SNOHOMISH COUNTY HUMAN SERVICES DEPARTMENT
3000 ROCKEFELLER AVENUE, M/S 305 - EVERETT, WA 98201
(425) 388-7200

CONTRACT SPECIFICS:

Contract Number: HCS-13-21-1302-224 **Title of Project/Services:** ADA Upgrades

Maximum Contract Amount:	Start Date:	End Date:	Status Determination:
$90,000	3/01/2014	2/28/2015	☒ Subrecipient ☐ Vendor

CONTRACTING ORGANIZATION:

Name:	City of Edmonds	IRS Tax No. (Employer I.D.):	91-6001244
Address:	121 5th Avenue N	City, State & Zip	Edmonds, WA 98020
Contact Person:	JoAnne Zulauf	Telephone:	425-771-0220

FUNDING:

Funding Authority:	B-13-UC-530003	Funding Specifics:	CDBG - Public Facilities & Infrastructure
CFDA No &Title:	14.218 CDBG-Entitlement	Federal Agency:	HUD

Program Division:	County Contact Person:	Contact Phone Number:
HCS	Debra May	425-388-3264

Additional terms of this contract are set out in and governed by the following, which are incorporated herein by reference:

Basic Terms and Conditions Agreement HSD- 2013-127-224, maintained on file at the Human Services Department:

Specific Terms and Conditions	Attached as	Exhibit A
Statement of Work	Attached as	Exhibit B
Approved Contract Budget	Attached as	Exhibit C

In the event of any inconsistency in this contract, the inconsistency shall be resolved by giving precedence in the following order: (a) appropriate provisions of state and federal law, (b) Specific Terms and Conditions, (c) Basic Terms and Conditions, (d) other attachments incorporated by reference, and (e) other documents incorporated by reference.

THE CONTRACTING ORGANIZATION IDENTIFIED ABOVE (HEREINAFTER REFERRED TO AS CONTRACTOR), AND SNOHOMISH COUNTY (HEREINAFTER REFERRED TO AS COUNTY), HEREBY ACKNOWLEDGE AND AGREE TO THE TERMS OF THIS CONTRACT. SIGNATURES FOR BOTH PARTIES ARE REQUIRED BELOW. BY SIGNING, THE CONTRACTOR IS CERTIFYING THAT IT IS NOT DEBARRED, SUSPENDED, OR OTHERWISE EXCLUDED FROM PARTICIPATING IN FEDERALLY FUNDED PROGRAMS.

FOR THE CONTRACTING ORGANIZATION:

Dave Earling 4.24.14
(Signature) (Date)

Mayor
(Title)

FOR SNOHOMISH COUNTY:

4/30/14
Kenneth Stark, Director (Date)
Department of Human Services

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EXHIBIT A

SPECIFIC TERMS AND CONDITIONS

PUBLIC AGENCIES

ADA UPGRADES

I. SPECIAL TERMS AND CONDITIONS

A. Designation

The Contractor expressly agrees to undertake that certain community development assistance project fully described in the **Statement of Work, Exhibit B,** which is located within the corporate boundaries of said Contractor, as the same is commonly referred to as a Community Development Block Grant (CDBG) project within the Housing and Community Development Act of 1974, as now or hereafter amended (hereinafter "the Act"). The undertaking shall be in full accord with the Act, rules and regulations promulgated thereunder, and all other laws, ordinances, and rules and regulations not inconsistent therewith.

B. Subgrant

The Contractor is hereby allotted through a subgrant the sum as shown in **Exhibit C**. It is expressly agreed and understood that the total amount to be paid by the County under this Contract shall not exceed the amount shown in Exhibit C.

C. General Compliance

The Contractor agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants), including Subpart K of those regulations, except that:

1. The Contractor does not assume the County's environmental responsibilities described in 24 CFR § 570.604; and

2. The Contractor does not assume the County's responsibility for initiating the review process under the provisions of 24 CFR Part 58. The Contractor also agrees to comply with all other applicable federal, state, and local laws, regulations, and policies governing the funds provided in this Contract.

D. Notice to Proceed

The County shall furnish the Contractor with written Notice to Proceed upon release of funds from HUD related to the project pursuant to 24 CFR Part 58. No work on the project shall occur prior to the Notice to Proceed without prior written approval from the County.

E. Construction Process

With regard to any capital improvement project specified in Exhibit B of this Contract, the Contractor shall administer the project in such a way as to ensure completion of the project satisfactory to the County.

Bid procedures and bid documents must be approved by the Snohomish County Office of Housing and Community Development, or its successor County department or Agency, prior to award of any subcontracts for construction, services, and capital improvements financed in whole or in part under this Contract.

F. Use of Property

The following provisions apply to real and personal property, if any, improved, or acquired through this Contract:

1. The Contractor agrees to use real and personal property improved or acquired in whole or in part with CDBG funds provided under this Contract for the authorized purpose of the project, as stated in Exhibit B.III.

2. As provided by 24 CFR § 85.31(b), the Contractor shall not dispose of or encumber the title or other interests of the property as long as needed for that purpose, except as otherwise provided by federal statute.

3. The Contractor shall obtain written approval by the County for the use of real property in other federally-sponsored projects when the Contractor determines that the property is no longer needed for the purpose of the original project. Use in other projects shall be limited to those under federally-sponsored projects (i.e., awards) or programs that have purposes consistent with those authorized for support by HUD.

4. As provided by 24 CFR § 85.32(c), when the real property is no longer needed as provided in paragraphs 1 and 3 above, the Contractor shall request disposition instructions from the County.

5. The Contractor agrees to:

   a. Keep the property in good condition and repair;

   b. Not remove or demolish any building thereon;

   c. Complete or restore promptly and in good and workmanlike manner any building that may be constructed, damaged, or destroyed, and to pay when due all claims for labor performed and materials furnished therefore;

   d. Comply with all laws affecting the property or requiring any alterations or improvements to be made;

   e. Not commit or permit waste thereof;

   f. Not commit, suffer, or permit any act upon the property in violation of law; and

   g. Do all other acts which from the character or use of the property may be reasonably necessary to preserve and conserve its value.

6. The Contractor agrees to pay before delinquent all taxes, assessments and any other charges affecting the property when due, and all encumbrances, charges and liens, with interest, on the property or any part thereof.

II. FISCAL MANAGEMENT

A. Payment and Disbursements

Disbursements by the County pursuant to this Contract shall be on a reimbursement basis covering actual expenditures by the Contractor or obligations of the Contractor currently due and owing, but not paid, and are subject to the requirements in the **Basic Terms and Conditions** referenced on the Signature Page.

Disbursements shall be limited to allowable costs and will not be made unless at a minimum all the following occur:

1. Receipt by the County of a Request for Reimbursement/Actual Expenditure Report, together with a Report of Actual Expenditures, supported by copies of vouchers, invoices, salary and wage summaries, or other documentation;

2. Determination by the County that the expenditures or obligations for which reimbursement is sought constitute allowable costs under the principles set forth in applicable Office of Management and Budget Circulars, and come within the Project Budget; and

3. Payments may be contingent upon certification of the Contractor's financial management system in accordance with the standards specified in 24 CFR § 85.20.

B. Program Income

1. Defined

"Program income" means gross income received by the Contractor directly generated from the CDBG-supported activity, or earned only as a result of this Contract "during the grant period," as that phrase is defined in 24 CFR § 85.25(b). When program income is generated by an activity that is only partially assisted with CDBG funds, the income shall be prorated to reflect the percentage of CDBG funds used. Except as provided in 24 CFR § 570.500, program income includes, but is not limited to, the following:

a. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;

b. Proceeds from the disposition of equipment purchased with CDBG funds;

c. Gross income from the use or rental of real or personal property acquired by the Contractor with CDBG funds, less costs incidental to generation of the income;

d. Gross income from the use or rental of real property, owned by the Contractor, that was constructed or improved with CDBG funds, less costs incidental to generation of the income;

e. Payments of principal and interest on loans made using CDBG funds;

f. Proceeds from the sale of loans made with CDBG funds;

g. Proceeds from the sale of obligations secured by loans made with CDBG funds;

h. Interest earned on program income pending its disposition; and

i. Funds collected through special assessments made against properties owned and occupied by households not of low and moderate income, where the assessments are used to recover all or part of the CDBG portion of a public improvement.

2. Recording and Reporting Program Income

The receipt and expenditure of program income as defined above shall be recorded as part of the financial transactions under this Contract. The Contractor shall report monthly all program income (as defined at 24 CFR § 570.500(a)) generated by activities carried out with CDBG funds made available under this Contract.

3. Disposition of Program Income Received by the Contractor

a. The use of program income by the Contractor shall comply with the requirements set forth at 24 CFR § 570.504. By way of further limitation, the Contractor may use such income during the Contract period for activities permitted under this Contract and shall reduce requests for additional funds by the amount of any such program income balance on hand. All unexpended program income shall be returned to the County at the end of the Contract period. All interest earned on cash advances from the U.S. Treasury and from funds held in a revolving fund account is not program income and shall be remitted promptly to the County.

b. Program income received before close-out of this Contract may, at the discretion of the County, be retained by the Contractor if the income is treated as additional CDBG funds to continue or benefit the project and is subject to all applicable requirements governing the use of CDBG funds.

c. If the Contractor is allowed to retain program income, that income shall affect disbursements under this Contract from the County as follows:

1) Program income in the form of repayments to, or interest earned on, a revolving fund as defined in 24 CFR § 570.500(b) shall be disbursed from the fund in accordance with the fiscal management requirements of this Contract before additional cash withdrawals are made from the County for the same activity.

2) All other program income shall be disbursed for eligible project activity before additional cash withdrawals are made from the County.

d. Program income on hand when the Contract is closed out, or received after the Contract is closed out, shall be subject to the following:

1) Unless otherwise provided elsewhere in this Contract, and subject to the requirements of paragraph ii of this subsection, if at the time of close-out the Contractor has another ongoing CDBG grant received directly from the County, income received after close-out shall be treated as program income of the ongoing grant program.

2) If the Contractor does not have another ongoing grant received directly from the County at the time of close-out, income received after close-out from the disposition of real property or from loans outstanding at the time of close-out shall be used for activities that meet one of the national objectives in 24 CFR § 570.208 and the eligibility requirements described in Section 105 of the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5301 et seq.).

3) In any circumstances not covered by paragraphs (i) or (ii) above, the Contractor shall promptly contact the County to obtain appropriate disposition instructions.

C. Indirect Costs

If indirect costs are charged, the Contractor will develop an indirect cost allocation plan for determining the appropriate Contractor's share of administrative costs and shall submit such plan to the County for approval, in a form specified by the County.

D. Accounting Standards

The Contractor agrees to comply with 24 CFR § 85.20(b) and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

E. Cost Principles

The Contractor shall administer its project in conformance with OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments" (relocated at 2 C.F.R., Subtitle A, Chapter II, Part 225). These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

III. INSURANCE REQUIREMENTS

Prior to commencement of the project, the Contractor, shall procure and maintain for the duration of the Contract, insurance as specified in the Basic Terms and Conditions against claims for injuries to persons or damage to property that may arise from or in connection with the performance of the project hereunder by the

Contractor, its agents, representatives, employees contractors or sub-contractors. Review of the Contractor's insurance by the County shall not relieve or decrease the liability of the Contractor.

A. In addition to the insurance requirements in the Basic Terms and Conditions, the Contractor shall comply with the bonding and contract provision requirements of 24 CFR §§ 85.36 (h).

B. The Contractor shall provide, unless the Owner elects to provide, in a form acceptable to the County, Builder's Risk Coverage in the amount of the Replacement Cost equal to completed construction value, with Owner and Snohomish County protected as their interests may appear.

IV. PROJECT REQUIREMENTS

A. Applicability of Uniform Administrative Requirements

The project shall be conducted and administered in compliance with the regulations, policies, guidelines and requirements of 24 CFR Part 85, and Office of Management & Budget ("OMB") Circulars A-87, (relocated at 2 CFR, Subtitle A, Chapter II, Part 225) A-102 (implemented at 24 CFR Part 85), and A-133 as applicable, as they relate to the acceptance and use of federal funds under this Contract. The applicable sections of 24 CFR Part 85 are set forth at 24 CFR § 570.502(a). Where federal standards differ from applicable local or state standards, the stricter standards shall apply.

B. Local Financial Support

The Contractor agrees to utilize funds available under this Contract to supplement rather than to supplant funds otherwise available. The subgrant amount authorized under this Contract shall not be utilized to substantially reduce the amount of local financial support for community development activities below the level of such support prior to the availability of such assistance.

The County's share of total project costs, as shown in Exhibit C, shall remain constant throughout the life of the Contract. Any cost savings shall be proportionately shared by the County and the Contractor.

C. Procurement Contracts

Unless specified otherwise in this Contract, the Contractor shall procure all materials, property, or services in accordance with the requirements of 24 CFR § 85.36 and the Snohomish County Environmentally Preferable Purchasing and Product Utilization Policies. The following provisions apply to

procurements of supplies, equipment, construction, or other services financed in whole or part under this Contract:

1. Award

   All procurement contracts financed in part or in whole with funds under this Contract shall contain insurance provisions that at a minimum are equal to those insurance provisions contained in "SUB-GRANTEE GENERAL CONDITIONS—General Conditions for Facilities Contracts Assisted Under the Snohomish County Community Development Block Grant Program" on file at the County, as those provisions may be amended from time to time.

2. Debarment and Suspension

   In addition to the Debarment and Suspension requirements contained in the Basic Terms and Conditions, the following applies:

   No portion of the award made under this Contract shall be used directly or indirectly to employ, award contracts to, or otherwise engage the services of, or fund, any contractor or subcontractor during any period of debarment, suspension, voluntary exclusion or placement in ineligibility status of such contractor or subrecipient under the provisions of 24 CFR Part 24. The Contractor represents and warrants that the Contractor is not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in federal assistance programs under such regulations or Executive Orders Nos. 12549 or 12689.

3. Travel

   The Contractor shall obtain written approval from the County for any travel outside the metropolitan area with funds provided under this Contract.

D. <u>Compliance with Architectural and Construction Standards</u>

Any facility constructed pursuant to this Contract shall comply with applicable design requirements of the Federal Architectural Barriers Act of 1968 (codified at 42 USC § 4151 et seq.); Chapter 70.92 RCW; Section 8 Existing Housing Standards, 24 CFR Part 882; Cost Effective Energy Conservation Standards, 24 CFR §§ 965.301-965.308; and the Uniform Federal Accessibility Requirements required by 24 CFR Part 8. The Contractor shall condition any grants, awards, or loans made with assistance under this Contract with those applicable standards.

E. Real Property

1. Transfer

a. Flood Insurance

Any contract or agreement for the sale, lease or other transfer of land acquired, cleared or improved with assistance provided under this Contract shall contain, if such land is located in an area identified by the Secretary of HUD as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended (42 U.S.C. § 4001 et seq.), provisions obligating the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as may be required with respect to financial assistance for acquisition or construction purposes under Section 102(a) of the Flood Disaster Protection Act of 1973. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this Contract.

b. Covenants

1) Where assistance under this Contract is provided in the form of real property or an interest in the property from the County, the instrument effecting or recording this transfer shall contain a covenant running with the land to assure non-discrimination for the period during which the real property is used for a purpose for which the assistance under this Contract is extended or for another purpose involving the provision of similar services or benefits.

2) Where no transfer of property is involved, but property is purchased or improved with financial assistance under this Contract, the Contractor shall agree to include the covenant described in this Contract in the instrument effecting or recording any subsequent transfer of the property.

3) Where assistance under this Contract is provided in the form of real property or an interest in the property from the County, the covenant shall also include a condition coupled with a right to be reserved by the County to revert title to the property in the event of a breach of the covenant. If a transferee of real property proposes to mortgage or otherwise encumber the real property as security for financing construction of new, or improvement of existing, facilities on the property for the purposes for which the property was transferred, the County may, upon request of the transferee, if necessary to accomplish such financing, and upon such conditions

as the County deems appropriate, agree to forbear the exercise of such right to revert title for so long as the lien of such mortgage or other encumbrance remains effective.

2. Change in Use

The standards described in this section apply to real property within the Contractor's control which was acquired or improved in whole or in part using CDBG funds provided pursuant to this Contract. Except as otherwise provided by federal statutes, the Contractor will use real property acquired with funds provided under this Contract for its originally authorized purposes as long as needed for those purposes and shall not dispose of or encumber its title or other interests in that property. These standards shall apply from the date CDBG funds are first spent for the property until five years from the date the Contractor is no longer considered by HUD to be part of the urban county as defined at 24 CFR § 570.3.

a. The Contractor may not change the use or planned use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made as specified in Exhibit B unless the Contractor receives prior written approval from the County, and either:

   1) The new use of such property qualifies as meeting one of the national objectives in 24 CFR § 570.901 and is not a building for the general conduct of government; or

   2) The requirements in paragraph (b) of this section are met.

b. If the Contractor determines, after prior approval from the County, that it is appropriate to change the use of the property to a use which does not qualify under paragraph (a) (i) of this section, it may retain or dispose of the property for the changed use if the Contractor reimburses the County in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-grant funds for acquisition of, and improvements to, the property.

c. If the change of use occurs after close-out, the Contractor shall promptly notify the County to obtain appropriate disposition instructions.

F. Public Information

1. The Contractor shall insure recognition of the role of the County in providing services through this Contract. All activities, facilities, and items utilized pursuant to this Contract shall be prominently labeled as to funding source.

2. In all news releases and other public notices related to or funded under this Contract, the Contractor shall include information identifying the source of funds as the Snohomish County Community Development Block Grant Program. The Contractor will include a reference to the support provided herein in all publications made possible with funds available under this Contract.

3. For all construction projects, the Contractor shall erect a sign to County specifications at the construction site, identifying the source of funds, except that this requirement may be waived for construction projects of $10,000 or less.

G. Use and Reversion of Assets

The use and disposition of real property and equipment under this Contract shall be in compliance with the requirements of 24 CFR Part 85, including 24 CFR §§ 85.31 and 85.32, as applicable.

V. PROJECT MANAGEMENT

A. Non-Expendable Personal Property ("Equipment")

"Equipment" means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.

1. Title

Subject to the obligations and conditions set forth in 24 CFR § 85.32 and this section, title to equipment acquired under this Contract will vest upon acquisition in the Contractor.

2. Use

a. In the case of assistance under this Contract to provide personal property, the compliance requirements of Section 504 of the Rehabilitation Act of 1973, as amended, found in this Contract, shall obligate the Contractor for the period during which it retains ownership or possession of the equipment.

b. Equipment shall be used by the Contractor in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by funds allotted under this Contract. The Contractor shall not encumber the equipment without the approval of the County. When no longer needed for the original project or program, the equipment may be used in other activities currently or previously supported by Snohomish County CDBG funds or other federally-sponsored activities as provided by 24 CFR § 85.32(c)(1).

c. During the time the equipment is used on the project or program for which it was acquired, the Contractor shall also make equipment available for use on other projects or programs currently or previously supported by the County providing such use will not interfere with the work on the project or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the County. User charges shall be treated as program income.

d. The Contractor shall not use equipment acquired with CDBG funds to provide services to non-federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by federal statute, for as long as the federal government retains an interest in the equipment.

e. When acquiring replacement equipment, the Contractor may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval of the County.

3. Management Requirements

Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with CDBG funds, until disposition takes place will, at a minimum, meet the requirements of 24 CFR § 85.32(d), including the following:

a. Equipment records must be maintained accurately and shall include a description of the equipment, a manufacturer's serial number or other identification number, the source of equipment, including the award number, who holds title, the acquisition date (or date received, if the equipment was furnished by the federal government), cost of the equipment, information from which the percentage of federal participation in the cost of the equipment can be calculated, the location and condition of the equipment, and the date information was

reported, unit acquisition cost, and ultimate disposition data including the date of disposal and sale price of the equipment or the method used to determine current fair market value when the Contractor compensated the County for its share.

b. Equipment owned by the federal government shall be identified to indicate federal ownership.

c. A physical inventory of the equipment shall be taken and the results reconciled with the property records at least once every two years. Any differences between quantities determined by physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The Contractor shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.

d. A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft shall be investigated and fully documented.

e. Adequate maintenance procedures shall be developed to keep the equipment in good condition.

f. If the Contractor is authorized or required to sell the equipment, proper sales procedures shall be established which provide for competition to the fullest extent practicable and result in the highest possible return.

4. Disposition

When original or replacement equipment acquired under this Contract is no longer needed for the original project or program or for other activities currently or previously supported by the County, disposition of the equipment will be made as provided in 24 CFR § 85.32(e) and as follows:

a. Items of equipment with a current per-unit fair market value of less than $5,000 may be retained, sold, or otherwise disposed of with no further obligation to the County.

b. Items of equipment with a current per-unit fair market value of $5,000 or more may be retained or sold and the County shall be paid an amount calculated by multiplying the current market value or proceeds from sale by the County's share of the equipment.

c. In cases where the Contractor fails to take appropriate disposition actions, the County may direct the Contractor to take excess and disposition actions.

5. Right to Transfer Title

As provided by 24 CFR § 85.32(g), the County reserves the right to require the Contractor to transfer title of equipment to the federal government or a third party named by the County when such a third party is otherwise eligible under existing statutes, as determined by the County. Such transfers shall be subject to the following standards:

a. The property shall be identified in this Contract or otherwise made known to the Contractor in writing.

b. The County shall issue disposition instructions within 120 calendar days after the end of the County support of the project for which the equipment was acquired. If the County fails to issue disposition instructions within the 120 calendar-day period, the Contractor shall apply the standards of 24 CFR § 85.32(e), as appropriate.

c. When title to equipment is transferred, the Contractor shall be paid an amount calculated by applying the percentage of participation in the purchase to the current fair market value of the property, as provided by 24 CFR § 85.32.

6. Fees for Services

Pursuant to 24 CFR § 85.32(c)(3), the Contractor shall not use equipment acquired with federal funds to provide services for a fee to compete unfairly with private companies that provide equivalent services, unless specifically permitted or contemplated by federal statute.

B. Expendable Tangible Personal Property ("Supplies")

"Supplies" means all tangible personal property other than equipment as defined in 24 CFR Part 85.

1. Title

Title to supplies and other expendable personal property acquired under this Contract will vest, upon acquisition, in the Contractor.

2. Disposition

As provided by 24 CFR § 85.33(b), if there is a residual inventory of unused supplies exceeding $5,000 in total aggregate fair market value upon termination, cancellation or completion of the project or program, and if the supplies are not needed for any other federally-sponsored

project or program, the Contractor shall compensate the County for its share.

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

A. The Contractor agrees to comply with:

1. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. § 4601 et. seq. (the "Uniform Relocation Act"), and implementing regulations at 49 CFR Part 24 and 24 CFR § 570.606(b);

2. The requirements of 24 CFR § 570.606(c) governing the Residential Anti-Displacement and Relocation Assistance Plan under Section 104(d) of the Housing and Community Development Act, 42 U.S.C. § 5304(d); and

3. The requirements in 24 CFR § 570.606(d) governing optional relocation policies.

B. The acquisition of any owner-occupied property shall be conducted to assure that the owner-occupant is not "displaced" as defined in the Uniform Relocation Act, its implementing regulations at 49 CFR Part 24, and the CDBG regulations contained at 24 CFR § 570.606. Properties to be acquired either permanently or temporarily must be vacant of renters for at least 90 days prior to the date of initiation of negotiations for lease or purchase. Property that is renter-occupied will not be considered for acquisition unless prior written approval is received from the County. Property that is owner-occupied will be considered for acquisition if:

1. The owner voluntarily enters into an agreement to lease the property to the Contractor;

2. The owner agrees to forfeit possession of the property upon execution of the lease agreement; and

3. The owner voluntarily waives any rights to relocation payments or other relocation assistance under the Uniform Relocation Act or other similar requirement.

C. The Contractor shall provide relocation assistance to displaced persons as defined by 24 CFR § 570.606(b)(2) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. In the event any occupant of any real property acquired with assistance provided under this Contract is deemed by the County or by higher authority to have been displaced and thereby to be entitled to relocation

assistance under these authorities, the Contractor shall be solely responsible for providing the required assistance and paying all costs therefor, and the Contractor shall hold the County harmless from any liability for such assistance. The Contractor also agrees to comply with applicable County ordinances, resolutions and policies, if any, concerning the displacement of persons from their residences.

VII. PERSONNEL AND PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance

The Contractor agrees to, and agrees to require its contractors performing work funded in whole or in part under this Contract to, comply at all times with applicable federal and state statutes and laws relating to civil rights, including but not limited to:

a. Title VI of the Civil Rights Act of 1964, as amended (P.L. 88-352), and 24 CFR Part 1 (Non-discrimination in Programs or Activities Receiving Federal Financial Assistance);

b. Title VIII of Civil Rights Act of 1968, as amended (P.L. 90-284), and 24 CFR § 570.601 (Non-discrimination in Housing);

c. Sections 104(b) and 109 of Title I of the Housing and Community Development Act of 1974, as amended (42 USC §§ 5304(b) and 5309), and 24 CFR § 570.602 (Non-discrimination in any Program or Activity);

d. Section 504 of Rehabilitation Act of 1973, as amended (29 U.S.C. § 794) (handicapped);

e. The Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101 et seq.);

f. The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 et seq.);

g. Executive Order No. 11063 and 24 CFR Part 107 (Equal Opportunity in Housing);

h. Executive Order No. 11246, as amended by Executive Orders Nos. 11375, 11478, 12107 and 12086, and 41 CFR Part 60 (Regarding Non-Discrimination in Employment);

i. Executive Orders 11625, 12432 and 12138, and 24 CFR § 570.506(g)(6) (Use of Minority and Women's Business Enterprises);

j. Contracts for Architectural and Engineering Services - Participation by Minority and Women-Owned Firms, RCW 39.80.040;

k. Discrimination prohibitions under Chapter 49.60 RCW; and

l. Public Works or Improvements - Minority Business, RCW 35.23.352 (2nd and 3rd class cities and towns 1,500 or more citizens), as applicable.

The Contractor agrees that it will assist and cooperate actively with the County, HUD and the Secretary of Labor in obtaining the compliance of prime contractors and subcontractors with the statutes and laws referred to in this Contract and the rules, regulations, and relevant orders of the Secretary of Labor; it will furnish the County, HUD and the Secretary of Labor such information as they may require for the supervision of such compliance; and it will otherwise assist the County, HUD and the Department of Labor in the discharge of the Department of Labor's primary responsibility for securing compliance. The Contractor will also ensure the compliance of prime contractors and subcontractors with state requirements pertaining to equal opportunity.

2. Non-Discrimination

In addition to the Non-Discrimination requirements in the Basic Terms and Conditions, the Contractor agrees to comply with the non-discrimination in employment and opportunities laws, regulations, and executive orders referenced in 24 CFR § 570.607, as revised by Executive Order No. 13279. The Non-Discrimination provisions in Section 109 of the Act are still applicable.

a. The Contractor shall not use methods of administration or site selection criteria which have such a discriminatory effect; PROVIDED, that nothing herein shall prohibit actions designated to correct the effects of prior discriminatory practices or conditions; and PROVIDED, FURTHER, that separate living and restroom facilities for the different sexes may be constructed and maintained.

b. The Contractor shall comply with the HUD published Final Rule "Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity," published in the Federal Register on February 3, 2012.

3. Land Covenants

This Contract is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and the regulations under 24 CFR Part 1, including 24 CFR §§ 570.601 and 570.602. In regard to the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Contract, the Contractor shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination upon the basis of race, color, religion, ethnic or national origin, age, gender, handicap or sexual orientation, in the sale, lease or rental, or in the use or occupancy of such land, or in any improvements erected or to be erected thereon, and providing that the Contractor, the County and the United States are beneficiaries of and entitled to enforce such covenants. The Contractor, in undertaking its obligations to carry out the project assisted hereunder, agrees to take such measures as are necessary to enforce such covenant, and will not itself so discriminate.

4. Section 504

The Contractor agrees to comply with Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), prohibiting discrimination against individuals with disabilities or handicaps in any federally-assisted program, and all federal regulations issued pursuant thereto, including the regulations under 24 CFR Part 8. The County shall provide the Contractor with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Contract.

B. Affirmative Action

1. The Department of Housing and Urban Development, Northwest/Alaska Area, Washington State Office, has established a goal for Snohomish County that 7.7% of all CDBG contract dollars be committed to minority-owned businesses. In order to meet this goal, Snohomish County requires that the Contractor, in all construction contracts of $50,000 or more funded wholly or in part with Snohomish County CDBG funds, demonstrate a good faith effort to attain 7.7% MBE participation. In addition, the Contractor is required to report to the County all contracts of $1,000 or more for labor, materials, supplies or professional services funded wholly or in part with CDBG funds.

The Contractor shall submit such documentation as deemed necessary by the County to support compliance with the Minority Business Enterprise requirements.

2. Women- and Minority-Owned Businesses

   As required by 24 CFR § 85.36(e), the Contractor will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible. Those affirmative steps shall include:

   a. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

   b. Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;

   c. 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;

   d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business and women's business enterprises;

   e. Using the services and assistance of the Small Business Administration and the Minority Business Development Contractor of the Department of Commerce; and

   f. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed above.

3. Access to Records

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

4. Notifications

   The Contractor will send to its labor union or representative of workers with which it has a collective bargaining contract or other contract or understanding, a notice, to be provided by the Contractor contracting officer, advising the labor union or workers' representative of the Contractor's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

C. Employment Restrictions

1. Labor Standards

The Contractor agrees to comply, and shall require that project construction contractors and subcontractors comply, with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. §§ 276a-276a-5), the provisions of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), and all other applicable federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Contract. The Contractor also agrees to comply, and shall require that project construction contractors and subcontractors comply, with the requirements of the Copeland Anti-Kick Back Act (18 U.S.C. § 874 et seq.) and it's implementing regulations at 29 CFR Part 5. The Contractor shall maintain documentation that demonstrates compliance with hour and wage requirements of this section. Such documentation shall be made available to the County for review upon request.

a. The Contractor shall likewise ensure compliance with Chapter 39.12 RCW pertaining to payment of state prevailing wages on public works projects and with Chapter 49.28 RCW pertaining to an eight-hour work day.

b. The Contractor agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all construction contractors and subcontractors engaged under contracts in excess of $2,000 for construction, renovation or repair work financed in whole or in part with assistance provided under this Contract, shall comply with federal requirements adopted by the County 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 Contractor of its obligation, if any, to require payment of the higher wage. The Contractor shall cause or require to be inserted in full, in all such contracts or subcontracts subject to such regulations, provisions meeting the requirements of this paragraph.

c. No portion of the award made under this CDBG Contract shall be used directly or indirectly to employ, award contracts to, or otherwise engage the services of, or fund, any construction contractor or subcontractor during any period of debarment, suspension, voluntary

exclusion or placement in ineligibility status of such contractor or subrecipient under the provisions of 24 CFR Part 24. The Contractor represents and warrants that the construction contractor is not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in federal assistance programs under such regulations or Executive Orders Nos. 12549 and 12689, "Debarment and Suspension." The Excluded Parties List System can be checked at the following web-site: www.sam.gov.

2. "Section 3" Clause

   a. Compliance

   Compliance with the provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. § 1701u), and as implemented by the regulations set forth in 24 CFR Part 135, and all applicable rules and orders issued thereunder prior to the execution of this Contract, shall be a condition of the federal financial assistance provided under this Contract and binding upon the County, the Contractor and any of the Contractor's subcontractors. Failure to fulfill these requirements shall subject the County, the Contractor and any of the Contractor's subcontractors, their successors and assigns, to those sanctions specified by the Contract through which federal assistance is provided. The Contractor certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

   The Contractor further agrees to comply with these "Section 3" requirements and to include the following language, set forth in 24 CFR § 135.38, in all subcontracts executed under this Contract:

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

   2) The Contractor further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and of lead-based paint hazards),

housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

3) The Contractor certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

b. Notifications

The Contractor agrees to send to each labor organization or representative of workers with which it has a collective bargaining contract or other contract or understanding, if any, a notice advising said labor organization or workers' representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

c. Subcontracts

The Contractor will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by HUD. The Contractor will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

d. Snohomish County Section 3 Area

Snohomish County has identified its Section 3 area as that area within the corporate boundaries of Snohomish County. The term "low income" includes low-income unemployed residents of Snohomish County. The Contractor will, to the greatest extent feasible, provide employment opportunities to those individuals.

D. Conduct

1. Subcontracts

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

2. Hatch Act

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

3. Conflict of Interest

a. In the procurement of supplies, equipment, construction, and services by recipients and subrecipients, the Contractor agrees to abide by the conflict of interest provisions of 24 CFR § 85.36(b)(3) and of OMB Circular A-102, which include (but are not limited to) the following:

1) The Contractor 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.

2) No employee, officer or agent of the Contractor 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, and as described in 24 CFR § 85.36(b)(3), would be involved.

3) The Contractor's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subcontracts. The

Contractor may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value.

4) To the extent permitted by state or local law or regulations, such standards of conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the Contractor's officers, employees or agents, or by contractors or their agents.

5) In all cases not governed by 24 CFR § 85.36, the provisions of 24 CFR § 570.611(a) shall apply.

b. In addition to the Conflict of Interest and Kickback provisions in the Basic Terms and Conditions, the following applies:

Upon the written request of the Contractor, the County may grant an exception to the provisions of paragraph (ii) of this section on a case-by-case basis when it determines that such an exception will serve to further the purposes of the County's Community Development Block Grant Program and the effective and efficient administration of the Contractor's project. An exception may be considered only after the Contractor has provided a disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made.

4. Religious or Faith-Based Organizations; Inherently Religious Activities; Non-Discrimination

The following provisions imposed by 24 CFR § 570.200(j) applies to all recipients of CDBG funds through the County, including the Contractor:

a. Eligibility

Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the CDBG program.

b. Inherently Religious Activities

Organizations that are directly funded under the CDBG program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as a part of the programs or services funded under 24 CFR Part 570. If the Contractor conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under 24 CFR Part 570, and

participation must be voluntary for the beneficiaries of the HUD-funded programs or services.

c. Discrimination Against Beneficiaries or Prospective Beneficiaries

An organization that participates in the CDBG program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

d. Structures Used for Inherently Religious Activities

CDBG funds may not be used for the acquisition, construction or rehabilitation of structures to the extent that those structures are used for inherently religious activities. CDBG funds may be used for the acquisition, construction or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under 24 CFR Part 570. Where a structure is used for both eligible and inherently religious activities, CDBG funds may not exceed the cost of those portions of the acquisition, construction or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to CDBG funds in 24 CFR Part 570. Sanctuaries, chapels or other rooms that a CDBG-funded religious congregation uses as its principal place of worship, however, are ineligible for CDBG-funded improvements.

e. Employment discrimination

Pursuant to 24 CFR § 5.109(e), a religious organization's exemption from the federal prohibition on employment discrimination on the basis of religion, set forth in section 702(a) of the Civil Rights Act of 1964 (codified at 42 U.S.C. § 2000e-1), is not forfeited when the organization participates in the HUD program. Notwithstanding the foregoing, non-discrimination requirements imposed by statute on all CDBG grantees shall apply to religious and faith-based organizations.

f. Commingling of Funds

If applicable, pursuant to 24 CFR § 570.200(j)(6), if the local government voluntarily contributes its own funds to supplement the activities funded pursuant to this Contract, the local government has the option to segregate the federal CDBG funds or commingle them. However, if the funds are commingled, the requirements of this section apply to all of the commingled funds.

VIII. ENVIRONMENTAL CONDITIONS

A. Air and Water

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

1. Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.;

   a. Federal Water Pollution Control Act, as amended, 33 U.S.C. § 1251 et seq., including but not limited to 33 U.S.C. § 1318 relating to inspection, monitoring, entry, reports as information, as well as other requirements specified in 33 U.S.C. §§ 114 and 305, and all regulations and guidelines issued thereunder; and

   b. Environmental Protection Agency ("EPA") regulations pursuant thereto at 40 CFR Chapter I, as amended.

2. In compliance with said regulations, the Contractor shall enforce and cause or require to be inserted in full in all contracts and subcontracts with respect to any non-exempt transaction thereunder funded with assistance provided under this Contract, the following requirements:

   a. A stipulation that any facility to be utilized in the performance or any non-exempt contract or subcontract is not listed on the List of Violating Facilities issued by the EPA pursuant to 40 CFR § 15.20.

   b. Agreement to comply with all the requirements of Section 114 of the Clean Air Act, as amended (42 USC § 1857c-8) and Section 308 of the Federal Water Pollution Control Act, as amended (33 U.S.C. § 1318), relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in said Sections 114 and 308 and all regulations and guidelines issued thereunder.

   c. A stipulation that as a condition for the award of the contract, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized or to be utilized for the contract is under consideration to be listed on the EPA List of Violating Facilities.

   d. Agreement by the contractor to include or cause to be included the criteria and requirements in paragraph 1 through 4 of this subsection in every non-exempt subcontract and requiring that the contractor will take such actions as the government may direct as a means of enforcing such provisions.

e. In no event shall any amount of the assistance provided under this Contract be utilized with respect to a facility which has given rise to a conviction under Section 113(c)(1) of the Clean Air Act or Section 309(c) of the Federal Water Pollution Control Act.

f. In accordance with RCW 39.04.120, all invitations for bid proposals for construction projects shall set forth in the contract documents, to the extent they are reasonably obtainable by the Contractor, those provisions of federal, state and local statutes, ordinances and regulations dealing with the prevention of environmental pollution and the preservation of public natural resources that affect or are affected by the Project.

B. Environmental Review

1. NEPA

Pursuant to 24 CFR § 58.4, the County retains environmental review responsibility for purposes of fulfilling requirements of the National Environmental Policy Act for each activity carried out with CDBG funds. The County may require the Contractor to furnish data, information and assistance for the County's review and assessment in order for the County to discharge its responsibilities including determining whether the County must prepare an Environmental Impact Statement.

2. SEPA

The Contractor retains responsibility for fulfilling the requirements of the State Environmental Policy Act and regulations and ordinances adopted thereunder.

3. Compliance as Pre-Condition

Performance by the Contractor under this Contract shall include satisfaction of all applicable requirements of the National and State Environmental Policy Acts. No funds may be committed to a CDBG activity or project before completion of the environmental review and approval of the request for release of funds related certification, except as authorized by 24 CFR Part 58.

C. Flood Disaster Protection

This Contract is subject to the requirements of the Flood Disaster Protection Act of 1973 (Public Law No. 93-234). In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. § 4001 et seq.), the Contractor shall assure that for all activities located in an area identified by

the Federal Emergency Management Contractor ("FEMA") as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained for the mandatory period as a condition of financial assistance for acquisition or construction purposes (including rehabilitation). No portion of the assistance provided under this Contract is approved for acquisition or construction purposes as defined under Section 3(a) of said Act, for use in an area identified by the Secretary as having special flood hazards which is located in a community not then in compliance with the requirements for participation in the National Flood Insurance Program pursuant to Section 201(d) of said Act; and the use of any assistance provided under this Contract for such acquisition or construction in such identified areas in communities then participating in the National Flood Insurance Program shall be subject to the mandatory purchase of flood insurance requirements of Section 102(a) of said Act.

D. Lead-Based Paint

The Contractor agrees that any construction or rehabilitation of residential structures with assistance provided under this Contract shall be subject to the HUD lead-based paint regulations found at 24 CFR § 570.608 and 24 CFR Part 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

The Contractor shall condition any grants or loans for the rehabilitation of residential structures made with assistance provided under this Contract upon compliance with the provisions for the elimination of lead-based paint hazards in those regulations, and the Contractor shall be responsible for the inspections and certifications required thereunder.

E. Historic Preservation

The Contractor agrees to comply with the historic preservation requirements set forth in the National Historic Preservation Act of 1996, as amended (16 U.S.C. § 470 et seq.) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this Contract.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a federal, state, or local historic property list.

IX. RECORDS

A. Maintenance

The Contractor shall maintain all records required by the federal regulations specified in 24 CFR § 570.506, and the requirements in the Basic Terms and Conditions, that are pertinent to the activities to be funded under this Contract. Such records shall include but are not limited to:

1. Records providing a full description of each activity undertaken;

2. Records demonstrating that each activity undertaken meets one of the national objectives of the CDBG program, as required by 24 CFR § 570.200(a)(2) and 24 CFR § 570.208;

3. Records required to determine the eligibility of activities;

4. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;

5. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;

6. Financial records as required by 24 CFR § 570.502 and 24 CFR §§ 85.20, 85.41 and 85.42;

7. Other records necessary to document compliance with Subpart K of 24 CFR Part 570; and

8. The Contractor also agrees to generate and maintain sufficient records to enable the County to determine whether the Contractor has met the requirements of this Contract and the requirements of 24 CFR § 570.506, including:

    a. Financial management records in the form of separate accounts, including personnel, property, financial and programmatic records, which sufficiently and properly reflect all direct and indirect costs of any nature and all services performed under this Contract, and such other records as are required under the provisions of the uniform administrative requirements set forth in Contract;

b. Acquisition and relocation records as required by 24 CFR § 70.606;

c. Equal opportunity records, including:

   1) A breakdown of persons by race, ethnic group, sex, and age, who have participated in or benefited from the project; and

   2) Data which records its affirmative action in equal opportunity employment including, but not limited to, employment, upgrading, demotions, transfers, recruitment or recruitment advertising, layoffs, or terminations, pay or other compensation, and selection for training.

d. Section 3 records, including:

   1) Data which records its good faith effort to identify, train, and/or hire lower income residents of the project area; and

   2) Data which records utilization of business concerns which are located in or owned in substantial part by persons residing in the area of the project.

e. Minority business enterprise participation records, including: data which records utilization and attempts to utilize minority business enterprises;

f. Records that demonstrate compliance with one or more of the national objectives as required by 24 CFR § 570.200(a)(2) and 24 CFR § 570.208;

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

h. The Contractor understands that client information collected under this Contract is private and the use or disclosure of such information, when not directly connected with the administration of the County's or Contractor's responsibilities with respect to services provided under this Contract, may be prohibited by the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1301 et seq.), Chapter 70.02 RCW (Washington Uniform Health Care Information Act), Chapter 71.34 RCW (mental health services for minors), Chapter 70.96A (alcohol and drug abuse treatment records), RCW 43.63A.655(1)(a) (protection of privacy of homeless individuals), RCW

43.185C.030, RCW 70.123.075 and Chapter 40.24 RCW, among others, unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent or guardian.

B. Retention

The above records and all other financial records, supporting documents, statistical records and all other records pertinent to this Contract shall be retained for a period of seven (7) years after close out or termination of this Contract, except as follows:

1. Records that are the subject of audit, litigation, claims, negotiations or other actions shall be retained until the completion of the actions and resolution of all issues or for seven (7) years, whichever occurs later.

2. Records for non-expendable property shall be retained for seven (7) years after its final disposition.

3. Records for any displaced person shall be retained for seven (7) years after the person has received final payment.

X. REPORTS

A. The Contractor agrees to submit to the County such reports as the County requests pursuant to the requirements of state or federal law.

B. At a minimum, the Contractor shall submit an Annual Report in a format prescribed by the County. The annual project report shall be due two weeks after the end of each Snohomish County CDBG Program Year (July 1 to June 30) during which Project activities are conducted, shall cover the preceding one-year period, and shall have the following contents:

1. Project Progress

   Progress on the project during the preceding year shall be summarized.

2. Financial Management

   Financial information necessary shall be given to show compliance with the uniform administrative requirements set forth in this Contract.

3. Local Financial Support

   Compliance with the Local Financial Support section of this Contract shall be indicated.

4. Relocation and Acquisition

   Real property acquired, number of persons and businesses relocated, number remaining in the relocation workload, and a general breakdown of relocation costs shall be reported.

5. Equal Opportunity

   Compliance with the Equal Opportunity requirements of this Contract shall be documented by:

   a. A summary of equal opportunity records;

   b. A description of any methods of administration, site selection criteria, or actions designed to overcome the effects of past discrimination, or to promote equal opportunities;

   c. A description of any site selection policies or actions designed to further fair housing; and

   d. A summary of minority business enterprise participation records.

XI. PROJECT DURATION

A. Suspension or Termination for Cause

In addition to the requirements in the Basic Terms and Conditions, and in accordance with 24 CFR § 85.43, the County may suspend or terminate this Contract if the Contractor materially fails to comply with any of the terms of this Contract.

B. Termination for Convenience

In accordance with 24 CFR § 85.44 and the Basic Terms and Conditions, this Contract may also be terminated for convenience by either the County or the Contractor, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the County determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the County may terminate the award in its entirety.

C. <u>After-the-Contract Requirements</u>

1. Close-out

   a. The terms of this Contract shall remain in effect during any period that the Contractor has control over CDBG funds, including program income. The County will close out the award when it determines, in its sole discretion, that all applicable administrative actions and all required work of the grant has been completed. The Contractor will be so notified by means of a letter.

   b. Federally-owned/County-owned Property Reports.

      In accordance with this contract the Contractor must submit an inventory of all federally-owned or County-owned property (as distinct from property acquired with grant funds) for which it is accountable and request disposition instructions from the County of property no longer needed.

2. Obligations After Close-out or Termination

   The close-out or termination of this Contract does not affect:

   a. The County's right to disallow costs and recover funds on the basis of a later audit or other review;

   b. The Contractor's obligation to return any funds due as a result of later refunds, corrections or other transactions;

   c. Records retention as required;

   d. Property standards;

   e. Audit requirements;

   f. Insurance requirements;

   g. Use of property requirements;

   h. Hold harmless requirements;

   i. Indemnification requirements;

   j. Venue stipulation;

   k. Non-assignability of claims;

l. Rights in data;

m. Non-waiver of breach; and

n. Non-assignability of obligations.

3. Collection of Amounts Due

a. Any funds paid to the Contractor in excess of the amount to which the Contractor is finally determined to be entitled under the terms of the award constitute a debt to the County. If not paid within a reasonable period after demand, the County may reduce the debt by:

1) Making an administrative offset against other requests for reimbursements;

2) Withholding advance payments otherwise due to the Contractor; or

3) Other action permitted by law.

b. Except where otherwise provided by statute or regulation, the County will charge interest on an overdue debt. The date from which interest is computed is not extended by litigation or the filing of any form of appeal.

XII. CAPTIONS

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

XIII. BREACH BY THE CONTRACTOR

In addition to the requirements in the Basic Terms and Conditions, the following apply:

A. In the event of a material breach of any of the provisions of this Contract by the Contractor, the County may given written notice thereof to the Contractor by registered or certified mail addressed to the Contractor at the notice address determined pursuant to this Contract. If such violation is not corrected to the satisfaction of the County within thirty (30) days after the date such notice is mailed (or within such shorter or longer time as the County, in its sole discretion, may determine), the County may, without further prior notice, declare in writing a default under this Contract and terminate or suspend this Contract.

B. The County also may, if it deems it appropriate, apply to any court, state or federal, for remedy for breach of contract; for specific performance of this Contract; for an injunction against any violation by the Contractor of this Contract; for the appointment of a receiver to take over and operate the project in accordance with the terms of this Contract; or for such other and further relief as may be appropriate, it being agreed by the Contractor that the injury to the County arising from a default under and of the terms of this Contract would be irreparable and that it would be extremely difficult to ascertain the amount of compensation to the County, which would afford adequate relief, in light of the purposes and policies of the CDBG program. As an alternative, the County may in its sole discretion decide to submit the matter to arbitration.

XIV. ENTIRE CONTRACT; MODIFICATION

This Contract constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior discussion and understandings between them. Proposed modifications which are mutually agreed upon shall be incorporated by written amendment to this Contract signed by a duly authorized officer or representative of each of the parties hereto. The County and Contractor agree that this Contract shall be modified if necessary to achieve compliance with HUD requirements.

XV. TIME OF THE ESSENCE

Time is of the essence in the performance of each party's obligations under this Contract. Each party will carry out its obligations under this Contract diligently and in good faith.

EXHIBIT B

STATEMENT OF WORK

ADA UPGRADES

I. CDBG PROJECT ACTIVITY

The project is eligible under the National Objective of principally benefiting low- and moderate-income **households** as an **area wide benefit** activity serving low- and moderate-income households. The project is located in Census Tract 050500, Block Group #4 where 54.4% of the households are low- and moderate-income.

II. PROJECT DESCRIPTION

Real or personal property improved or acquired with CDBG funds under the Contract will be used for: ADA upgrades along 3rd Avenue S, between Main Street and Pine Street, including some bulb-outs.

III. USE OF PROPERTY

The Agency agrees to use real and personal property improved or acquired in whole or in part with CDBG funds provided under this Contract for the authorized purpose of **ADA Upgrades** located **along 3rd Avenue S, between Main Street and Pine Street, Edmonds, WA 98020**.

IV. MITIGATING FACTORS (see environmental review) None.

PUBLIC FACILITIES & INFRASTRUCTURE
CONSTRUCTION TIMELINE

Provide estimated dates of completion for each activity listed below. Add other activities relevant to the project as needed.

Years	2014									2015								
List of Activities	Mar	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG
Management /Admin.																		
Property Acquisition																		
Planning/ Preliminary	X																	
Architect/ Engineering		X	X															
Detailed Design Bidding Procedures			X	X	X													
Construction				X	X	X												
Project Close Out Procedures						X	X											
Project Complete							X	X	X	X								

SNOHOMISH COUNTY
HUMAN SERVICES DEPARTMENT

EXHIBIT C
APPROVED CONTRACT BUDGET
COST REIMBURSEMENT

PROGRAM TITLE: ADA Upgrades

AGENCY: City of Edmonds

ADDRESS: 121 5th Avenue N, Edmonds, WA 98020

CONTRACT PERIOD: March 1, 2014 TO February 28, 2015

REVENUE SOURCES:
FUNDS AWARDED UNDER CONTRACT:

REVENUE SOURCE	AMOUNT
HUD-Community Development Block Grant CFDA 14.218	$90,000
TOTAL FUNDS AWARDED:	$90,000

NON-FEDERAL MATCHING RESOURCES:

TOTAL NON-FEDERAL RESOURCES:	$ 0.00

MATCH REQUIREMENTS FOR CONTRACT: PERCENTAGE: N/A AMOUNT: N/A

OTHER PROGRAM RESOURCES (Identify):

SOURCE	PERIOD	AMOUNT
City funds	3/01/14 to 2/28/15	$35,000
	TOTAL OTHER RESOURCES	$35,000

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EXPENDITURES

BARS #	CATEGORY	FUND SOURCE: CDBG	TOTAL	OTHER RESOURCES
10	Salaries/Wages			
20	Benefits			
30	Supplies			
41	Prof. Services			$35,000
42	Postage			
42	Telephone			
43	Mileage/Fares			
43	Meals			
43	Lodging			
44	Advertising			
45	Leases/Rentals			
46	Insurance			
47	Utilities			
48	Repairs/Maint.			
49	Printing			
49	Dues/Subscript.			
49	Registr/Tuition			
64	Machinery/Equip			
	Misc. Construction	$90,000	$90,000	
	TOTAL	$90,000	$90,000	$35,000

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EXPENDITURE NARRATIVE

AMOUNT	TYPE OF EXPENDITURE: i.e. Salaries: 40% Program person, etc. Benefits: FICA, MEDICAL, etc. Communications: Postage, Telephone, etc.
$90,000	Construction costs related to the ADA curb improvements
TOTAL: $90,000	

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DETAIL SALARIES/WAGES

POSITION	FT/PT	% OF TIME TO FUND	FUND	TOTAL MONTHLY	MONTHLY CHG TO FUND	TOTAL CHG TO FUND
		NA		NA	NA	NA
					TOTAL	

NOTE: Above figures may reflect rounding