DF/bh
02/19/2015
Item #20

AN ORDINANCE 2015-02-19-0120

APPROVING THE ALLOCATION OF $250,000.00 IN FY 2015 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS SET-ASIDE FOR THE MINOR REPAIR PROGRAM TO MERCED HOUSING TEXAS; AND PROVIDING FOR PAYMENT.

* * * * *

WHEREAS, the City Council has approved the appropriation of $250,000.00 in FY 2015 Community Development Block Grant (CDBG) funds for the Minor Repair Program; and

WHEREAS, the City released a Request for Applications (RFA) seeking applications from eligible respondents to administer the Minor Repair Program ("Program"); and

WHEREAS, the City evaluated applications utilizing the following criteria: direct experience with administering minor repair activities, development team experience, managerial capacity, technical capacity, financial capacity, administrative plan, and marketing plan; and

WHEREAS, the City selected Merced Housing Texas for the administration of the Program; and

WHEREAS, the funds will be utilized to assist low to moderate income homeowners with a one-time grant not to exceed $4,999.00 for minor home repairs; and

WHEREAS, it is the City Council's intention to approve the allocation of FY 2015 Community Development Block Grant (CDBG) funds set aside for the Minor Repair Program and authorize payment to Merced Housing Texas; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The allocation of FY 2015 Community Development Block Grant (CDBG) funds set aside for the Minor Repair Program to Merced Housing Texas in the amount of $250,000.00 is hereby approved. The funds will be utilized to assist low to moderate income homeowners with a one-time grant not to exceed $4,999.00 for minor home repairs.

SECTION 2. The City Manager, or, in her stead, a Deputy City Manager, an Assistant City Manager, an Assistant to the City Manager, the Director of the Department of Planning and Community Development, or his designee, or the Grants Administrator of the Division of Grants Monitoring and Administration is hereby authorized to execute a contract with Merced Housing Texas for the Minor Repair Program. A copy of the contract, in substantially final form, is attached hereto and incorporated herein for all purposes as **Attachment I**.

SECTION 3. The City Manager, or her designee, the Director of the Department of Planning and Community Development or his designee, or the Grants Administrator of the Division of Grants Monitoring and Administration, is hereby authorized to approve budget adjustments within project allocations to conform with actual expenditures if line item cost overruns occur or are anticipated.

SECTION 4. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 5. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 19th day of February, 2015.

M A Y O R
Ivy R. Taylor

ATTEST:

Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

for Martha G. Sepeda, Acting City Attorney

Agenda Item:	**20 (in consent vote: 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21)**
Date:	02/19/2015
Time:	10:27:04 AM
Vote Type:	Motion to Approve
Description:	An Ordinance approving the allocation of $250,000.00 in previously budgeted Community Development Block Grant Program funds to Merced Housing Texas for a Minor Home Repair Program. [Peter Zanoni, Deputy City Manager; John Dugan, Director, Planning and Community Development]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Trevino	District 1	x					
Alan Warrick	District 2		x			x	
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				x
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

ATTACHMENT I

CONTRACT

PROJECT NAME: MINOR HOME REPAIR PROGRAM

PROJECT NOS.: 28-0400057
CFDA 14.253

STATE OF TEXAS §
§
COUNTY OF BEXAR §

This CONTRACT is hereby made and entered into by and between the CITY OF SAN ANTONIO (hereinafter referred to as "CITY"), a Texas municipal corporation, acting by and through its Grants Administrator of the Division of Grants Monitoring and Administration pursuant to Ordinance No. 2014-05-29-0362 dated May 29, 2014, and MERCED HOUSING TEXAS (hereinafter referred to as "SUB-GRANTEE"), a Texas non-profit organization, acting by and through its duly authorized President.

WHEREAS, CITY has received certain funds from the U.S. Department of Housing and Urban Development (HUD) under Title I of the Housing and Community Development Act of 1974, as amended (hereinafter referred to as "the Community Development Act") for utilization in connection with its Community Development Block Grant (CDBG) Program; and

WHEREAS, the City Council has adopted a budget for such funds and has included therein the expenditure of funds for the project entitled "Minor Home Repair Program" (hereinafter referred to as "Project"); and

WHEREAS, the City Council has designated the Division of Grants Monitoring and Administration as the CITY's representative responsible for the administration and monitoring of the Project and all matters pertaining thereto; and

WHEREAS, CITY wishes to engage SUB-GRANTEE to implement and manage said Project;

NOW THEREFORE:

The parties hereto severally and collectively agree, and by the execution hereof are bound to the mutual obligations herein contained, and to the performance and accomplishment of the tasks hereinafter described.

I. TERM

1.1 Except as otherwise provided for pursuant to the provisions hereof, this CONTRACT shall commence immediately upon its execution and shall terminate on the earlier of (a) September 30, 2015, or (b) Project completion.

II. RESPONSIBILITIES

2.1 SUB-GRANTEE hereby accepts responsibility for the performance, in a satisfactory and efficient manner as solely determined by CITY, of all services and activities set forth in this CONTRACT.

2.2 Unless written notification by SUB-GRANTEE to the contrary is received and approved by CITY, SUB-GRANTEE's President shall be SUB-GRANTEE's designated representative responsible for the management of all contractual matters pertaining to this CONTRACT.

2.3 CITY's Grants Administrator of the Division of Grants Monitoring and Administration or his designee shall be CITY's representative responsible for the administration of this CONTRACT.

2.4 Communications between CITY and SUB-GRANTEE shall be directed to the designated representatives of each as set forth in paragraphs numbered 2.2 and 2.3 hereinabove.

III. COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS

3.1 SUB-GRANTEE understands that funds provided to it pursuant to this CONTRACT are funds which have been made available to CITY by the federal government under the Community Development Act and in accordance with CITY's HUD approved Grant Application and with other specific assurances made and executed by CITY. SUB-GRANTEE, therefore, assures and certifies that it will comply with the requirements of the Community Development Act and with all regulations promulgated thereunder as codified as Title 24 of the Code of Federal Regulations, as well as with all applicable regulations of Americans with Disabilities Act (ADA). SUB-GRANTEE understands, however, that the Community Development Act or the ADA in no way is meant to constitute a complete compilation of all duties imposed upon SUB-GRANTEE by law or administrative ruling, or to narrow the standards which SUB-GRANTEE must follow. Accordingly, SUB-GRANTEE understands that if the regulations and issuances promulgated pursuant to the Community Development Act or the ADA are amended or revised, it shall comply with them or otherwise immediately notify CITY pursuant to the provisions of Article XLV of this CONTRACT.

3.2 SUB-GRANTEE understands that certain compliance requirements mandated by applicable laws or regulations are summarized as follows:

(A) SUB-GRANTEE acknowledges, understands, and agrees to comply with 24 CFR 570 Section 570.602 – Section 109 of the Housing and Community Development Act of 1974.

(B) Intentionally deleted.

(C) SUB-GRANTEE acknowledges, understands, and agrees to comply with 24 CFR 570 Section 570.604, Environmental standards.

(D) SUB-GRANTEE acknowledges, understands, and agrees to comply to with 24 CFR 570 Section 570.606, displacement, relocation, acquisition, and replacement of housing.

(E) SUB-GRANTEE acknowledges, understands, and agrees to comply with 24 CFR 570 Section 570.607, Equal Opportunity for Employees and Section 3, as provided in Article XLII Section 42.1 hereunder.

(F) SUB-GRANTEE acknowledges, understands, and agrees to comply with 24 CFR 570 Section 570.609, Use of debarred, suspended or ineligible contractors or sub-recipients.

(G) SUB-GRANTEE acknowledges, understands, and agrees to comply with 24 CFR 570 Section 570.610, Uniform administrative requirements and cost principles:

(i) 24 CFR Part 84, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-profit Organizations";

(ii) OMB Circular A-122, "Cost Principles for Non-profit Organizations"; and

(iii) OMB Circular A-133, "Audits of States, Local Governments, and Non-profit Organizations".

(H) SUB-GRANTEE acknowledges, understands, and agrees to comply with 24 CFR 570 Section 570.611, Conflict of interest.

(I) SUB-GRANTEE acknowledges, understands, and agrees to comply with 24 CFR 570 Section 570.613, Eligibility restrictions for certain resident aliens.

(J) SUB-GRANTEE acknowledges, understands, and agrees to comply with 24 CFR 570 Section 570.614, Architectural Barriers Act and the Americans with Disabilities Act.

3.3 SUB-GRANTEE must at all times remain in compliance with the requirements set out in Section 3.2 hereinabove. SUB-GRANTEE further understands that said requirements in Section 3.2 are summaries and are intended only as such and in no way are meant to constitute a complete compilation of all duties imposed upon SUB-GRANTEE by law or administrative ruling, or to narrow the standards which SUB-GRANTEE must follow.

3.4 SUB-GRANTEE assures that all contractors and subcontractors receiving funds in connection with this Project are familiar with, and shall comply with, any and all applicable rules and regulations as contained in Section 3.2 and that SUB-GRANTEE shall include Section 3.2 as part of every contract awarded in connection with this Project.

3.5 SUB-GRANTEE shall observe and comply with all city, state and federal laws, regulations, ordinances and codes affecting SUB-GRANTEE's operations pursuant to this CONTRACT.

3.6 SUB-GRANTEE understands and acknowledges that the Provisions of Chapter 2258, Texas Government Code, and City Ordinance 2008-11-20-1045, are expressly made a part of this CONTRACT.

3.7 SUB-GRANTEE shall provide the CITY with sufficient documentation to verify that the provisions of Chapter 2258, Texas Government Code, and City Ordinance 2008-11-20-1045, attached hereto as Exhibit VIII, are met.

3.8 SUB-GRANTEE shall request the applicable wage decision of the general prevailing rate of per diem wages in this locality for each craft or type of workman needed to perform this CONTRACT prior to the bidding of the PROJECT. Such wage decision shall be obtained from the CITY's Labor Compliance Office for inclusion by SUB-GRANTEE or its contractor in the construction solicitation.

3.9 SUB-GRANTEE understands and acknowledges that CITY may request periodic reports or support to ensure adherence to prevailing wage rates provisions.

3.10 If, as a result of CITY's review, the CITY finds any violations, SUB-GRANTEE shall forfeit as a penalty to the CITY sixty dollars ($60.00) for each laborer, workman, or mechanic employed, for each calendar day, or portion thereof, that such laborer, workman or mechanic is paid less than the said stipulated rates for any work done under said Agreement, by the contractor or any sub-contractor.

3.11 SUB-GRANTEE understands and agrees that the establishment of prevailing wage rates pursuant to Chapter 2258, Texas Government Code and City Ordinance 2008-11-20-1045 shall not be construed to relieve SUB-GRANTEE, SUB-GRANTEE's contractor or any subcontractor from his obligation under any Federal or State Law regarding the wages to be paid to or hours worked by laborers, workmen or mechanics insofar as applicable to the work to be performed hereunder.

3.12 SUB-GRANTEE, its contractor and any subcontractor, in the execution of this PROJECT, agrees that he shall not discriminate in his employment practices against any person because of race, color, creed, sex or origin. SUB-GRANTEE and its Contractor and any subcontractor agrees that he/she will not engage in employment practices which have the effect of discriminating against employees or prospective employees because of race, color, religion, national origin, sex, age, handicap or political belief or affiliation.

3.13 SUB-GRANTEE ensures that this Article III, paragraphs 3.6 through 3.12 and the related wage decision shall be included in its entirety in any sub-contract agreement entered into by SUB-GRANTEE, SUB-GRANTEE's contractor, and/or subcontractor employed on the project.

3.14 SUB-GRANTEE shall forward any questions regarding these prevailing wage provisions to LaborComplianceOffice-LCO@sanantonio.gov.

IV. LEGAL AUTHORITY

4.1 SUB-GRANTEE represents, warrants, assures, and guarantees that it possesses the legal authority, pursuant to any proper, appropriate, and official motion, resolution, or action passed or taken, to enter into this CONTRACT and to perform the responsibilities herein required.

4.2 The signer of this CONTRACT for SUB-GRANTEE represents, warrants, assures, and guarantees that he or she has full legal authority to execute this CONTRACT on behalf of SUB-GRANTEE and to bind SUB-GRANTEE to all terms, performances, and provisions herein contained.

4.3 In the event that a dispute arises as to the legal authority to enter into this CONTRACT of either the SUB-GRANTEE or the person signing on behalf of SUB-GRANTEE, CITY shall have the right, at its option, to either temporarily suspend, or permanently terminate this CONTRACT. Should CITY suspend or permanently terminate this CONTRACT pursuant to this paragraph, however, SUB-GRANTEE shall be liable to CITY for any money it has received from CITY for performance of any of the provisions hereof.

V. MAINTENANCE OF EFFORT

5.1 SUB-GRANTEE agrees that the funds and resources provided to it under the terms of this CONTRACT shall in no way be substituted for funds and resources provided from other sources, nor shall such funds and resources in any way serve to reduce the funds, resources, services, or other benefits which would have been available to, or provided through, SUB-GRANTEE had this CONTRACT not been executed.

VI. PERFORMANCE BY SUB-GRANTEE

6.1 SUB-GRANTEE, in accordance and compliance with the terms, provisions and requirements of this CONTRACT, shall manage, perform and provide all of the activities and services set forth in the Work Statement attached hereto, and incorporated herein for all purposes as Exhibit I, to CITY's satisfaction, utilizing only those funds remitted to SUB-GRANTEE by CITY under the terms of this CONTRACT. The funds available for utilization hereunder shall be as described in Exhibit II also attached hereto, and incorporated herein for all purposes.

6.2 Modifications or alterations to Exhibit I may be made only pursuant to the prior written approval of CITY's Grants Administrator of the Division of Grants Monitoring and Administration or his designee.

VII. REIMBURSEMENT BY CITY

7.1 In consideration of SUB-GRANTEE's performance, in a satisfactory and efficient manner as determined by CITY, of all services and activities set forth in this CONTRACT, CITY agrees to reimburse SUB-GRANTEE for all eligible expenses incurred hereunder. Such reimbursement, however, shall be in accordance with the Project Budget set forth in Exhibit II and shall be subject to any and all limitations and provisions set forth in this Article and in Article IX hereunder.

7.2 Notwithstanding any other provision of this CONTRACT, the total of all payments and other obligations made or incurred by CITY hereunder shall not exceed the sum of Two Hundred Fifty Thousand and No/100 Dollars ($250,000.00).

7.3 It is expressly understood and agreed by CITY and SUB-GRANTEE that CITY's obligations under this Article are contingent upon the actual receipt of adequate CDBG funds to meet CITY's liabilities hereunder. Should CITY not receive funds to make payments pursuant to this CONTRACT or should fund awards be reduced, CITY shall notify SUB-GRANTEE in writing within a reasonable time after such fact has been determined and may, at its option, either terminate this CONTRACT or reduce the amount of its liability accordingly.

7.4 It is expressly understood by CITY and SUB-GRANTEE that this CONTRACT in no way obligates CITY's general fund monies or any other monies or credits of CITY.

7.5 CITY shall not be liable for any SUB-GRANTEE cost, or portion thereof, which:

(A) Has been paid, reimbursed or is subject to payment or reimbursement from another source;

(B) Was incurred prior to the commencement date or subsequent to the termination date of this CONTRACT as specified in Article I hereinabove;

(C) Is not in strict accordance with the terms of this CONTRACT, including all Exhibits attached hereto;

(D) Has not been billed to CITY within thirty (30) calendar days following billing to SUB-GRANTEE, or termination of this CONTRACT, whichever is earlier; or

(E) Is not an allowable cost as defined by Article IX of this CONTRACT or by the Project Budget (Exhibit II).

7.6 CITY shall not be liable for any SUB-GRANTEE cost, or portion thereof, which is or was incurred in connection with an activity of SUB-GRANTEE where:

(A) Prior written authorization from CITY is required for the activity and such authorization was not first procured; or

(B) CITY has requested that SUB-GRANTEE furnish data concerning an activity prior to proceeding further therewith and SUB-GRANTEE nonetheless proceeds without first submitting the data and receiving CITY approval thereof.

7.7 CITY shall not be obligated or liable under this CONTRACT to any party, other than SUB-GRANTEE, for payment of any monies or provision of any goods or services.

VIII. RECEIPT, DISBURSEMENT AND ACCOUNT OF FUNDS BY SUB-GRANTEE

8.1 SUB-GRANTEE understands and agrees that it shall maintain a separate numbered account for the receipt and disbursement of all funds received pursuant to this CONTRACT and of any program income resulting therefrom, if applicable. SUB-GRANTEE further agrees that:

(A) Such account shall contain only those funds received pursuant to this CONTRACT and that no other funds shall be mingled therewith, except funds deemed to be program income as defined in Article X hereunder;

(B) All checks and withdrawals from such account shall have itemized documentation in support thereof;

(C) Such account shall be maintained, under conditions approved by CITY, in a financial institution having federal deposit insurance coverage, with any account balance exceeding the federal deposit insurance coverage likewise collaterally secured; and

(D) Upon SUB-GRANTEE's written request and solely within the discretion of CITY, an alternative accounting mechanism may be permitted, provided such alternative adheres at all times to generally accepted accounting principles.

8.2 Regarding method of payment, CITY and SUB-GRANTEE agree as follows:

(A) SUB-GRANTEE shall deliver a Billing Package, a copy of which is attached hereto and incorporated herein for all purposes as Exhibit IV, to CITY's Division of Grants Monitoring and Administration, in accordance with one of the following schedules as determined and agreed upon by both parties at the time of execution of this CONTRACT:

1. Monthly billing, with the prior month's Billing Package received by CITY's Division of Grants Monitoring and Administration by no later than the fifth (5th) day of each month;

2. Semi-monthly billing, with the prior month's Billing Packages received by CITY's Division of Grants Monitoring and Administration by no later than the fifth (5th) and twentieth (20th) day of each month, respectively; or

3. Weekly billing, with the prior week's Billing Package received by CITY's Division of Grants Monitoring and Administration by no later than Wednesday of each week.

(B) SUB-GRANTEE shall submit to CITY such other reports as may be required by CITY to document CITY liabilities under this CONTRACT.

(C) Upon receipt of and approval by CITY of each of SUB-GRANTEE's Billing Packages, CITY shall pay to SUB-GRANTEE an amount equal to CITY's liabilities not previously billed to and subsequently paid by CITY, subject to deduction for any costs questioned or not allowable. Delinquent or unacceptable billing of CITY by SUB-GRANTEE, however, shall justify delay of payment by CITY.

(D) SUB-GRANTEE's financial management system shall provide for an adequate procedure to minimize the time elapsed between CITY's payment to SUB-GRANTEE and SUB-GRANTEE's disbursement of funds.

8.3 Within ten (10) working days of CITY's written request therefor, SUB-GRANTEE shall refund to CITY any sum of money paid by CITY to SUB-GRANTEE later determined to:

(A) Have resulted in overpayment to SUB-GRANTEE;

(B) Have not been spent by SUB-GRANTEE strictly in accordance with the terms of this CONTRACT; and/or

(C) Not be supported by adequate documentation to fully justify the expenditure.

8.4 Upon termination of this CONTRACT, should any expense or charge for which payment has been made be subsequently disallowed or disapproved as a result of any auditing or monitoring by CITY, HUD, or any other federal agency, SUB-GRANTEE shall refund such amount to CITY within ten (10) working days of CITY's written request therefor wherein the amount disallowed or disapproved shall be specified. Refunds of disallowed or disapproved costs, however, shall not be made from funds received pursuant to this CONTRACT or from funds received from or through the federal government or CITY.

8.5 In the event that the actual amount expended by SUB-GRANTEE to meet the level of performance specified in Exhibit I, or any amendment thereto, is less than that amount provided to SUB-GRANTEE pursuant to this CONTRACT, then CITY reserves the right to reappropriate or recapture any such underexpended funds.

8.6 Utilizing the format provided by CITY, a "Contract Close-Out Package," together with a final expenditure report, for the period commencing on the date of SUB-GRANTEE's last invoice requesting reimbursement of funds pursuant to this CONTRACT, shall be submitted by

SUB-GRANTEE to CITY within fifteen (15) working days following the expiration of the term of this CONTRACT.

8.7 Upon termination of this CONTRACT, all unclaimed (30 days or older) salaries or wages must be returned to CITY in the following format:

(A) A cashier's check for the net aggregate amount payable to the "City of San Antonio"; and

(B) A listing showing each person's social security number, full name, last known completed address, and amount owing.

IX. ALLOWABLE COSTS

9.1 Costs shall be considered allowable only if approved in writing and incurred directly and specifically in the performance of and in compliance with this CONTRACT and with all city, state and federal laws, regulations and ordinances affecting SUB-GRANTEE's operations hereunder.

9.2 Approval of SUB-GRANTEE's budget as set forth in Exhibit II, however, shall not constitute prior written approval of the items included therein. For example, CITY's prior written authorization shall be required in order for the following to be considered allowable costs:

(A) Encumbrance or expenditure during any one month period falling within the term of this CONTRACT which exceeds one-twelfth (1/12) of any budgeted line items for personnel costs as specified in Exhibit II;

(B) CITY shall not be obligated to any third party sub-contracts of SUB-GRANTEE, nor shall CITY funds be used to pay for contract services extending beyond the expiration of this CONTRACT;

(C) Out of town travel;

(D) Costs or fees associated with the alteration or relocation of the facilities on and in which the activities specified in Exhibit I are conducted;

(E) Costs or fees associated with alterations, deletions or additions to the Personnel Schedule incorporated within Exhibit II;

(F) Costs or fees for temporary employees or services;

(G) Costs or fees for consultant and/or professional services; and

(H) Costs or fees associated with attendance at meetings, seminars, or conferences.

9.3 Written requests for prior approval shall be SUB-GRANTEE's responsibility and shall be made within sufficient time to permit a thorough review by CITY. Written approval by CITY must be obtained prior to the commencement of procedures to solicit or purchase services, equipment, or real or personal property. Procurements and/or purchases which must be approved pursuant to the terms of this CONTRACT shall be conducted entirely in accordance with all applicable terms, provisions and requirements hereof.

X. PROGRAM INCOME

10.1 For purposes of this CONTRACT, "program income" shall mean earnings of SUB-GRANTEE realized from activities resulting from this CONTRACT or from SUB-GRANTEE's management of funding provided or received hereunder. Such earnings shall include, but shall not be limited to, interest income, usage or rental/lease fees, income produced from contract-supported services of individuals or employees or from the use of equipment or facilities of SUB-GRANTEE, provided as a result of this CONTRACT, and payments from clients or third parties for services rendered by SUB-GRANTEE pursuant to this CONTRACT.

10.2 On a monthly basis, SUB-GRANTEE shall report and return to CITY all program income received or accrued during the preceding month. Alternative arrangements to this requirement may be made only upon written request to and written approval by CITY.

10.3 Records of the receipt and disposition of program income shall be maintained by SUB-GRANTEE in the same manner as required from other CONTRACT funds and shall be submitted to CITY in the format prescribed by CITY.

10.4 SUB-GRANTEE shall include this Article, in its entirety, in all of its subcontracts involving income-producing services or activities.

10.5 It shall be SUB-GRANTEE's responsibility to obtain from CITY a prior determination as to whether or not income arising directly or indirectly from this CONTRACT, or from the performance thereof, constitutes program income, and unless otherwise approved in writing by CITY, SUB-GRANTEE shall be responsible to CITY for the repayment of any and all amounts determined by CITY to be program income.

XI. OWNERSHIP OF PROPERTY

11.1 All equipment and/or non-recurring items necessary in connection with this Project shall be purchased or leased by CITY's Purchasing Department through CITY's Grants Monitoring and Administration Department. Furthermore, during the last four (4) months of this CONTRACT, purchases or leasing of expendable items, such as, but not limited to, office supplies, shall be made only upon the procurement of CITY's written consent where the cumulative cost for such items over said four-month period totals or exceeds the sum of $200.00.

11.2 Ownership title to all capital acquisitions, supplies, materials or other property purchased with funds received pursuant to this CONTRACT and in accordance with the provisions hereof

shall be vested in CITY, and possession thereof, upon termination of this CONTRACT, shall revert to CITY unless otherwise provided for by CITY in writing.

11.3 Upon delivery to SUB-GRANTEE of non-expendable property, written notification thereof shall be provided by SUB-GRANTEE to CITY within five (5) calendar days of the property's delivery so as to enable CITY to effect property identification and recording for inventory purposes. Regarding the property, SUB-GRANTEE shall at all times maintain adequate records thereon and control thereof; SUB-GRANTEE shall further perform annual physical inventories of the property.

11.4 SUB-GRANTEE shall be fully and solely responsible for safeguarding and maintaining all property referred to in this Article. Furthermore, SUB-GRANTEE shall be fully and solely responsible for reporting any and all lost, stolen, missing, damaged or destroyed property referred to in this Article. Inasmuch as funds provided to SUB-GRANTEE pursuant to this CONTRACT are funds which have been made available to CITY by the federal government, all such lost, stolen, missing, damaged or destroyed property shall be reported by SUB-GRANTEE to the local Police Department. SUB-GRANTEE shall make such reports immediately and shall deliver a copy of the official written police report to CITY's Division of Grants Monitoring and Administration office immediately. Prior to such delivery, SUB-GRANTEE shall ascertain that said report includes, at a minimum, the following:

(A) An accurate and reasonably complete description of such property; and

(B) An accurate and reasonably complete description of the circumstances surrounding the loss, theft, damage or destruction of such property.

In the event a copy of the official written police report has not been made available to SUB-GRANTEE, a summary of said report shall be provided and delivered by SUB-GRANTEE to CITY's Grants Monitoring and Administration, including therein the date the report was made to the local Police Department and the name and badge number of the police officer who wrote such police report.

XII. FURTHER REPRESENTATIONS, WARRANTIES AND COVENANTS

12.1 SUB-GRANTEE further represents and warrants that:

(A) All information, data or reports heretofore or hereafter provided to CITY are, shall be and shall remain complete and accurate as of the date shown on the information, data or report, and that since said date shown, shall not have undergone any significant change without written notice to CITY;

(B) Any supporting financial statements heretofore or hereafter provided to CITY are, shall be and shall remain complete, accurate and reflective of the financial condition of SUB-GRANTEE on the date shown on said statements and during the period covered thereby, and that since said date shown, except as provided by

written notice to CITY, there has been no material change, adverse or otherwise, in the financial condition of SUB-GRANTEE;

(C) No litigation or proceedings are presently pending or threatened against SUB-GRANTEE, and that SUB-GRANTEE has no information, or cause to believe, that litigation or proceedings, whether judicial or administrative, against SUB-GRANTEE is imminent;

(D) None of the provisions contained herein contravene or in any way conflict with the authority under which SUB-GRANTEE is doing business or with the provisions of any existing indenture or agreement of SUB-GRANTEE;

(E) SUB-GRANTEE has the legal authority to enter into this CONTRACT and accept payments hereunder, and has taken all necessary measures to authorize such execution of CONTRACT and acceptance of payments pursuant to the terms and conditions hereof; and

(F) None of the assets of SUB-GRANTEE are, both currently and for the duration of this CONTRACT, subject to any lien or encumbrance of any character, except for current taxes not delinquent and except as shown in the financial statements provided by SUB-GRANTEE to CITY.

12.2 During the period of time that payment may be made hereunder and so long as any payments remain unliquidated, SUB-GRANTEE covenants that it shall not, without the prior written consent of CITY's Grants Administrator of the Division of Grants Monitoring and Administration or his designee:

(A) Mortgage, pledge, or otherwise encumber or cause to be encumbered any of the assets of SUB-GRANTEE now owned or hereafter acquired by it;

(B) Permit any pre-existing mortgages, liens, or other encumbrances to remain on or attached to any of the assets of SUB-GRANTEE which are allocated to the performance of this CONTRACT and with respect to which CITY has ownership hereunder;

(C) Sell, assign, pledge, transfer or otherwise dispose of accounts receivable, notes or claims for money due or to become due;

(D) Sell, convey, or lease all or any substantial part of its assets; or

(E) Make any advance or loan to, or incur any liability as guarantor, surety or accommodation endorser for any other firm, person, entity, or corporation.

12.3 Each of the foregoing representations, warranties, and covenants shall be continuing and deemed repeated each time SUB-GRANTEE submits a new request for payment in accordance with the terms, provisions and requirements of this CONTRACT.

XIII. MAINTENANCE OF RECORDS

13.1 SUB-GRANTEE agrees to maintain records that will provide accurate, current, separate, and complete disclosure of the status of any funds received pursuant to this CONTRACT. SUB-GRANTEE further agrees:

(A) That maintenance of said records shall be in compliance with all terms, provisions and requirements of this CONTRACT and with all applicable federal and state regulations establishing standards for financial management; and

(B) That SUB-GRANTEE's record system shall contain sufficient documentation to provide in detail full support and justification for each expenditure.

13.2 SUB-GRANTEE agrees to retain, for the period of time and under the conditions specified by CITY, all books, records, documents, reports, and written accounting policies and procedures pertaining to the operation of programs and expenditures of funds under this CONTRACT.

13.3 SUB-GRANTEE agrees to include the substance of this Article in all of its sub-contracts.

13.4 Nothing in this Article shall be construed to relieve SUB-GRANTEE of:

(A) Responsibility for retaining accurate and current records which clearly reflect the level and benefit of services provided under this CONTRACT; and

(B) Fiscal accountability and liability pursuant to this CONTRACT and any applicable rules, regulations and laws.

XIV. ACCESSIBILITY OF RECORDS

14.1 At any reasonable time and as often as CITY may deem necessary, SUB-GRANTEE shall make all of its records available to CITY, HUD, or any of their authorized representatives, and shall permit CITY, HUD, or any of their authorized representatives to audit, examine, and make excerpts and/or copies of same. SUB-GRANTEE's records shall include, but shall not be limited to, the following: payroll, personnel and employment records, contracts, and invoices.

XV. PERFORMANCE RECORDS AND REPORTS

15.1 As often and in such form as CITY may require, SUB-GRANTEE shall furnish CITY such performance records and reports as deemed by CITY as pertinent to matters covered by this CONTRACT.

15.2 At minimum, monthly performance records and reports shall be submitted to CITY by SUB-GRANTEE no later than the tenth day of the following month. Records and reports shall be in accordance with the formats set forth in Exhibit III attached hereto and incorporated herein for all purposes.

15.3 As of the commencement date of this CONTRACT, SUB-GRANTEE agrees to gather information and data relative to all programmatic and financial reporting.

XVI. MONITORING AND EVALUATION

16.1 CITY shall perform on-site monitoring of SUB-GRANTEE's performance pursuant to the terms of this CONTRACT.

16.2 SUB-GRANTEE agrees that CITY may carry out monitoring and evaluation activities so as to ensure SUB-GRANTEE's compliance with this CONTRACT, with the Community Development Act, with the Work Statement set forth in Exhibit I, with the program assurances and certifications executed by CITY, and with all other laws, regulations and ordinances related to the performance hereof.

16.3 SUB-GRANTEE agrees to cooperate fully with CITY in the development, implementation, and maintenance of record-keeping systems and to provide CITY with any data determined by CITY to be necessary for its effective fulfillment of its monitoring and evaluation responsibilities.

16.4 SUB-GRANTEE agrees that it will cooperate with CITY in such a way so as not to obstruct or delay CITY in its monitoring of SUB-GRANTEE's performance and that it will designate one of its staff to coordinate the monitoring process as requested by CITY staff.

16.5 After each official monitoring visit, CITY shall provide SUB-GRANTEE with a written report of monitoring findings.

16.6 Copies of any fiscal, management, or audit reports by any of SUB-GRANTEE's funding or regulatory bodies shall be submitted to CITY within five (5) working days of receipt thereof by SUB-GRANTEE.

XVII. INSURANCE

17.1 SUB-GRANTEE agrees to comply with the following insurance provisions:

(A) Prior to the commencement of any work under this CONTRACT, SUB-GRANTEE shall furnish copies of all required endorsements and completed Certificate(s) of Insurance to CITY's Division of Grants Monitoring and Administration, which shall be clearly labeled "*Minor Home Repair Program*" in the Description of Operations block of the Certificate. The Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. The CITY will not accept a Memorandum of Insurance or Binder as proof of insurance. The certificate(s) must have the agent's signature and phone number, and be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative to the CITY. The CITY shall have no duty to pay or perform under this CONTRACT until such certificate and

endorsements have been received and approved by CITY's Division of Grants Monitoring and Administration. No officer or employee, other than CITY's Risk Manager, shall have authority to waive this requirement.

(B) The CITY reserves the right to review the insurance requirements of this Article during the effective period of this CONTRACT and any extension or renewal hereof and to modify insurance coverages and their limits when deemed necessary and prudent by CITY's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding this CONTRACT. In no instance will CITY allow modification whereby CITY may incur increased risk.

(C) A SUB-GRANTEE's financial integrity is of interest to the CITY; therefore, subject to SUB-GRANTEE's right to maintain reasonable deductibles in such amounts as are approved by the CITY, SUB-GRANTEE shall obtain and maintain in full force and effect for the duration of this CONTRACT, and any extension hereof, at SUB-GRANTEE's sole expense, insurance coverage written on an occurrence basis, unless otherwise indicated, by companies authorized to do business in the State of Texas and with an A.M Best's rating of no less than A-(VII), in the following types and for an amount not less than the amount listed below:

TYPE	AMOUNTS
1. Broad form Commercial General Liability Insurance to include coverage for the following: a. Premises/Operations *b. Independent Contractors c. Products/Completed Operations d. Personal Injury e. Contractual Liability f.. Damage to property rented by you	For Bodily Injury and Property Damage of $1,000,000 per occurrence; $2,000,000 General Aggregate, or its equivalent in Umbrella or Excess Liability Coverage f. $100,000

(D) SUB-GRANTEE agrees to require, by written contract, that all subcontractors providing goods or services hereunder obtain the same insurance coverages required of SUB-GRANTEE herein, and provide a certificate of insurance and endorsement that names the SUB-GRANTEE and the CITY as additional insureds. Respondent shall provide the CITY with said certificate and endorsement prior to the commencement of any work by the subcontractor. This provision may be modified by CITY's Risk Manager, without subsequent City Council approval, when deemed necessary and prudent, based upon changes in statutory law, court decisions, or circumstances surrounding this CONTRACT. Such modification may be enacted by letter signed by CITY's Risk Manager, which shall become a part of the contract for all purposes.

(E) As they apply to the limits required by the CITY, the CITY shall be entitled, upon request and without expense, to receive copies of the policies, declaration page, and all endorsements thereto and may require the deletion, revision, or modification of particular policy terms, conditions, limitations, or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). SUB-GRANTEE shall be required to comply with any such requests and shall submit a copy of the replacement certificate of insurance to CITY at the address provided below within 10 days of the requested change. SUB-GRANTEE shall pay any costs incurred resulting from said changes.

City of San Antonio
Attn: Division of Grants Monitoring and Administration
P.O. Box 839966
San Antonio, Texas 78283-3966

(F) SUB-GRANTEE agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following provisions:

- Name the CITY, its officers, officials, employees, volunteers, and elected representatives as additional insureds by endorsement, as respects operations and activities of, or on behalf of, the named insured performed under contract with the CITY, with the exception of the workers' compensation and professional liability policies;

- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where the CITY is an additional insured shown on the policy;

- Workers' compensation, employers' liability, general liability and automobile liability policies will provide a waiver of subrogation in favor of the CITY; and

- Provide advance written notice directly to CITY of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance notice for nonpayment of premium.

(G) Within five (5) calendar days of a suspension, cancellation or non-renewal of coverage, SUB-GRANTEE shall provide a replacement Certificate of Insurance and applicable endorsements to CITY. CITY shall have the option to suspend SUB-GRANTEE's performance should there be a lapse in coverage at any time during this CONTRACT. Failure to provide and to maintain the required insurance shall constitute a material breach of this CONTRACT.

(H) In addition to any other remedies the CITY may have upon SUB-GRANTEE's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the CITY shall have the right to order SUB-GRANTEE to stop work hereunder, and/or withhold any payment(s) which become due to SUB-GRANTEE hereunder until SUB-GRANTEE demonstrates compliance with the requirements hereof.

(I) Nothing herein contained shall be construed as limiting in any way the extent to which SUB-GRANTEE may be held responsible for payments of damages to persons or property resulting from SUB-GRANTEE's or its subcontractors' performance of the work covered under this CONTRACT.

(J) It is agreed that SUB-GRANTEE's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of San Antonio for liability arising out of operations under this CONTRACT.

(K) It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this CONTRACT and that no claim or action by or on behalf of the CITY shall be limited to insurance coverage provided.

(L) SUB-GRANTEE and any Subcontractors are responsible for all damage to their own equipment and/or property.

XVIII. INDEMNIFICATION

18.1 SUB-GRANTEE covenants and agrees to FULLY INDEMNIFY and HOLD HARMLESS, the CITY and the elected officials, employees, officers, directors and representatives of the CITY, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal injury or death and property damage, made upon the CITY, directly or indirectly arising out of, resulting from or related to SUB-GRANTEE's activities under this CONTRACT, including any acts or omissions of SUB-GRANTEE, any agent, officer, director, representative, employee, contractor or subcontractor of SUB-GRANTEE, and their respective officers, agents, employees, directors and representatives while in the exercise or performance of the rights or duties under this CONTRACT, all without, however, waiving any governmental immunity available to the CITY under Texas Law and without waiving any defenses of the parties under Texas Law. IT IS FURTHER COVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY, AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF THE CITY, THE ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS AND/OR REPRESENTATIVES OF CITY, UNDER THIS CONTRACT. The provisions of this INDEMNIFICATION are solely for the benefit of the parties hereto and not intended to

create or grant any rights, contractual or otherwise, to any other person or entity. SUB-GRANTEE shall promptly advise the CITY in writing of any claim or demand against the CITY or SUB-GRANTEE known to SUB-GRANTEE related to or arising out of SUB-GRANTEE's activities under this CONTRACT and shall see to the investigation and defense of such claim or demand at SUB-GRANTEE's cost. The CITY shall have the right, at its option and at its own expense, to participate in such defense without relieving SUB-GRANTEE of any of its obligations under this paragraph.

18.2 It is the EXPRESS INTENT of the parties to this CONTRACT, that the INDEMNITY provided for in this Article (Article XVIII), is an INDEMNITY extended by SUB-GRANTEE to INDEMNIFY, PROTECT, and HOLD HARMLESS the CITY from the consequences of the CITY's OWN NEGLIGENCE, provided however, that the INDEMNITY provided for in this Article SHALL APPLY only when the NEGLIGENT ACT of the CITY is a CONTRIBUTORY CAUSE of the resultant injury, death, or damage, and shall have no application when the negligent act of the CITY is the sole cause of the resultant injury, death or damage. SUB-GRANTEE further AGREES TO DEFEND, AT ITS OWN EXPENSE and ON BEHALF OF THE CITY AND IN THE NAME OF THE CITY, any claim or litigation brought against the CITY and its elected officials, employees, officers, directors and representatives, in connection with any such injury, death, or damage for which this INDEMNITY shall apply, as set forth above.

18.3 It is expressly understood and agreed that SUB-GRANTEE is and shall be deemed to be an independent contractor and operator responsible to all parties for its acts or omissions and that CITY shall in no way be responsible therefor.

XIX. EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION

19.1 In the event that SUB-GRANTEE receives funding hereunder in excess of $10,000.00, SUB-GRANTEE shall submit for CITY approval, within thirty (30) calendar days following execution of this CONTRACT, a written plan for compliance with federal equal employment opportunity and affirmative action rules, regulations and laws.

19.2 SUB-GRANTEE shall comply with all applicable local, state, and federal equal employment opportunity and affirmative action rules, regulations and laws.

19.3 So that CITY can investigate compliance with local, state, and federal equal employment opportunity and affirmative action rules, regulations, and laws, SUB-GRANTEE shall furnish to CITY any and all information and reports requested by CITY, and shall permit access by CITY of any and all of its books, records, and accounts.

19.4 In the event of non-compliance by SUB-GRANTEE (or SUB-GRANTEE's sub-contractors) with local, state and federal equal employment opportunity and affirmative action rules, regulations and laws, this CONTRACT may be canceled, terminated, or suspended by CITY, in whole or in part, and SUB-GRANTEE may be barred from further contracts with CITY.

XX. NONDISCRIMINATION

20.1 SUB-GRANTEE covenants that it, or its agents, employees or anyone under its control to comply with the *Non-Discrimination Policy* of the City of San Antonio contained in Chapter 2, Article X of the City Code and further, shall not discriminate on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, veteran status, age or disability, unless exempted by state or federal law, or as otherwise established herein, or familial status in employment practices or in the use of or admission to the premises at, in or on which the Project described herein is to be performed, which said discrimination SUB-GRANTEE acknowledges is prohibited.

XXI. PERSONNEL POLICIES, PROCEDURES AND PRACTICES

21.1 Personnel policies, procedures, and practices shall be established by SUB-GRANTEE and shall be available for examination. Such policies, procedures and practices, however, shall:

(A) Be in writing, approved by the governing body of SUB-GRANTEE and submitted to CITY;

(B) Be no more liberal than CITY's personnel policies, procedures, and practices including, but not limited to, those related to employment, salary and wage rates, working hours and holidays, fringe benefits, vacation and sick leave privileges, and travel; however a variance may be permitted upon SUB-GRANTEE's written request and CITY's approval and solely within the CITY's discretion which shall be decided on a case-by-case basis; and

(C) Indicate that upon termination, for whatever reason, CITY shall not be liable nor responsible to SUB-GRANTEE for reimbursement of accrued annual leave and/or personal leave exceeding a total of two weeks [ten (10) working days] per employee. To this effect, SUB-GRANTEE shall inform its employees of this restriction and shall encourage employees to utilize leave benefits during the fiscal year for which the benefits are provided pursuant to the terms, provisions and requirements of this CONTRACT.

21.2 SUB-GRANTEE represents and warrants that it has complied with, and will continue to comply with, throughout the course of this solicitation and contract award process, the CITY's Commercial Nondiscrimination Policy, as described under Section III. C. 1. of Ordinance No. 2010-06-17-0531, passed and approved on June 17, 2010 (hereinafter referred to as "CITY's SBEDA Ordinance"). As part of such compliance, SUB-GRANTEE shall not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or other unlawful forms of discrimination in the solicitation, selection, hiring or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall the company retaliate against any person for reporting instances of such discrimination. SUB-GRANTEE shall provide equal opportunity for subcontractors, vendors and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that nothing contained in this clause shall prohibit or limit

otherwise lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the CITY's Relevant Marketplace. The CITY's Relevant Marketplace is defined in the CITY's SBEDA Ordinance as the geographic market area affecting the S/M/WBE Program as determined for purposes of collecting data for the MGT Studies (disparity and availability study done by MGT of America). The San Antonio Metropolitan Statistical Area (SAMSA), currently including the counties of Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina, and Wilson, determines eligibility for participation under various programs established by the CITY's SBEDA Ordinance. SUB-GRANTEE understands and agrees that a material violation of this clause shall be considered a material breach of this CONTRACT and may result in termination of this CONTRACT, disqualification of SUB-GRANTEE from participating in CITY contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party. SUB-GRANTEE's certification of its compliance with this Commercial Nondiscrimination Policy as submitted to the CITY, pursuant to the solicitation for this CONTRACT, is hereby attached, and incorporated into the material terms of this CONTRACT. SUB-GRANTEE shall incorporate this clause into each of its subcontractor and supplier agreements entered into pursuant to this CONTRACT.

XXII. CONFLICT OF INTEREST

22.1 SUB-GRANTEE acknowledges that it is informed that the Charter of the City of San Antonio and its Ethics Code prohibit a CITY officer or employee, as those terms are defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the CITY or any CITY agency such as city owned utilities. An officer or employee has a "prohibited financial interest" in a contract with the CITY or in the sale to the CITY of land, materials, supplies or service, if any of the following individual or entities is a party to the contract or sale: a CITY officer or employee, his parent, child or spouse, a business entity in which the officer or employee, or his parent, child or spouse owns ten percent (10%) or more of the voting stock or shares of the business entity, or ten percent (10%) or more of the fair market value of the business entity, a business entity in which any individual or entity above listed is a subcontractor on a CITY contract, a partner or a parent or subsidiary business entity.

22.2 Pursuant to the subsection above, SUB-GRANTEE warrants and certifies, and this CONTRACT is made in reliance thereon, that it, its officers, employees, and agents are neither officers nor employees of the CITY. SUB-GRANTEE further warrants and certifies that is has tendered to the CITY a Discretionary Contracts Disclosure Statement in compliance with the CITY's Ethics Code.

XXIII. NEPOTISM

23.1 SUB-GRANTEE shall not employ in any paid capacity any person who is a member of the immediate family of any person who is currently employed by SUB-GRANTEE or who is a member of SUB-GRANTEE's governing body. The term "member of immediate family" shall include: wife, husband, son, daughter, mother, father, brother, sister, in-law, aunt, uncle, cousin, nephew, niece, step-parent, step-child, half-brother and half-sister.

XXIV. POLITICAL ACTIVITY

24.1 None of the performance rendered hereunder shall involve, and no portion of the funds received hereunder shall be used, either directly or indirectly, for any political activity including, but not limited to, an activity to further the election or defeat of any candidate for public office or for any activity undertaken to influence the passage, defeat or final content of local, state or federal legislation.

XXV. SECTARIAN ACTIVITY

25.1 None of the performance rendered hereunder shall involve, and no portion of the funds received hereunder shall be used, directly or indirectly, for the construction, operations, maintenance or administration of any sectarian or religious facility or activity, nor shall said performance rendered or funds received be utilized so as to benefit, directly or indirectly, any such sectarian or religious facility or activity.

XXVI. DIRECTORS' MEETINGS

26.1 During the term of this CONTRACT, SUB-GRANTEE shall cause to be delivered to CITY copies of all notices of meetings of its Board of Directors. Said copies of notices shall set forth the time and place of each meeting, shall be delivered to CITY in a timely manner so as to give CITY adequate notice thereof and shall include therein an agenda and a brief description of the matters to be discussed thereat.

26.2 SUB-GRANTEE understands and agrees that CITY representatives shall be afforded access to all of SUB-GRANTEE's Board of Directors' meetings.

26.3 Minutes of all meetings of SUB-GRANTEE's governing body shall be submitted to CITY within ten (10) working days of approval.

XXVII. PUBLICITY

27.1 When appropriate, as determined by and upon written approval of CITY, SUB-GRANTEE shall publicize the activities conducted by SUB-GRANTEE pursuant to the terms of this CONTRACT. In any news release, sign, brochure, or other advertising medium disseminating information prepared or distributed by or for SUB-GRANTEE, however, mention shall be made that the Project was made possible with HUD funding and CITY participation.

XXVIII. PUBLICATIONS

28.1 All published materials and written reports submitted pursuant to this CONTRACT shall be originally developed unless otherwise specifically provided for herein. If material not originally developed is included in a report, however, said material shall have its source identified, either in the body of the report or by footnote, regardless of whether the material is in a verbatim or extensive paraphrase format.

28.2 All published materials submitted pursuant to this Project shall include the following reference on the front cover or title page:

> "This document was prepared in accordance with the City of San Antonio's Community Development Block Grant Program, with funding received from the United States Department of Housing and Urban Development."

XXIX. RIGHTS TO PROPOSAL AND CONTRACTUAL MATERIAL

29.1 All finished or unfinished reports, documents, data, studies, surveys, charts, drawings, maps, models, photographs, designs, plans, schedules, or other appended documentation to any proposal or contract, and any responses, inquiries, correspondence and related material submitted by SUB-GRANTEE, shall, upon receipt, become the property of CITY.

XXX. FUNDING APPLICATIONS

30.1 SUB-GRANTEE agrees to notify CITY each time SUB-GRANTEE is preparing or submitting any application for funding. When so preparing or submitting such an application, the following procedures shall be adhered to by SUB-GRANTEE:

(A) When the funding application is in the planning stages, a description of the funds being applied for and of the proposed use for the funds shall be submitted by SUB-GRANTEE to CITY;

(B) Upon award or notice of award, whichever is sooner, SUB-GRANTEE shall notify CITY of the award or notice thereof, and of the effect, if any, of such funding on the funds and programs agreed to hereunder. Such notice shall be submitted by SUB-GRANTEE to CITY, in writing, within ten (10) working days of receipt of the award or notice thereof, together with copies of the applicable budget, personnel complement, program description, and contract; and

(C) Except pursuant to prior written consent of CITY, SUB-GRANTEE shall not use, either directly or indirectly, resources provided hereunder to prepare applications for other federal or private funds, nor shall said resources be used, directly or indirectly, as contributions.

XXXI. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT AND OTHER RESPONSIBILITY MATTERS

31.1 SUB-GRANTEE certifies, and the CITY relies thereon in execution of this CONTRACT, that neither SUB-GRANTEE nor its Principals are presently debarred, suspended, proposed for debarment, or declared ineligible or voluntarily excluded for the award of contracts by any Federal governmental agency or department.

31.2 "Principals," for the purposes of this certification, means officers, directors, owners, partners, and persons having primary management or supervisory responsibilities within a

business entity (e.g., general manager, plant manager, head of a subsidiary, division, or business segment, and similar positions).

31.3 SUB-GRANTEE shall provide immediate written notice to CITY, in accordance with Article XLV, if, at any time during the term of this CONTRACT, including any renewals hereof, SUB-GRANTEE learns that its certification was erroneous when made or has become erroneous by reason of changed circumstances.

31.4 SUB-GRANTEE's certification is a material representation of fact upon which the CITY has relied in entering into this CONTRACT. Should CITY determine, at any time during this CONTRACT, including any renewals hereof, that this certification is false, or should it become false due to changed circumstances, the CITY may terminate this CONTRACT in accordance with Article XXXV relating to termination of the CONTRACT.

XXXII. SUB-CONTRACTING

32.1 Any other clause of this CONTRACT to the contrary notwithstanding, none of the work or services covered by this CONTRACT shall be sub-contracted without the prior written approval of CITY. Any work or services approved for sub-contracting hereunder, however, shall be sub-contracted only by written contract or agreement and, unless specific waiver is granted in writing by CITY, shall be subject by its terms to each and every provision of this CONTRACT. Compliance by sub-contractors with this CONTRACT shall be the responsibility of SUB-GRANTEE.

32.2 SUB-GRANTEE agrees that no sub-contract approved pursuant to this CONTRACT shall provide for payment on a "cost plus a percentage of cost" basis.

32.3 Despite CITY approval of a sub-contract, CITY shall in no event be obligated to any third party, including any sub-contractor of SUB-GRANTEE, for performance of work or services, nor shall CITY funds ever be used for payment of work or services performed prior to the date of CONTRACT execution or extending beyond the date of CONTRACT expiration.

XXXIII. CHANGES AND AMENDMENTS

33.1 Except when the terms of this CONTRACT expressly provide otherwise, any alterations, additions, or deletions to the terms hereof shall be by amendment in writing executed by both CITY and SUB-GRANTEE.

33.2 Whenever and as often as deemed necessary by CITY, CITY may request and require changes to SUB-GRANTEE's Work Statement (Exhibit I). Such changes as requested or required by CITY, however, must be by written amendment hereto and may incorporate therein increases or decreases in the total monetary obligation of CITY to SUB-GRANTEE as provided for pursuant to the terms, provisions and conditions of this CONTRACT.

33.3 Except pursuant to (a) prior submission by SUB-GRANTEE of detailed information regarding budget and Project revisions, and (b) prior written approval thereof by CITY, SUB-

GRANTEE shall neither make transfers between or among line items approved within the budget categories set forth in the Budget Summary incorporated within Exhibit II, nor shall SUB-GRANTEE alter, add to or delete from the Budget Detail likewise incorporated within said Exhibit II. Instead, SUB-GRANTEE shall request budget revisions in writing and in a form prescribed by CITY; such request for revisions, however, shall not increase the total monetary obligation of CITY as provided for pursuant to this CONTRACT, nor shall said revisions significantly change the nature, intent, or scope of the Project funded hereunder.

33.4 In the event that the level of funding for SUB-GRANTEE or for the Project described herein is altered, SUB-GRANTEE shall submit, immediately upon request by CITY, revised budget and Project information so as to enable re-evaluation by CITY of the original funding levels set forth in Exhibit II.

33.5 It is understood and agreed by the parties hereto that changes in local, state and federal rules, regulations or laws applicable hereto may occur during the term of this CONTRACT and that any such changes shall be automatically incorporated into this CONTRACT without written amendment hereto, and shall become a part hereof as of the effective date of the rule, regulation or law.

33.6 SUB-GRANTEE agrees to notify CITY in writing of any proposed change in physical location for work to be performed pursuant to the terms of this CONTRACT. Such notice shall be provided by SUB-GRANTEE to CITY at least thirty (30) calendar days in advance of the proposed change.

33.7 SUB-GRANTEE further agrees to notify CITY of any changes in personnel or governing board composition, such notice to be provided within five (5) working days of the change.

XXXIV. SUSPENSION OF FUNDING

34.1 Upon determination by CITY of SUB-GRANTEE's failure to timely and properly perform pursuant to the provisions of this CONTRACT, CITY, without limiting or waiving any rights it may otherwise have, may, at its discretion and upon five (5) working days written notice to SUB-GRANTEE, withhold further payments to said SUB-GRANTEE. CITY's notice shall specifically set forth SUB-GRANTEE's alleged default or failure as well as the action required for cure thereof.

34.2 The period of funding suspension shall be of such duration as is appropriate to accomplish corrective action, but in no event shall it exceed thirty (30) calendar days. Upon expiration of the suspension period:

(A) Should CITY determine that the default or deficiency has been cured, SUB-GRANTEE may be restored to full compliance status and paid all eligible funds withheld during the suspension period; or

(B) Should CITY determine continued non-compliance, the provisions of Article XXXV hereunder may be effectuated.

XXXV. TERMINATION

35.1 "Termination" of this CONTRACT shall mean termination by expiration of the CONTRACT term or earlier termination pursuant to any of the provisions hereof.

35.2 CITY may terminate this CONTRACT for any of the following reasons:

(A) Neglect or failure by SUB-GRANTEE to perform or observe any of the terms, conditions, covenants or guarantees of this CONTRACT or of any written contract or amendment between CITY and SUB-GRANTEE;

(B) Termination or reduction of funding of the Project by HUD;

(C) Failure by SUB-GRANTEE to cure, within the period prescribed pursuant to the above Article XXXIV of this CONTRACT, any default or deficiency basis for suspension of funding hereunder;

(D) Finding by CITY that SUB-GRANTEE:

(1) is in such unsatisfactory financial condition as to endanger performance under this CONTRACT, including, but not limited to:

(a) The apparent inability of SUB-GRANTEE to meet its financial obligations;

(b) The appearance of items that reflect detrimentally on the creditworthiness of SUB-GRANTEE, including, but not limited to, liens, encumbrances, etc., on the assets of SUB-GRANTEE.

(2) has allocated inventory to this CONTRACT substantially exceeding reasonable requirements; or

(3) is delinquent, in the ordinary course of business, in the payment of taxes or in the payment of costs of performance of this CONTRACT;

(E) Appointment of a trustee, receiver or liquidator for all or a substantial part of SUB-GRANTEE's property, or institution of bankruptcy, reorganization, rearrangement of or liquidation proceedings by or against SUB-GRANTEE;

(F) The entry by a court of competent jurisdiction of a final order providing for the modification or alteration of the rights of SUB-GRANTEE's creditors;

(G) Inability by SUB-GRANTEE to conform to changes in local, state and federal rules, regulations and laws as provided for in Article III and in paragraph number 33.5 of this CONTRACT; and

(H) Violation by SUB-GRANTEE of any rule, regulation or law to which SUB-GRANTEE is bound or shall be bound under the terms of this CONTRACT.

35.3 CITY may terminate this CONTRACT for convenience at any time after which SUB-GRANTEE shall be paid an amount not to exceed the total accrued expenditures as of the effective date of termination. In no event, however, will compensation to SUB-GRANTEE exceed an amount which bears the same ratio to the total compensation as the services actually performed by SUB-GRANTEE bears to the total services required of SUB-GRANTEE, less payments previously made.

35.4 SUB-GRANTEE may terminate this CONTRACT for any of the following reasons:

(A) Cessation of outside funding upon which SUB-GRANTEE depends for performance hereunder; SUB-GRANTEE may opt, however, within the limitations of this CONTRACT and with the written approval of CITY, to seek an alternative funding source, provided that the termination of funding by the initial outside source was not occasioned by a breach of agreement as defined herein or as defined in a contract between SUB-GRANTEE and the funding source in question; or

(B) Upon the dissolution of the SUB-GRANTEE organization, provided such dissolution was not occasioned by a breach of this CONTRACT.

35.5 Upon a decision to terminate by either CITY or SUB-GRANTEE, written notice of such, and the effective date thereof, shall be immediately provided to the other party.

35.6 Upon receipt of notice to terminate, SUB-GRANTEE shall cancel, withdraw, or otherwise terminate any outstanding orders or subcontracts which relate to the performance of this CONTRACT. To this effect, CITY shall not be liable to SUB-GRANTEE or SUB-GRANTEE's creditors for any expense, encumbrances, or obligations whatsoever incurred after the date of termination.

35.7 Upon receipt of notice to terminate, all finished or unfinished documents, data, studies, surveys, charts, drawings, maps, models, photographs, designs, plans, schedules, or other appended documentation to any proposal or contract, prepared by or on behalf of SUB-GRANTEE under this CONTRACT shall, at the option of CITY, and in accordance with Article XXIX hereof, become the property of CITY and shall, if requested or agreed to by CITY, be delivered by SUB-GRANTEE to CITY in a timely and expeditious manner.

35.8 Within thirty (30) days after receipt of notice to terminate, SUB-GRANTEE shall submit a statement to CITY, indicating in detail the services performed under this CONTRACT prior to the effective date of termination.

35.9 Any termination of this CONTRACT as herein provided shall not relieve SUB-GRANTEE from the payment of any sum(s) that shall then be due and payable or become due and payable to CITY hereunder or as provided for at law or in equity, or any claim for damages

then or theretofore accruing against SUB-GRANTEE hereunder or by law or in equity, and any such termination shall not prevent CITY from enforcing the payment of any such sum(s) or claim for damages from SUB-GRANTEE. Instead, all rights, options, and remedies of CITY contained in this CONTRACT shall be construed and held to be cumulative and no one of them shall be exclusive of the other, and CITY shall have the right to pursue any one or all of such remedies or any such other remedy or relief which may be provided by law or in equity whether or not stated in this CONTRACT.

35.10 Should this CONTRACT be terminated by either party hereto for any reason, including termination under Section 35.3 of this CONTRACT, if the work required hereunder of SUB-GRANTEE is not fully completed to the satisfaction of CITY in accordance with the terms of this CONTRACT, SUB-GRANTEE shall refund any and all sums of money paid by CITY to SUB-GRANTEE within ten (10) working days of CITY's written request therefor.

35.11 Upon termination of this CONTRACT by CITY under paragraph number 35.2(A), SUB-GRANTEE shall be barred from future CONTRACTS with CITY absent the express written consent of the City Manager of CITY, or the City Manager's designee.

XXXVI. NOTIFICATION OF ACTION BROUGHT

36.1 In the event that any claim, demand, suit, proceeding, cause of action, or other action (hereinafter collectively referred to as "claim") is made or brought against SUB-GRANTEE, SUB-GRANTEE shall give written notice thereof to CITY within two (2) working days after itself being notified. SUB-GRANTEE's notice to CITY shall state the date and hour of notification to SUB-GRANTEE of the claim, the names and addresses of those instituting or threatening to institute the claim, the basis of the claim, and the name(s) of any others against whom the claim is being made or threatened. Written notice pursuant to this Article shall be delivered either personally or by mail in accordance with Article XLV of this CONTRACT.

XXXVII. ASSIGNMENTS

37.1 SUB-GRANTEE shall not transfer, pledge, or otherwise assign this CONTRACT, any interest in and to same, or any claim arising thereunder, without first procuring the written approval of CITY. Any attempt at transfer, pledge, or other assignment shall be void *ab initio* and shall confer no rights upon any third person.

XXXVIII LEGAL EXPENSES

38.1 Under no circumstances will the funds received under this CONTRACT be used, either directly or indirectly, to pay costs or attorney fees incurred in any adversarial proceeding against the CITY or any other public entity.

38.2 During the term of this CONTRACT, if SUB-GRANTEE files and/or pursues an adversarial proceeding against the CITY then, at the CITY's option, this CONTRACT and all access to the funding provided for hereunder may terminate if SUB-GRANTEE is in violation of paragraph 38.1.

38.3 SUB-GRANTEE, at the CITY's option, could be ineligible for consideration to receive any future funding while any adversarial proceeding against the CITY remains unresolved.

38.4 For purposes of this Article, "adversarial proceeding" includes any cause of action filed by the SUB-GRANTEE in a state or federal court, as well as any state or federal administrative hearing, but does not include Alternative Dispute Resolution proceedings.

XIX. SEVERABILITY OF PROVISIONS

39.1 If any clause or provision of this CONTRACT is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the City Charter, City Code, or ordinances of the City of San Antonio, Texas, then and in that event it is the intention of the parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this CONTRACT shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the parties hereto that in lieu of each clause or provision of this CONTRACT that is invalid, illegal, or unenforceable, there be added as a part of the CONTRACT a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

XL. RENEWAL NOT AUTOMATIC

40.1 Funding under this CONTRACT and any amendments or waivers that may be made or granted hereunder shall not be automatically renewed on the anniversary date of this CONTRACT. To the contrary, funding of any project requiring contract execution shall be achieved only pursuant to approval of the City Council of the City of San Antonio.

XLI. NON-WAIVER OF PERFORMANCE

41.1 No waiver by CITY of a breach of any of the terms, conditions, covenants, or guarantees of this CONTRACT shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of CITY to insist in any one or more cases upon the strict performance of any of the covenants of this CONTRACT, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option. In fact, no waiver, change, modification, or discharge by either party hereto of any provision of this CONTRACT shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged.

41.2 No act or omission of CITY shall in any manner impair or prejudice any right, power, privilege, or remedy available to CITY hereunder or by law or in equity, such rights, powers, privileges, or remedies to be always specifically preserved hereby.

41.3 No representative or agent of CITY may waive the effect of the provisions of this Article.

XLII. SPECIAL CONDITIONS

42.1 SUB-GRANTEE acknowledges, understands, and agrees to comply with the following federal regulations as promulgated in Section 3 clause of the Housing and Urban Development Act of 1968, as amended and as applicable:

(A) The work to be performed under this CONTRACT is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 170(1)(u) (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low and very low income persons, particularly persons who are recipients of HUD assistance for housing.

(B) The parties to this CONTRACT agree to comply with HUD's regulations in 24 C.F.R. Part 135, which implement Section 3. As evidenced by their execution of this CONTRACT, the parties to this CONTRACT certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

(C) SUB-GRANTEE agrees to send to each labor organization or representative of workers with which SUB-GRANTEE has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of SUB-GRANTEE's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each, and the name and location of the person(s) taking applications for each of the positions, and the anticipated date the work shall begin.

(D) SUB-GRANTEE agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 C.F.R. Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause upon a finding that the subcontractor is in violation of the regulations in 24 C.F.R. Part 135. The SUB-GRANTEE will not subcontract with any subcontractor where SUB-GRANTEE has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 135.

(E) The SUB-GRANTEE will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 C.F.R. Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 C.F.R. Part 135.

(F) Noncompliance with HUD's regulations in 24 C.F.R. Part 135 may result in sanctions, termination of this CONTRACT for default, and debarment or suspension from further HUD-assisted contracts.

(G) With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C.C. 450e) also applies to the work to be performed under this CONTRACT. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this CONTRACT that are subject to the provision of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

42.2 SUB-GRANTEE shall ensure that all professional and contractual services in connection with Project implementation be procured in accordance with 24 CFR 570, Part 84, the Common Rule, Procurement, Competitive Standards, and shall maintain a record of all procurement documents associated with the Project.

42.3 SUB-GRANTEE shall submit a copy of its general contractor's contract to CITY for review.

42.4 SUB-GRANTEE understands and agrees that all third-party contracts shall be at arm's length.

42.5 SUB-GRANTEE understands and agrees that all CDBG assisted units shall be occupied by households whose income is at or below 80% of the Area Median Income, adjusted for family size.

42.6 SUB-GRANTEE shall utilize HUD's Part 5 Income Calculation method of determining income for each beneficiary of federal funds. SUB-GRANTEE shall collect Part 5 Income for each beneficiary and maintain records in client files.

42.7 SUB-GRANTEE shall comply with the CITY's Environmental Policy, SUB-GRANTEE acknowledges and agrees that it shall not perform any choice limiting action, including but not limited to acquiring, rehabilitating, demolishing, converting, leasing, repairing or constructing any property or parcel of property on any project prior to the CITY's Certifying Officer and/or HUD approving the Environmental Record.

42.8 SUB-GRANTEE shall comply with the CITY's Affordable Housing Policies regarding the maximum subsidy for each project.

42.9 CITY shall not be liable for any cost, or portion thereof, which is or was incurred in connection with an activity of SUB-GRANTEE where prior written authorization from CITY is required for the activity and such authorization was not first procured, or CITY has requested

that SUB-GRANTEE furnish data concerning an activity prior to proceeding further therewith and SUB-GRANTEE nonetheless proceeds without first submitting the data and receiving approval thereof.

42.10 SUB-GRANTEE shall ensure that all CDBG assisted properties in each project shall comply with all local, state and federal laws.

42.11 SUB-GRANTEE shall ensure that all units constructed or rehabilitated hereunder shall comply with the CITY's Residential Construction Management Policy, Procedures and Standards.

42.12 SUB-GRANTEE shall conduct progress and final inspections of construction to ensure that work is done in accordance with the scope of work and applicable codes.

42.13 SUB-GRANTEE shall establish a clear and coherent set of performance standards for tracking the progress and completion of each project.

42.14 SUB-GRANTEE must complete all Site Specific Environmental Review Records for each property/parcel of property involved in this Project, and submit such records with original signatures to CITY. CITY shall approve in writing such records prior to SUB-GRANTEE initiating any Project activity and/or incurring any Project activity cost. SUB-GRANTEE shall be reimbursed from the funds hereunder for the costs associated with said Site Specific Environmental Review ("Environmental Review").

42.15 SUB-GRANTEE shall submit a detailed description of Project to CITY and shall commence Project construction activities no later than sixty (60) days following the official Project set-up.

42.16 Prior to initiating any construction/rehabilitation activity and/or incurring any Project cost, for each separate address in which any construction/rehabilitation activity in connection with this Project, SUB-GRANTEE shall forward to CITY a completed copy of the HUD Set-up Form and HUD Form 2516 attached hereto as Exhibit III.

42.17 SUB-GRANTEE understands and agrees that upon completion of each project, SUB-GRANTEE shall accurately complete a HUD Completion Form, which is attached hereto and incorporated herein as Exhibit III, and shall forward the original form to CITY no later than thirty (30) business days following SUB-GRANTEE's receipt of the final remittance of CONTRACT funds by CITY for each such home. SUB-GRANTEE understands and agrees that new project Set-up Forms will not be processed by CITY if there are any outstanding Project Completion Forms due.

42.18 SUB-GRANTEE shall prepare monthly performance reports, which are attached hereto and incorporated herein as Exhibit III, and submit same to CITY by the 15th day of each month. Performance report must contain details of all inputs (i.e., resources) and outputs (i.e., utilization of resources) in conjunction with efficiency and effectiveness measures regarding the project. SUB-GRANTEE shall provide additional information and reports as may be requested by CITY.

42.19 SUB-GRANTEE understands and agrees to retain project and client file records for each project for five (5) years beyond the expiration date of this CONTRACT.

42.20 SUB-GRANTEE understands and agrees that in order to receive reimbursement for each address in which construction/minor rehabilitation activity is to take place, the project must be CDBG eligible and must meet all program requirements.

42.21 SUB-GRANTEE understands and agrees to provide sufficient support documentation to CITY to ensure reimbursement for each project activity cost incurred.

42.22 SUB-GRANTEE shall submit to CITY all invoices for reimbursement and accompanying requests for such reimbursement no later than thirty (30) days following the purchase of goods or services for which such reimbursement is to be requested. All requests for reimbursement, and all accompanying invoices, shall be aggregated prior to submission to CITY and submitted to CITY when such amount equals or exceeds $500.00. This paragraph shall be complied with in conjunction with and in addition to Article VII, paragraph 7.1 of this CONTRACT.

42.23 SUB-GRANTEE understands and agrees to withhold ten percent (10%) of funding for each project to allow for final inspection of the completed project.

42.24 SUB-GRANTEE shall, in accordance with 24 CFR 84.26 and OMB Circular A-133, ensure that if $500,000 or more of federal funds are expended within a fiscal year, a single audit shall be conducted in accordance with the federal General Accepted Accounting Principles (GAAP) for that year and shall submit to CITY within five (5) working days of submission of the single audit to the Federal Audit Clearing Housing (FAC) by SUB-GRANTEE during the term of each project agreement. SUB-GRANTEE understands that if $500,000 is not expended within a fiscal year, it shall submit documentation of same and provide to CITY a written report indicating that a single audit was not required. SUB-GRANTEE shall maintain records of all single audits throughout the term of this CONTRACT.

42.25 SUB-GRANTEE understands and agrees that it shall not expend more than $4,999 per property, excluding costs of the Environmental Review and Program Administration Costs.

42.26 SUB-GRANTEE understands and agrees that it shall only be reimbursed for the costs outlined in the Budget Detail section of Exhibit II, including but not limited to the following three categories: (1) Hard Costs, e.g. labor and materials costs for repairs, (2) project-related Soft Costs, e.g. title reports and appraisals, and (3) Program Administration Costs, e.g. preparation of work specifications and applicant processing. SUB-GRANTEE understands and agrees that Program Administration Costs shall not exceed fifteen percent (15%) of Hard Costs and shall require the use of time sheets as provided in Exhibit III hereunder for allocation of staff time to each individual project.

42.27 SUB-GRANTEE shall ensure that each participating household shall receive the "Protect your Family from Lead in Your Home" pamphlet and the "Renovate Right" pamphlet published by the Environmental Protection Agency (EPA). Said pamphlets may be found on the EPA website at www.epa.gov.

XLIII. ENTIRE CONTRACT

43.1 This CONTRACT constitutes the final and entire agreement between the parties hereto and contains all of the (including all exhibits hereto) terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this CONTRACT shall be deemed to exist or to bind the parties hereto unless same be in writing, dated subsequent to the date hereof, and duly executed by the parties.

XLIV. INTERPRETATION

44.1 In the event any disagreement or dispute should arise between the parties hereto pertaining to the interpretation or meaning of any part of this CONTRACT or its governing rules, regulations, laws, codes or ordinances, CITY, as the party ultimately responsible to HUD for matters of compliance, shall have the final authority to render or secure an interpretation.

XLV. NOTICES

45.1 For purposes of this CONTRACT, all official communications and notices among the parties shall be deemed sufficient if in writing and mailed, registered or certified mail, postage prepaid, to the addresses set forth below:

CITY:
Grants Administrator
Division of Grants Monitoring and Administration
1400 S. Flores Street
San Antonio, Texas 78204

SUB-GRANTEE:
Merced Housing Texas
212 West Laurel
San Antonio, Texas 78212
Attn: President

Notice of changes of address by either party must be made in writing delivered to the other party's last known address within five (5) business days of such change.

XLVI. PARTIES BOUND

46.1 This CONTRACT shall be binding on and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, except as otherwise expressly provided herein.

XLVII. GENDER

47.1 Words of gender used in this CONTRACT shall be held and construed to include the other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.

XLVIII. RELATIONSHIP OF PARTIES

48.1 Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers or any other similar such relationship between the parties hereto.

XLIX. TEXAS LAW TO APPLY

49.1 THIS CONTRACT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN BEXAR COUNTY, TEXAS. VENUE AND JURISDICTION ARISING UNDER OR IN CONNECTION WITH THIS CONTRACT SHALL LIE EXCLUSIVELY IN BEXAR COUNTY, TEXAS.

L. CAPTIONS

50.1 The captions contained in this CONTRACT are for convenience of reference only, and in no way limit or enlarge the terms and/or conditions of this CONTRACT.

[SIGNATURE PAGE TO FOLLOW]

EXECUTED this the _____ day of _____, 2015.

CITY OF SAN ANTONIO,
a Texas municipal corporation

By:_____
THOMAS W. MORGAN
Grants Administrator
Division of Grants Monitoring
and Administration

MERCED HOUSING TEXAS
a Texas non-profit organization

By: _____
SUSAN R. SHEERAN
President

APPROVED AS TO FORM:

By: _____
DENISE FREDERICK
Assistant City Attorney

EXHIBITS:
Exhibit I – Work Statement
Exhibit II – Project Budget
Exhibit III – Performance Records/Reports
Exhibit IV – Billing Package