Appendix II to Part 200 (F) – Rights to Inventions Made Under a Contract or Agreement:

If Obligated Party wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under the Agreement, the Obligated Party must comply with the requirements of 37 CFR Part 401, ‘‘Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,’’ and any implementing regulations issued by the awarding agency.

Patents and Copyrights (2 CFR 200.315).

Obligated Party acknowledges and agrees that Treasury and HUD reserve a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes:

i. The copyright in any work developed under the Agreement;

ii. Any rights of copyright to which Obligated Party purchases ownership with proceeds from the Agreement;

iii. The patent for any invention developed under the Agreement; and

iv. Any rights in any patent to which Obligated Party purchases ownership with proceeds from the Agreement.

Appendix II to Part 200 (G) – Clean Air Act and Federal Water Pollution Control Act:

In addition to generally applicable environmental laws, the Obligated Party shall comply with the following:

(i) Pursuant to the Clean Air Act, (1) Obligated Party agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq., (2) Obligated Party agrees to report each violation to the City and understands and agrees that the City will, in turn, report each violation as required to assure notification to the Federal Agency and the appropriate Environmental Protection District Regional Office, and (3) Obligated Party agrees to include these requirements in each subcontract exceeding $150,000.

(ii) Pursuant to the Federal Water Pollution Control Act, (1) Obligated Party agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq., (2) Obligated Party agrees to report each violation to the City and understands and agrees that the City will, in turn, report each violation as required to assure notification to the Federal Agency and the appropriate Environmental Protection Agency Regional Office, and (3) Obligated Party agrees to include these requirements in each subcontract exceeding $150,000.

Appendix II to Part 200 (H) – Debarment and Suspension:

(i) The Agreement is a covered transaction for purposes of 2 CFR pt. 180. As such Obligated Party is required to verify that none of the Obligated Party's principals (defined at 2 CFR § 180.995) or its affiliates (defined at 2 CFR § 180.905) are excluded (defined at 2 CFR § 180.940) or disqualified (defined at 2 CFR § 180.935).

(ii) Obligated Party must comply with 2 CFR pt. 180, subpart C and 2 CFR pt. 2424 and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.

(iii) Obligated Party must sign and submit the certification in the form set forth in **Attachment 2** to this Exhibit or such other form satisfactory to City in its sole discretion, which warrants that it is not debarred, suspended, or otherwise excluded from or ineligible for participation in any federal programs. Obligated Party further agrees to notify the City in writing immediately if Obligated Party or its subcontractors are not in compliance during the term of the Agreement. This certification is a material representation of fact relied upon by City. If it is later determined that Obligated Party did not comply with 2 CFR pt. 180, subpart C and 2 CFR pt. 2424 in addition to remedies available to the City, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

(iv) Obligated Party agrees to comply with the requirements of 2 CFR pt. 180, subpart C throughout the Agreement. The Obligated Party further agrees to include a provision requiring such compliance in its subcontracts.

(v) Obligated Party warrants that it is not debarred, suspended, or otherwise excluded from or ineligible for participation in any federal programs. Obligated Party also agrees to verify that all subcontractors performing work under the Agreement are not debarred, disqualified, or otherwise prohibited from participation in accordance with the requirements above. Obligated Party further agrees to notify the City in writing immediately if Obligated Party or its subcontractors are not in compliance during the term of the Agreement.

Appendix II to Part 200 (J) – §200.323 Procurement of Recovered Materials:

(i) Obligated Party shall comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement.

(ii) In the performance of the Agreement, Obligated Party shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:

(1) Competitively within a timeframe providing for compliance with the Agreement performance schedule;

(2) Meeting Agreement performance requirements; or

(3) At a reasonable price.

(iii) Information about this requirement, along with the list of EPA-designated items, is available at EPA's Comprehensive Procurement Guidelines web site, https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program.

(iv) Obligated Party also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

Appendix II to Part 200 (K) – §200.216 Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment.

(i) Obligated Party shall not contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system funded under the Agreement. As described in Public Law 115–232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

(1) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).

(2) Telecommunications or video surveillance services provided by such entities or using such equipment.

(3) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

(ii) See Public Law 115-232, section 889 for additional information.

(iii) Subcontracts. Obligated Party shall include the substance of this section, including this paragraph, in all subcontracts and other contractual instruments.

Appendix II to Part 200 (L) – §200.322 Domestic Preferences for Procurement.

(i) Obligated Party shall, to the greatest extent practicable, purchase, acquire, or use goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subcontracts.

(ii) For purposes of this section:

(1) "Produced in the United States'' means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

(2) ''Manufactured products'' means items and construction materials composed in whole or in part of nonferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

Compliance with Subpart D of 2 CFR part 200.

Materials, supplies and services procured to provide services/work under the Agreement shall be procured, used, managed, and disposed in accordance with the requirements in Subpart D of 2 CFR part 200.

Conflicts of Interest Prohibited (2 CFR § 200.112).

Pursuant to 2 CFR § 200.112, Obligated Party must comply with the requirements, prohibitions, and limitations of the City's conflict of interest regulations, and state and federal common law regulating conflicts of interest.

(i) In the procurement of supplies, equipment, construction, and services by the Obligated Party, the conflict of interest provisions in 2 CFR Part 200, Subpart B - General Provisions, shall apply.

(ii) In all cases not governed by 2 CFR Part 200, Subpart B, the provisions of this section shall apply, unless the Federal Agency grants an exception. Such cases include, but may not be limited to, the acquisition and disposition of real property and the provision of assistance by the Obligated Party, by its contractors, subcontractors, subrecipients, or to individuals, businesses or other private entities under eligible activities which authorize such assistance (e.g. rehabilitation, preservation, and other improvements of private properties or facilities).

(1) No persons described in paragraph (2) (below) who exercise or have exercised any functions or responsibilities with respect to federal activities or who are in a position to participate in a decision-making process or gain inside information with regard to federal assisted activities, may obtain a personal or financial interest or benefit from, or have any interest in any contract, subcontract, or agreement or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter with respect to the federal assisted activity, or with respect to the proceeds of the federal assisted activity.

(2) The requirements of this paragraph apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, of any designated public agency, contractor, subcontractor, or subrecipient which receives funds under the Funding Law, Regulations and Guidelines.

(iii) Disclosure of potential conflicts of interest. As soon as possible after learning of such conflict, Obligated Party must disclose in writing to the City any potential conflict of interest.

Mandatory Disclosure (2 CFR § 200.113, 41 U.S.C. § 2313).

(i) Obligated Party must disclose, in a timely manner, in writing to the City all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Agreement. Failure to make required disclosures constitutes a breach of the Agreement.

(ii) During the term of the Agreement, Obligated Party must submit the information to the City about each proceeding that:

(1) Is in connection with the Agreement or performance of the Project, cooperative agreement, or procurement contract from the Federal Government;

(2) Reached its final disposition during the most recent five-year period; and

(3) Is one of the following:

a. A criminal proceeding that resulted in a conviction;

b. A civil proceeding that resulted in a finding of fault and liability and payment of a monetary fine, penalty, reimbursement, restitution, or damages of $5,000 or more;

c. An administrative proceeding, that resulted in a finding of fault and liability and the Grantee's payment of either a monetary fine or penalty of $5,000 or more or reimbursement, restitution, or damages in excess of $100,000; or

d. Any other criminal, civil, or administrative proceeding if:

i. It could have led to an outcome described above;

ii. It had a different disposition arrived at by consent or compromise with an acknowledgment of fault on the Obligated Party's part; and

iii. The requirement to disclose information about the proceeding does not conflict with applicable laws and regulations.

Internal Controls (2 CFR § 200.303).

Obligated Party shall take reasonable measures to safeguard protected personally identifiable information and other information considered to be sensitive consistent with applicable Federal, State, and local laws regarding privacy and responsibility over confidentiality.

Accessibility and Nondiscrimination.

In addition to any other accessibility and nondiscrimination laws in the Agreement and Exhibit, Obligated Party shall adhere to the accessibility and nondiscrimination requirements set forth in state and federal law applicable to the Project, including but not limited to the following:

(i) Uniform Federal Accessibility Standards;

(ii) 24 CFR Part 8, or HUD's modified version of the 2010 ADA Standards for Accessible Design (Alternative 2010 ADAS), HUD-2014-0042-0001, 79 F.R. 29671 (5/27/14) (commonly referred to as "the Alternative Standards" or "HUD Deeming Notice"); and

(iii) 24 CFR part 8.26

(iv) Architectural Barriers Act of 1968 (42 U.S.C. §§4151-4157)

Protections for Whistleblowers (2 CFR § 200.300).

Obligated Party is responsible for complying with all requirements of the Federal Funding Accountability and Transparency Act, which includes requirements on executive compensation, and also requirements implementing the Act at 2 CFR parts 25 and 170. This also includes statutory requirements for whistleblower protections at 10 U.S.C. 2409, 41 U.S.C. 4712, and 10 U.S.C. 2324, 41 U.S.C. 4304 and 4310.

Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms.

(i) If Obligated Party intends to subcontract any portion of the work covered by the Agreement, Obligated Party must take all necessary affirmative steps to assure that small and minority businesses, women's business enterprises and labor surplus area firms are solicited and used when possible. Affirmative steps must include:

(1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;

(4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises; and

(5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

(ii) Obligated Party shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

Minimum Bonding Requirements (2 CFR § 200.326)

If the Project involves construction or facility improvements in excess of the simplified acquisition threshold, as that term is defined in 2 CFR 200 subpart A, Obligated Party shall maintain a performance bond for 100 percent (100%) of the contract price to secure fulfillment of all the Agreement's requirements.

Appendix II to Part 200 (I) – Byrd Anti-Lobbying Act and Certification Regarding Lobbying (2 CFR § 200.450; 24 CFR § 5.105; 24 CFR part 87; 31 U.S.C. § 1352)

Obligated Party shall comply with the requirements of 31 U.S.C. § 1352, 2 CFR § 200.450; 24 CFR § 5.105; and 24 CFR part 87. Obligated Party shall submit to the City the certification regarding lobbying in the form set forth in **Attachment 3** to this Exhibit or such other form satisfactory to City in its sole discretion. Obligated Party shall include language in all contracts, subcontracts, and other agreements requiring that all parties to same to certify and disclose that:

i. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an 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, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

ii. 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.

Attachment 1 to Exhibit K

Davis-Bacon Act Provisions (40 U.S.C. §§ 3141-3148).

Obligated Party shall comply with 40 U.S.C. 3141-3148, 40 U.S.C. 3701-3708 (labor standards originally enacted as the Davis-Bacon Act, the Contract Work Hours and Safety Standards Act, the Copeland Anti-Kickback Act) and the regulations and procedures issued by the Secretary of Labor for the administration and enforcement of the Davis-Bacon Act, as amended, at 29 CFR Parts 1, 3, and 5, which are incorporated into the Contract by this reference. This includes, but is not limited to, the following provisions:

(a) **Minimum wages.**

All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the Obligated Party and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in section (d)(iv). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the Obligated Party and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination, and which is to be employed under the Contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

The work to be performed by the classification requested is not performed by a classification in the wage determination; and

The classification is utilized in the area by the construction industry; and

The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

If the Obligated Party and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

In the event the Obligated Party, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

The wage rate (including fringe benefits where appropriate) determined pursuant to this section, shall be paid to all workers performing work in the classification under this Contract from the first day on which work is performed in the classification.

Whenever the minimum wage rate prescribed in the Contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the Obligated Party shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

If the Obligated Party does not make payments to a trustee or other third person, the Obligated Party may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the Obligated Party, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the Obligated Party to set aside in a separate account assets for the meeting of obligations under the plan or program.

Withholding.

The City shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the Obligated Party under this Contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the Obligated Party or any subcontractor the full amount of wages required by the Contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the Contract, the City may, after written notice to the Obligated Party, sponsor, applicant, or subrecipient, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

Payrolls and basic records.

Payrolls and basic records relating thereto shall be maintained by the Obligated Party during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the Obligated Party shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

The Obligated Party shall submit weekly for each week in which any Contract work is performed a copy of all payrolls to the City. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying

number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at http://www.dol.gov/esa/whd/forms/wh347instr.htm or its successor site. The Obligated Party is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the (write in name of appropriate federal agency) if the agency is a party to the Contract, but if the agency is not such a party, the Obligated Party will submit them to the applicant, sponsor, or owner, as the case may be, for transmission to the appropriate agency, the Obligated Party, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the sponsoring government agency (or the applicant, sponsor, or owner).

Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the Obligated Party or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the Contract and shall certify the following:

That the payroll for the payroll period contains the information required to be provided under § 5.5 (a)(3)(ii) of Regulations, 29 CFR part 5, the appropriate information is being maintained under § 5.5 (a)(3)(i) of Regulations, 29 CFR part 5, and that such information is correct and complete;

That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the Contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in Regulations, 29 CFR part 3;

That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the Contract.

The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by this section.

The falsification of any of the above certifications may subject the Obligated Party or subcontractor to civil or criminal prosecution under section 1001 of title 18 and section 231 of title 31 of the United States Code.

The Obligated Party or subcontractor shall make the records required under this section available for inspection, copying, or transcription by authorized representatives of the

City or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the Obligated Party or subcontractor fails to submit the required records or to make them available, the Federal agency may, after written notice to the Obligated Party, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

Apprentices and trainees

Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the Obligated Party as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where Obligated Party is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the Obligated Party's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the Obligated Party will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed

pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the Obligated Party will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

Compliance with Copeland Act requirements. The Obligated Party shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this Contract.

Subcontracts. The Obligated Party or subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the City may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The Obligated Party shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

Contract termination: debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the Contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

Compliance with Davis-Bacon and Related Act requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this Contract.

Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this Contract shall not be subject to the general disputes clause of this Contract. Such

disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the Obligated Party (or any of its subcontractors) and the City, the U.S. Department of Labor, or the employees or their representatives.

Certification of eligibility.

By entering into this Contract, the Obligated Party certifies that neither it (nor he or she) nor any person or firm who has an interest in the Obligated Party's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

No part of this Contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

Contract Work Hours and Safety Standards Act

(a) Overtime Requirements. No contractor or subcontractor contracting for any part of the Contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(b) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (i) of this Section the Obligated Party and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such City or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (i) of this Section, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (i) of this Section.

(c) Withholding for unpaid wages and liquidated damages. The City shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Obligated Party or subcontractor under any such contract or any other Federal contract with the Obligated Party, or any other federally-assisted contract subject to the Contract Work Hours and

Safety Standards Act, which is held by the Obligated Party, such sums as may be determined to be necessary to satisfy any liabilities of Obligated Party or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (ii) of this section.

(d) Subcontracts. Obligated Party or subcontractor shall insert in any subcontracts the clauses set forth in paragraph (ii) through (iv) of this Section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The Obligated Party shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (i) through (iv) of this Section.

Copeland "Anti-Kickback" Act

(a) Obligated Party. Obligated Party shall comply with 18 U.S.C. §874, 40 U.S.C. §3145 and the requirements of 29 CFR part 3 as may be applicable, which are incorporated by reference to the Agreement.

(b) Subcontracts. Obligated Party and subcontractors shall insert in any subcontracts the clause above and such other clauses as the City may require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. Obligated Party shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.

(c) Breach. A breach of the contract clauses above may be grounds for termination of the Agreement, and for debarment as a contractor and subcontractor as provided in 29 U.S.C. § 5.12.

Interpretation.

This Attachment shall be interpreted consistently with the Agreement. As used in this Attachment, "Contract" shall mean "Agreement" and "Obligated Party" shall include Obligated Party's subrecipients and affiliates.

Attachment 1 to Exhibit A
Debarment and Suspension Certification

Obligated Party must comply with 2 CFR pt. 180, subpart C and 2 CFR pt. 2424 and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into. Obligated Party certifies to the best of its knowledge and belief, that it and its principals, and shall obtain certifications from its subcontractors that they and their principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;

(b) Have not within a three (3) year period preceding the Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three (3) year period preceding this application/proposal had one or more public transactions (federal, state or local) terminated for cause or default.

Suspension and debarment information can be accessed at http://www.sam.gov. Obligated Party represents and warrants that it has or will include a term or conditions requiring compliance with this provision in all of its contracts and subcontracts entered into pursuant to the Agreement. Obligated Party acknowledges that failing to disclose the information as required at 2 CFR 180.335 may result in the termination, delay or negation of the Agreement, or pursuance of legal remedies, including suspension and debarment.

Name of Obligated Party: _____

Signature: _____

Name: _____

Title: _____

Dated: _____

Attachment 2 to Exhibit A
BYRD ANTI-LOBBYING AMENDMENT CERTIFICATION

Obligated Party, by signing the Agreement, hereby certifies to the best of his or her knowledge and belief that:

(a) No 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 on his or her behalf 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, and 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 (including profit or fee received under a covered Federal transaction) 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 on his or her behalf in connection with this solicitation, Obligated Party shall complete and submit OMB standard form LLL, Disclosure of Lobbying Activities, to the City; and

(c) Obligated Party will include the language of this certification in all subcontract awards at any tier and require that all recipients of subcontract awards in excess of $150,000 shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance is placed when this transaction was made or entered into. Submission of this certification and disclosure is a prerequisite for making or entering into the Agreement imposed by section 1352, title 31, United States Code. Any person making an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision, shall be subject to a civil penalty of not less than $10,000, and not more than $100,000, for each such failure.

Name of Obligated Party _____

Signature_____

Name_____

Title_____

Dated_____