

FIRST AMENDATORY AGREEMENT

THIS FIRST AMENDATORY AGREEMENT (the “Amendment”) is made and entered into by and between the **CITY AND COUNTY OF DENVER**, a municipal corporation of the State of Colorado (the “City”) and **COLORADO HOUSING ASSISTANCE CORPORATION**, a Colorado nonprofit corporation, whose address is 670 Santa Fe Drive, Denver, Colorado 80204 (the “Contractor”), collectively the “Parties.”

RECITALS:

A. The Parties entered into an agreement on February 19, 2019 for the Contractor to provide Denver County home buyers with down payment assistance and for the City to provide funds to the Contractor for providing that assistance (the “Agreement”); and

B. The Parties wish to amend the Agreement to amend the scope of services and budget, extend the term, increase the compensation to the Contractor, and modify certain other terms as forth in this Amendment.

NOW THEREFORE, in consideration of the premises and the Parties’ mutual covenants and obligations, the Parties agree as follows:

1. Exhibits A and B of the Agreement shall be replaced with Exhibits A-1 and B attached to this Amendment. The updated Scope of Services marked as Exhibit A-1 and the updated Financial Administration marked as Exhibit B are attached hereto and incorporated herein by this reference and shall supersede and replace all previous exhibits attached to the Agreement.

2. Part II of the Agreement shall be replaced with Part II attached to this Amendment. The updated Supplementary General Conditions (CDBG) marked as Part II is attached hereto and incorporated herein by this reference and shall supersede and replace Part II attached to the Agreement.

3. All references to the “Office of Economic Development” and “OED” in the Agreement shall be replaced to read “Department of Housing Stability” and “HOST,” respectively.

4. Section 2 of the Agreement entitled “**TIME OF PERFORMANCE**” is amended to read as follows:

“This Agreement shall begin on January 1, 2019, and end on December 31, 2020, unless such time as extended by written agreement of the parties, executed in the same manner as this Agreement. The term of this Agreement and the provisions herein shall automatically be extended to cover any additional time period during which the Contractor remains in control of Community Development Block Grant (“CDBG”) funds or other CDBG assets, including program income.”

5. Section 3 of the Agreement entitled “**COMPENSATION**” is amended to read as follows:

“The amount to be paid by the City to the Contractor shall not exceed SEVEN HUNDRED THOUSAND Dollars and NO/100 (\$700,000.00). The obligation of the City for payments under this Agreement is limited to monies appropriated by the U.S. Congress and the City Council and paid into the City Treasury as an applicable cost under the CDBG Agreements referred to below. Funds will be released to the Contractor in accordance with the budget and other requirements set forth in Exhibits A-1 and B. The Parties agree that (i) the City does not by this Agreement irrevocably pledge present cash reserves for payment or performance in future fiscal years, and (ii) this Agreement is not intended to create a multiple-fiscal year direct or indirect debt or financial obligation of the City.”

6. Section 11 of the Agreement entitled “**EXAMINATION OF RECORDS**” is amended to read as follows:

“Any authorized agent of the City, including the City Auditor or his or her representative, has the right to access, and the right to examine, copy and retain copies, at City’s election in paper or electronic form, any pertinent books, documents, papers and records related to Contractor’s performance pursuant to this Agreement, provision of any goods or services to the City, and any other transactions related to this Agreement. Contractor shall cooperate with City representatives and City representatives shall be granted access to the foregoing documents and information during reasonable business hours and until the latter of three (3) years after the final payment under the Agreement or expiration of the applicable statute of limitations. When conducting an audit of this Agreement, the City Auditor shall be subject to government auditing standards issued by the United States Government Accountability Office by the Comptroller General of the United States, including with respect to disclosure of information acquired during the course of an audit. No examination of records and audits pursuant to this

paragraph shall require Contractor to make disclosures in violation of state or federal privacy laws. Contractor shall at all times comply with D.R.M.C. 20-276.”

7. Section 27 of the Agreement entitled “**NOTICES**” is amended to read as follows:

“All notices required by the terms of the Agreement must be hand delivered, sent by overnight courier service, mailed by certified mail, return receipt requested, or mailed via United States mail, postage prepaid, if to the Contractor at the address first above written, and if the City at:

Executive Director of the Department of Housing Stability
City and County of Denver
201 West Colfax Avenue, Department 615
Denver, Colorado 80202

With a copy of any such notice to:

Denver City Attorney’s Office
1437 Bannock Street, Room 353
Denver, Colorado 80202

Notices hand delivered or sent by overnight courier are effective upon delivery. Notices sent by certified mail are effective upon receipt. Notices sent by mail are effective upon deposit with the U.S. Postal Service. The parties may designate substitute addresses where or persons to whom notices are to be mailed or delivered. However, these substitutions will not become effective until actual receipt of written notification.”

8. Except as herein amended, the Agreement continues in effect, and is affirmed and ratified in each and every particular.

9. This Amendment will not be effective or binding on the City until it has been fully executed by all required signatories of the City and County of Denver, and if required by Charter, approved by the City Council.

[SIGNATURE PAGES AND EXHIBITS TO FOLLOW]

Contract Control Number:
Contractor Name:

HOST-202053147-01 / 201846938-01
COLORADO HOUSING ASSISTANCE CORPORATION

IN WITNESS WHEREOF, the parties have set their hands and affixed their seals at
Denver, Colorado as of:

SEAL

CITY AND COUNTY OF DENVER:

ATTEST:

By:

APPROVED AS TO FORM:

REGISTERED AND COUNTERSIGNED:

Attorney for the City and County of Denver

By:

By:

By:

Contract Control Number:
Contractor Name:

HOST-202053147-01 / 201846938-01
COLORADO HOUSING ASSISTANCE CORPORATION

By: _____

Name: _____
(please print)

Title: _____
(please print)

ATTEST: [if required]

By: _____

Name: _____
(please print)

Title: _____
(please print)

Contract Control Number:
Contractor Name:

HOST-202053147-01 / 201846938-01
COLORADO HOUSING ASSISTANCE CORPORATION

By: Michelle Mitchell

Name: Michelle D. Mitchell
(please print)

Title: President
(please print)

ATTEST: [if required]

By: Linda Napier

Name: Linda Napier
(please print)

Title: Vice - President
(please print)

SCOPE OF SERVICES

**DEPARTMENT OF HOUSING STABILITY
DIVISION OF HOUSING**

PROJECT NAME: CPS No. 04 – Homeowner Assistance
ACTIVITY NAME: Colorado Housing Assistance Corporation
2019/2020 CDBG Subaward

Federal Award ID (FAIN) #: B-19-MC-08-0005
Federal Award Date: Anticipated June 2019
Federal Awarding Agency: U.S. Housing and Urban Development (HUD)
Pass-Through Entity: City and County of Denver
Awarding Official: Dept. of Housing and Urban Development (HUD)
Community Planning and Development
Region VIII
1670 Broadway Street
Denver CO 80202-4801

I. INTRODUCTION

Subaward Period of Performance Start and End Dates: 1/1/19 – 12/31/2020

Federal Subaward Project Description:

The purpose of this contract agreement is to provide a Community Development Block Grant (CDGB) Subaward for \$700,000 through the Department of Housing Stability. These funds will be provided to the Colorado Housing Assistance Corporation to be utilized to provide down payment assistance to low/moderate Denver County households. This award is not for Research and Development (R&D).

Funding Source:	Amount:		
<input checked="" type="checkbox"/> CDBG	\$700,000	CFDA #14.218	Name: CDBG - Entitlements

CDBG Matrix Code:	<u>13 (Direct Homeowner Assistance)</u>
CDBG Eligible Activity:	<u>570.201(n): Homeownership Assistance: CDBG funds may be used to provide direct homeownership assistance to low-and moderate-income households in accordance with Section 105(a) of the Act.</u>
Accomplishment Type:	<u>04 - Households</u>
Proposed Number of outcomes:	<u>52</u>

CDBG HUD National Objective (include brief excerpt from regulation):	LMH 570.208(a)(3): Activities benefiting low-and moderate-income persons – Housing activities.
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Sub-awardee Organization: Colorado Housing Assistance Corporation

EIN#:	<u>74 2229383</u>
DUNS#:	<u>149 360 935</u>
CCR (Central Contractor Registration) Expiration Date:	<u>10/12/2019 - 9/12/2020</u>
Address:	<u>670 Santa Fe Drive - Denver, CO 80204-4427</u>

Contact Person:	<u>Michelle Mitchell, President</u>
Phone:	<u>303-572-9445</u>
Email:	<u>MichelleM@chaconline.org</u>

Organization Type:

Non-Profit For-Profit Individual Partnership Corporation Publicly Owned Other

CDBG Contractor Relationship:

Unit of Government Public Agency Sub-awardee/Subrecipient Vendor Beneficiary
 Community Based Development Organization (CBDO)

Council District(s): CW **Neighborhood(s):** CW **Census Block(s):** CW
(only required for Low Mod Area)

Project/activity located in a Target Area: Yes No
If yes, indicate type: Local Target Area Strategy Area (NRSA) CDFI Other

The Federal Funding Accountability and Transparency Act (FFATA)

1. In the business or organization's preceding completed fiscal year, the business or organization (the legal entity to which this specific CCR record, represented by a DUNS number, belongs) received: (1) 80 percent or more of annual gross revenues in U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements; and (2) \$25,000,000 or more in annual gross revenues from U.S. federal contracts, subcontracts, loans, grants, subgrants, and/or cooperative agreements:

Yes No

If YES, continue to statement 2.

2. The public has access to information about the compensation of the executives in the business or organization (the legal entity to which this specific CCR record, represented by a DUNS number, belongs) through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986:

Yes No

If YES, stop here. If NO, continue to statement 3.

3. Provide the names and amounts of the five most highly compensated officers or executives:

Program income (of any type, e.g., fees) will be generated by this activity. Yes No
Contract will be funding architectural, engineering or other project soft cost. Yes No
If yes, final project be completed within 24 months. Yes No

Purpose of this activity is to:
Help prevent homelessness Yes No
Help the homeless Yes No
Help those with HIV/AIDS Yes No
Primarily help persons with disabilities Yes No

II. ACTIVITY DESCRIPTION

1. **Description of Activity:** To provide homeownership counseling and education to first time homeowners with low/moderate incomes (not to exceed 80% AMI) seeking to purchase homes in the City and County of Denver. Additionally, service and utilize repayment of the loans for additional down payment assistance. No associated fees (such as loan servicing, origination, or other fees) may be charged in conjunction with the issuance of down payment assistance and closing costs.

Program Requirements and Responsibilities (2 CFR 200.331(a)(2))

A. Down Payment and Closing Cost Assistance

1. Provide down payment and closing cost assistance to qualifying households who purchase a

EXHIBIT A - 1

home in Denver County using the following guidelines:

- Eligible home buyers must commit at least \$1,000 of their own or other cash resources.
 - The amount necessary to cover required down payment and closing costs may be provided but may not exceed:
 - 50% of the down payment amount, AND
 - 5% of the purchase price for all other homes, or \$15,000, whichever is less.
 - Allowable closing costs include, but are not limited to, prepaid costs, title insurance, settlement fees, recording fees, real estate taxes due at settlement, state documentary stamp and intangible taxes, wire and courier charges, appraisal costs and land surveys.
2. **Property Requirements:** The purchase price of the home may not exceed 95% of the Denver-area median purchase price for existing and new construction, as published by the Department of Housing & Urban Development. Unit must be owner occupied.
 3. **Review Loan Estimates** provided by participants' first mortgagees to ensure that mortgages are affordable¹ to the homebuyers and are amortized with payments of principal and interest over fixed terms and with fixed interest rates that are comparable to current market rates for the homebuyer's credit profile.
 4. Refer participants to Colorado licensed lenders and real estate brokers who have knowledge of special programs that assist first-time and low-income home-buyers and that provide amortized fixed rate, fixed term loans (no ARMS, interest only, balloons, excess fees, or other exotic/non-traditional mortgages). Homebuyers may use a licensed lender of their choice provided that the loan terms meet the requirements contained herein.
 5. Prior to receiving down payment assistance, participants must attend a housing counseling class offered by any HUD-certified housing counseling agency in or outside of Denver. Attendance must be confirmed and verified.
 6. Refer participants to other programs that offer home-buying services, such as credit counseling, financial planning and other similar programs as necessary.
 7. Certify income of participants in accordance with 24CFR5.609 to receive assistance and collect other demographic information by having participants complete the STATEMENT OF INCOME AND DEMOGRAPHIC INFORMATION form, which will be provided by HOST.
 8. Conduct follow-up survey with participants who purchased homes following receipt of assistance. At least 25% of the participants will be surveyed after six months of their home closing dates via telephone, U.S. postal service, e-mail or on-line. Bi-lingual surveys will be made available. The survey shall determine if the owners are able to maintain timely monthly mortgage payments, maintain upkeep of the exterior and interior of the property and able to make necessary repairs. It will also ascertain if any units have been subject to foreclosure.
 9. Develop partnerships and maintain relationships with like agencies to enhance programs and avoid duplication of services.

¹ General Guidelines include monthly PITI, PMI and HOA fees should not be more than 35% of the households' monthly gross income. Contractor may deviate from these guidelines at its discretion if it can be documented that it was reasonable to do so.¹

10. Prior to commitment of funding (before any contracts are signed to provide down payment assistance to homebuyers), an environmental review that results in a determination that the property is in compliance with the National Environmental Policy Act will be conducted by HOST staff.
11. Ensure audited financials include a separate line item for this program.
12. Any program income must be deposited into a separate account, tracked and reported to HOST.
13. The home must undergo a property inspection by qualified property inspector. The condition of the property must meet applicable inspection standards, as defined by the United States Department of Housing and Urban Development, and applicable lead-based paint regulations complied with prior to closing.
14. Loan Requirements: The amount of down payment assistance may not exceed \$15,000 per income eligible household and each household's aggregate mortgage payments should not exceed 35% of gross household income.²
15. Prohibition of Fees: No associated fees may be charged in conjunction with the issuance of down payment assistance and closing costs. Prohibited fees include loan servicing, origination, or other fees related to the cost of administering the program.
16. Maintain client files that include the following required documentation:
 - a. Income qualification worksheets and 2 months of source documentation for each household member, not to exceed 6 months prior to the funding commitment date. Income documentation must clearly illustrate the source documentation and calculations used to determine the household income.
 - b. Closing cost and loan breakdown documentation, specifically outlining the covered costs and down payment assistance in the homebuyer loan. The loan must not cover more than 50% of the down payment. Closing costs may be covered in accordance with section II.1.A.1 above. File documentation will clearly denote that the homebuyer loan is in accordance with these guidelines.
 - c. Housing quality inspection and visual assessment reports, as completed by the City and County of Denver or any other provider.
 - d. Lead-based paint compliance documentation, including signed notification/receipt of the lead-based paint disclosure pamphlet by homebuyers purchasing homes constructed pre-1978.

Note: No other loan terms other than those detailed above are allowable or acceptable under this program

B. Loan Servicing Option:

1. Provide ongoing loan servicing for all homebuyer loans under this program, including, but not limited to, collecting payments, providing amortization schedules, mailing of late/default notices, mailing year-end tax statements, etc., Program income may be utilized from loan repayments to issue additional loans (loan terms stated herein shall apply) until further notice from the City and County of Denver. However, all additional loans issued from repayments must continue to be reported to the City and County of Denver until loans have been repaid.
2. All loans must be amortized over 30 years. The following loan terms must be offered to homebuyers:

² General guidelines include monthly PITI, PMI and HOA fees should not be more than 35% of the household monthly gross income and back end ratios should not exceed 45%.

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- Repayment beginning one month after closing with an interest rate of 2% over a 30-year repayment period, or
- Five-year deferral period with an interest rate of 0% during the deferral period and 6% interest rate during a 25-year repayment period, or
- For homes purchased with a Denver deed restriction that restricts resale price of homes and the income of purchasers: Loan amount is the lesser of 5% of the sales price or \$15,000; interest rate of 0% for 30 years; all payments deferred for 5 years

C. HOST DPA Outcome:

1. The amount of down payment assistance may not exceed \$15,000 per income eligible household and each household’s aggregate mortgage payments should not exceed 35% of gross monthly household income. ²
2. **Funds will be used to:** Fund costs related to program delivery and costs identified in associated Budget documents and this document - such as issuance of down payment assistance (and associated eligible processing costs) and personnel costs.
3. **Implementation Plan and Timeline: 1/1/19 – 12/31/2020**
The following table outlines the implementation plan and timelines for this contract.

Task	Projected Beginning & End Dates
Marketing & Referrals	1/1/19 – 12/31/2020
Issuance of down payment and closing cost assistance	1/1/19 – 12/31/2020
Loan servicing	1/1/19 – 12/31/2020

4. Objective & Outcome and Indicators

Objective (select one)

- Enhance Suitable Living Environment
- Create Decent Housing
- Promote Economic Activity

Outcomes (select one)

- Availability/Accessibility
- Affordability
- Sustainability

Indicators

The following indicators will be used to measure the success of the contract/activity. [See note end of page](#)

Indicators – must be measurable	
HUD Indicators:	
Money Leveraged	\$819,050
Number of proposed outcomes (from 1 st page)	52
Income Levels of people/family	Low/Mod Households (80% AMI or below) as determined by 24 CFR 5.609; to be reported on the OPMR

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Race and Ethnicity	To be reported on the OPMR
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Specific Indicators: Specific to this particular scope of work

Down Payment Assistance:	
# of households receiving DPA from 2019 contract:	48
# of households who received a portion of DPA from program income – i.e. payments received on previous loans:	4
Housing Counseling:	
# of households receiving housing counseling:	50
Survey:	
Conduct follow up survey to determine if owners are able to maintain mortgage payments and upkeep of home <input type="checkbox"/> <input type="checkbox"/> 25% surveyed six months after closing in 2019 <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> must be surveyed within six months of closing in 2019 <input type="checkbox"/> <input type="checkbox"/> May be surveyed by telephone, U.S. postal mail service, e-mail or on-line (include bi-lingual option) <input type="checkbox"/> <input type="checkbox"/> Include # of households that have foreclosed	
Referrals	
# of households referred to licensed lenders & brokers;	70
# of households referred to other programs:	24
Marketing	
# of licensed lenders & brokers sent marketing materials:	500
# of households sent marketing materials:	700

Specific Indicators: Specific to this particular scope of work (continued)

Partnerships	
# of like agencies (and provide list of) partnered with to enhance program delivery and avoid duplication of services:	10
External Outreach Activities	
# of external homeownership activities attended:	200

Department of Housing Stability Development Outcomes (To be reported on the Outcome and Performance Measurement Report):

- Loans will not exceed \$15,000 per household for income qualified buyers to acquire for sale units. The aggregate monthly mortgage payments should not exceed 35% of the monthly gross household income.
- ³See Footnote below.

III. Budget

Please refer to the Cost Allocation Plan and budget narrative for a detailed estimated description and allocation of funds.

- Organization receives income from operations. Yes No
 If Yes, describe: Program Income from Loan Payments
- Non-personnel costs are being funded. Yes No
 If Yes, describe: Down Payment Assistance

³ General guidelines include monthly PITI, PMI and HOA fees should not be more than 35% of the household monthly gross income and back end ratios should not exceed 45%.

IV. Reporting

Data collection is required and must be completed demonstrating income eligibility and progress toward meeting the indicators contained in this Scope of Services. Disbursement of funds is contingent based on the ability to collect the required information.

Regardless of when the executed contract was received by the Contractor, Contractor is responsible for submitting a report from the start date of the contract; **even if no activity was conducted or expensed. Contractor should report “No Activity” or outline those activities reimbursed with grant funds. If the Contractor completes the project and all money is drawn, a final report will be submitted indicating “final report” and no further reports are required.**

Contractor will email the following report to the Program Specialist, and copy the Contract Administrator and IDIS Coordinator:

Outcome Performance Measurement Report

Frequency:

Monthly by the 15th day Quarterly: 15 days after the end of the quarter Other: _____

Homeowner/Homebuyer Completion Report

Frequency:

Monthly by the 15th day Quarterly: 15 days after the end of the quarter Other: _____

Program Income Report

Frequency:

Monthly by the 15th day Quarterly: 15 days after the end of the quarter

- Provide program income and outstanding receivables report.

IDIS Coordinator will provide the format of the performance report to the Contractor. The information reported must include progress on the indicators included in this Scope of Services. The report includes current and cumulative (year-to-date) indicator information. Information on the overall progress of the program and/or project should be reported in the narrative section of the report. If the project is not being performed in a timely manner, an explanation must be included in the narrative section of the report.

Income and Demographic Reporting Requirements

For programs that must fulfill the limited clientele activities, income data must be collected to verify that at least 51 percent of program participants are low- or moderate-income persons. The income limitations are set by HUD annually and HOST’s Contracts & Performance Management (CPM) will provide the income limitations.

CDBG funded contracts:

Select what method of income verification will be used to demonstrate income compliance:

Self-Certification Verification with supporting income documentation Census block verified

CPM has a form entitled “STATEMENT OF HOUSEHOLD INCOME/DEMOGRAPHICS” that may be used to collect income and demographic information. Contractor’s intake form may be used if it collects the same information required in the “STATEMENT OF HOUSEHOLD INCOME/DEMOGRAPHICS” form, including signature of the client or applicant. This information must be retained and made available to CPM staff or designee when on-site file reviews are conducted to determine client eligibility.

HOST Budget Narrative

Colorado Housing Assistance Corporation - DPA

This Budget is based on the information available at the time of contracting, the Department of Housing Stability will reimburse based on actual expenditures.

A. Personnel: List each position by title, as outlined in the Cost Allocation Plan (Budget) Spreadsheet. Show the annual salary rate and the percentage of time to be devoted to the project. Compensation paid for employees engaged in grant activities must be consistent with that paid for similar work within the applicant organization and match the figures provided in the Budget Spreadsheet. This is only applicable to contract agreements with Fringe Benefits reimbursements.

Name/Position Computation Cost

President \$254,000 x 8.86% = \$22,500. \$127,000 x 9.84 of time spent on project = \$
Overall agency and supervision of DPA program. Loan processing. Billing and reporting to HOST, Document preparation and funding.

Meetings and presentations

Vice President \$223,000 X 7.65% = \$17,500. \$111,500 x 8.97% of time spent on project =
\$ 7500
Supervision, training, tech support and reporting to funders.

*Loan Servicing \$108,800 x 9.19% = \$10,000. \$52,600.00 X 14.26% of time spent on
project = \$7,500.00*

Enter new loans into loan servicing system. Process all payments, late bills, statements, funder reports, year-end reports to homeowners

Loan Origination NEW 2020 \$58,250. X 17.17 % of time spent on Project = \$10,000

**Admin Assistant \$80,000 x 12.5 % = \$10,000 \$40,900 X 12.22% of time spent on
project = \$ Process all incoming mail, including DPA loan applications and loan payments. Follow up on
closed loan files, filing, copying, answering phones including program related questions.**

TOTAL PERSONNEL COST: \$ 70,000.

B. Fringe Benefits: Fringe benefits should be based on actual known costs or an established formula. Fringe benefits expenses are only for the personnel listed in budget category (A) and only for the percentage of time devoted to the project as described above and in the Budget Spreadsheet. Below is a list of common benefit expenses. Include all benefits your agency provides employees if more are offered than those listed below.

Name/Position Computation Cost

TOTAL FRINGE BENEFITS: \$ 0 not billed to this grant

C. Office Expenses:

TOTAL SUPPLIES COSTS: \$ \$0 not billed to this grant

D. Communication:

TOTAL COMMUNICATION COSTS: \$ 0 Not billed to this grant

E. Insurance

TOTAL INSURANCE COSTS: \$ 0 not billed to this grant

F. Travel Staff

TOTAL TRAVEL COSTS: \$ 0 Not billed to this grant

G. Travel Client N/a

H. Equipment Rental: \$not billed to this grant

TOTAL EQUIPMENT COSTS: \$0

I. Facilities Not billed to this grant

J. Educational Materials: Not billed to this grant

K. Meetings/Events not billed to this grant

L. Professional Services: not billed to this grant

M. Subcontractor: N/A

N. Construction Costs: N/A

O. TOTAL OTHER DIRECT COSTS: DOWNPAYMENT ASSITANCE LOANS \$630,000.00

P. Indirect Costs:

TOTAL INDIRECT COSTS: \$ 0

Q. Match Amount \$ N/A

Total Amount Requested from HOST: \$700,000

EXHIBIT A - 1

Program Budget and Cost Allocation Plan Summary

Contractor Name: Colorado Housing Assistance Corp (CHAC) Program Year: 2019/2020
 Project: Down Payment Assistance
 Contract Dates: 1-Jan-19 to 12/31/2020 Return to HOST Project Specialist: ReJean Peoples

Budget Category	Agency Total (All Funding Sources)	HOST Budget 2019		HOST Budget 2020		Total Project Costs 2019 + 2020 requested from HOST		Other City & County of Denver Funding (Add applicable funding as necessary)		Other Federal Funding		Other Non-Federal Funding		Agency Total	
		Amount	%	Amount	%	Subtotal	%	Amount	%	Amount	%	Amount	%	Amount	%
Personnel: Name and Job Title															
President	\$254,000.00	12,500	4.92%	10,000	3.94%	22,500	8.86%	20,000	7.87%		0.00%	221,500	87.20%	264,000	103.94%
Vice President	\$223,000.00	10,000	4.48%	7,500	3.36%	17,500	7.85%	25,000	11.21%		0.00%	188,000	84.30%	230,500	103.36%
Loan servicing	\$108,800.00	7,500	6.89%	2,500	2.30%	10,000	9.19%	10,000	9.19%		0.00%	91,300	83.92%	111,300	102.30%
Housing Counseling (1)	\$130,000.00		0.00%		0.00%		0.00%	35,000	26.92%		0.00%	95,000	73.08%	130,000	100.00%
Loan Origination 2020* only	\$58,250.00		0.00%	10,000	17.17%	10,000	17.17%	2,500	4.29%		0.00%	55,750	95.71%	68,250	117.17%
Adm Assistance	\$80,000.00	5,000	6.25%	5,000	6.25%	10,000	12.50%	7,500	9.38%		0.00%	67,500	84.38%	85,000	106.25%
Job Title	\$0.00		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
Job Title	\$0.00		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
Job Title	\$0.00		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
Job Title	\$0.00		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
Job Title	\$0.00		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
Job Title	\$0.00		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
Job Title	\$0.00		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
Job Title	\$0.00		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
Total Salary:	854,050	35,000	4.10%	35,000	4.10%	70,000	8.20%	100,000	11.71%	-	0.00%	719,050	84.19%	889,050	104.10%
Fringes	\$127,102.00		0.00%		0.00%		0.00%		0.00%		0.00%	127,102	100.00%	127,102	100.00%
Personnel Total:	981,152	35,000	3.57%	35,000	3.57%	70,000	7.13%	100,000	10.19%	-	0.00%	846,152	86.24%	1,016,152	103.57%
Non-Personnel:															
Office Expenses, Supplies & Equipment	\$10,750.00		0.00%		0.00%		0.00%		0.00%		0.00%	\$10,750.00	100.00%	10,750	100.00%
Communication	\$12,000.00		0.00%		0.00%		0.00%		0.00%		0.00%	\$12,000.00	100.00%	12,000	100.00%
Insurance	\$24,000.00		0.00%		0.00%		0.00%		0.00%		0.00%	\$24,000.00	100.00%	24,000	100.00%
	\$0.00		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
	\$0.00		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%
Equipment rental	\$750.00		0.00%		0.00%		0.00%		0.00%		0.00%	\$750.00	100.00%	750	100.00%
Facilities	\$10,000.00		0.00%		0.00%		0.00%		0.00%		0.00%	\$10,000.00	100.00%	10,000	100.00%
Educational Materials - Customers	\$9,000.00		0.00%		0.00%		0.00%		0.00%		0.00%	\$9,000.00	100.00%	9,000	100.00%
Meetings/Events	\$800.00		0.00%		0.00%		0.00%		0.00%		0.00%	\$800.00	100.00%	800	100.00%
Prof Services Audit	\$46,000.00		0.00%		0.00%		0.00%		0.00%		0.00%	\$46,000.00	100.00%	46,000	100.00%
Prof Services Tech	\$17,500.00		0.00%		0.00%		0.00%		0.00%		0.00%	\$17,500.00	100.00%	17,500	100.00%
Prof Services Accounting	\$13,800.00		0.00%		0.00%		0.00%		0.00%		0.00%	\$13,800.00	100.00%	13,800	100.00%
HBE instructor	\$60,000.00		0.00%		0.00%		0.00%		0.00%		0.00%	\$60,000.00	100.00%	60,000	100.00%
Mort Broker costs	\$4,000.00		0.00%		0.00%		0.00%		0.00%		0.00%	\$4,000.00	100.00%	4,000	100.00%
Copier lease	\$15,000.00		0.00%		0.00%		0.00%		0.00%		0.00%	\$15,000.00	100.00%	15,000	100.00%
Loans to eligible buyers	\$3,000,000.00	315,000	10.50%	315,000	10.50%	630,000	21.00%		0.00%		0.00%	\$2,370,000.00	79.00%	3,000,000	100.00%
Servicing support	\$10,000.00		0.00%		0.00%		0.00%		0.00%		0.00%	\$10,000.00	100.00%	10,000	100.00%
bank fees	\$2,000.00		0.00%		0.00%		0.00%		0.00%		0.00%	\$2,000.00	100.00%	2,000	100.00%
Telephone	\$3,000.00		0.00%		0.00%		0.00%		0.00%		0.00%	\$3,000.00	100.00%	3,000	100.00%
Postage	\$10,000.00		0.00%		0.00%		0.00%		0.00%		0.00%	\$10,000.00	100.00%	10,000	100.00%
Other	\$250,000.00		0.00%		0.00%		0.00%		0.00%		0.00%	250,000	100.00%	250,000	100.00%
Total Non-Personnel	3,498,600	315,000	9.00%	315,000	9.00%	630,000	18.01%	-	0.00%	-	0.00%	2,868,600	81.99%	3,498,600	100.00%
Total Project Cost	4,479,752	350,000	7.81%	350,000	7.81%	700,000	15.63%	100,000	2.23%	-	0.00%	3,714,752	82.92%	4,514,752	100.78%
Program Income (through funded activities)			#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
Non-Project:															
Personnel Costs:			#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
Non-Personnel Costs:			#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
Other (Specify):			#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
Total Non-Project Cost	-	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Grand Total	4,479,752	350,000	8%	350,000	7.81%	700,000	15.63%	100,000	2.23%	-	0.00%	3,714,752	82.92%	4,514,752	100.78%

EXHIBIT B

EXHIBIT B

FINANCIAL ADMINISTRATION:

1.1 Compensation and Methods of Payment

- 1.1.1 Disbursements shall be processed through the Department of Housing Stability (HOST) and the City and County of Denver's Department of Finance.
- 1.1.2 The method of payment to the Contractor by HOST shall be in accordance with established HOST procedures for line-item reimbursements. The Contractor must submit expenses to HOST on or before the last day of each month for the previous month's activity. Voucher requests for reimbursement of costs should be submitted on a regular and timely basis in accordance with HOST policies. Vouchers should be submitted within thirty (30) days of the actual service, expenditure or payment of expense.
- 1.1.3 The Contractor shall be reimbursed for services provided under this Agreement according to the approved line-item reimbursement budget attached to and made a part of this Agreement (Exhibit A).

1.2 Vouchering Requirements

- 1.2.1 In order to meet Government requirements for current, auditable books at all times, it is required that all vouchers be submitted monthly to HOST in order to be paid. Expenses cannot be reimbursed until the funds under this contract have been encumbered.
- 1.2.2 No more than four (4) vouchers may be submitted per contract per month, without prior approval from HOST.
- 1.2.3 All vouchers for all Agreements must be correctly submitted within thirty (30) days of the Agreement end date to allow for correct and prompt closeout.
- 1.2.4 City and County of Denver Forms shall be used in back-up documents whenever required in the Voucher Processing Policy.
- 1.2.5 For contracts subject to Federal Agreements, only allowable costs determined in accordance with 2 CFR Chapter I, Chapter II, Parts 200, 215, 220, 225 and 230, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (the "OMB Omni Circular") applicable to the organization incurring the cost will be reimbursed.
- 1.2.6 The reimbursement request, or draw request, for personnel and non-personnel expenses should be submitted to the City on a monthly basis, no later than the last day of the following month for expenses incurred in the prior month. The request for reimbursement should include:

- a. Amount of the request in total and by line item;
 - b. Period of services for current reimbursement;
 - c. Budget balance in total and by line item;
 - d. Authorization for reimbursement by the contract signatory (i.e., executive director or assistant director).
- 1.2.7 If another person has been authorized by the Contractor to request reimbursement for services provided by this contract, then the authorization should be forwarded in writing to HOST prior to the draw request.
- 1.2.8 The standardized HOST “Expense Certification Form” should be included with each payment request to provide the summary and authorization required for reimbursement.

1.3 Payroll

- 1.3.1 A summary sheet should be included to detail the gross salary of the employee, amount of the salary to be reimbursed, the name of the employee, and the position of the employee. If the employee is reimbursed only partially by this contract, the amount of salary billed under other contracts with the City or other organizations should be shown on the timesheet as described below. Two items are needed for verification of payroll: (1) the amount of time worked by the employee for this pay period; and (2) the amount of salary paid to the employee, including information on payroll deductions.
- 1.3.2 The amount of time worked will be verified with timesheets. The timesheets must include the actual hours worked under the terms of this contract, and the actual amount of time worked under other programs. The total hours worked during the period must reflect all actual hours worked under all programs including leave time. The employee’s name, position, and signature, as well as a signature by an appropriate supervisor, or executive director, must be included on the timesheets. If an electronic time system is used, signatures are not required. If the timesheet submitted indicates that the employee provided services payable under this contract for a portion of the total time worked, then the amount of reimbursement requested must be calculated and documented in the monthly reimbursement request.
- 1.3.3 A payroll register or payroll ledger from the accounting system will verify the amount of salary. Copies of paychecks are acceptable if they include the gross pay and deductions.

1.4 Fringe Benefits

- 1.4.1 Fringe benefits paid by the employer can be requested by applying the FICA match of 7.65 percent to the gross salary -less pre-tax deductions, if applicable,

paid under this contract. Fringe benefits may also include medical plans, retirement plans, worker's compensation, and unemployment insurance. Fringe benefits that exceed the FICA match may be documented by 1) a breakdown of how the fringe benefit percentage was determined prior to first draw request; or, 2) by submitting actual invoices for the fringe benefits. If medical insurance premiums are part of the estimates in item #1, one-time documentation of these costs will be required with the breakdown. Payroll taxes may be questioned if they appear to be higher than usual.

1.5 General Reimbursement Requirements

- 1.5.1 **Invoices:** All non-personnel expenses need dated and readable invoices. The invoices must be from a vendor separate from the Contractor, and must state what goods or services were provided and the delivery address. Verification that the goods or services were received should also be submitted, this may take the form of a receiving document or packing slips, signed and dated by the individual receiving the good or service. Copies of checks written by the Contractor, or documentation of payment such as an accounts payable ledger which includes the check number shall be submitted to verify that the goods or services are on a reimbursement basis.
- 1.5.2 **Mileage:** A detailed mileage log with destinations and starting and ending mileage must accompany mileage reimbursement. The total miles reimbursed and per mile rate must be stated. Documentation of mileage reimbursement to the respective employee must be included with the voucher request.
- 1.5.3 **Cell Phone:** If the monthly usage charge is exceeded in any month, an approval from the Executive Director or designee will be required.
- 1.5.4 **Administration and Overhead Cost:** Other non-personnel line items, such as administration, or overhead need invoices, and an allocation to this program documented in the draw request. An indirect cost rate can be applied if the Contractor has an approved indirect cost allocation plan. The approved indirect cost rate must be submitted to and approved by HOST.
- 1.5.5 **Service Period and Closeout:** All reimbursed expenses must be incurred during the time period within the contract. The final payment request must be received by HOST within thirty (30) days after the end of the service period stated in the contract.

2.1 Program Income

- 2.1.1 For contracts subject to Federal Agreements, program income includes, without limitation, income from fees for services performed, from the use or rental of real or personal property acquired with contract funds, from the sale of commodities or items fabricated under a contract agreement, and from payments of principal and interest on loans made with contract funds.

- 2.1.2 Program income may be deducted from total allowable costs to determine net allowable costs and may be used for current reimbursable costs under the terms of this contract. Program income which was not anticipated at the time of the award may be used to reduce the award contribution rather than to increase the funds committed to the project. ALL PROGRAM INCOME GENERATED DURING ANY GIVEN PERIOD SUBMITTED FOR PAYMENT SHALL BE DOCUMENTED ON THE VOUCHER REQUEST.
- 2.1.3 The Contractor, at the end of the program, may be required to remit to the City all or a part of any program income balances (including investments thereof) held by the Contractor (except AS PRE-APPROVED IN WRITING BY HOST, INCLUDING those needed for immediate cash needs).

3.1 Financial Management Systems

The Contractor must maintain financial systems that meet the following standards:

- 3.1.1 Financial reporting must be accurate, current, and provide a complete disclosure of the financial results of financially assisted activities and be made in accordance with federal and/or city financial reporting requirements.
- 3.1.2 Accounting records must be maintained which adequately identify the source and application of the funds provided for financially assisted activities. The records must contain information pertaining to contracts and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. Accounting records shall provide accurate, separate, and complete disclosure of fund status.
- 3.1.3 Effective internal controls and accountability must be maintained for all contract cash, real and personal property, and other assets. Adequate safeguards must be provided on all property and it must be assured that it is used solely for authorized purposes.
- 3.1.4 Actual expenditures or outlays must be compared with budgeted amounts and financial information must be related to performance or productivity data, including the development of cost information whenever appropriate or specifically required.
- 3.1.5 For contracts subject to Federal Agreements, applicable OMB Omni Circular cost principles, agency program regulations, and the terms of the agreement will be followed in determining the reasonableness, allowability and allocability of costs.
- 3.1.6 Source documents such as cancelled checks, paid bills, payrolls, time and attendance records, contract documents, etc., shall be provided for all disbursements. The Contractor will maintain auditable records, i.e., records must be current and traceable to the source documentation of transactions.

- 3.1.7 For contracts subject to Federal Agreements, the Contractor shall maintain separate accountability for HOST funds as referenced in 24 C.F.R. 85.20 and the OMB Omni Circular.
- 3.1.8 The Contractor must properly report to Federal, State, and local taxing authorities for the collection, payment, and depositing of taxes withheld. At a minimum, this includes Federal and State withholding, State Unemployment, Worker's Compensation (staff only), City Occupational Privilege Tax, and FICA.
- 3.1.9 A proper filing of unemployment and worker's compensation (for staff only) insurance shall be made to appropriate organizational units.
- 3.1.10 The Contractor shall participate, when applicable, in HOST provided staff training sessions in the following financial areas including, but not limited to (1) Budgeting and Cost Allocation Plans; (2) Vouchering Process.

4.1 Audit Requirements

- 4.1.1 For contracts subject to Federal Agreements, if the Contractor expends seven hundred and fifty thousand dollars (\$750,000) or more of federal awards in the Contractor's fiscal year, the Contractor shall ensure that it, and its sub recipients(s), if any, comply with all provisions of the OMB Omni Circular.
- 4.1.2 A copy of the final audit report must be submitted to the HOST Financial Manager within the earliest of thirty (30) calendar days after receipt of the auditor's report; or nine (9) months after the end of the period audited.
- 4.1.3 A management letter, if issued, shall be submitted to HOST along with the reporting package prepared in accordance with the Single Audit Act Amendments and the OMB Omni Circular. If the management letter is not received by the subrecipient at the same time as the Reporting Package, the Management Letter is also due to HOST within thirty (30) days after receipt of the Management Letter, or nine (9) months after the end of the audit period, whichever is earlier. If the Management Letter has matters related to HOST funding, the Contractor shall prepare and submit a Corrective Action Plan to HOST in accordance with the Single Audit Act Amendments and the OMB Omni Circular, as set forth in 24 C.F.R. Part 45 for each applicable management letter matter.
- 4.1.4 All audit related material and information, including reports, packages, management letters, correspondence, etc., shall be submitted to **HOST Financial Services Team**.
- 4.1.5 The Contractor will be responsible for all Questioned and Disallowed Costs.
- 4.1.6 The Contractor may be required to engage an audit committee to determine the services to be performed, review the progress of the audit and the final audit

findings, and intervene in any disputes between management and the independent auditors. The Contractor shall also institute policy and procedures for its sub recipients that comply with these audit provisions, if applicable.

5.1 Budget Modification Requests

- 5.1.1 HOST may, at its option, restrict the transfer of funds among cost categories, programs, functions or activities at its discretion as deemed appropriate by program staff, HOST executive management or its designee.
- 5.1.2 Minor modifications to the services provided by the Contractor or changes to each line item budget equal to or less than a ten percent (10%) threshold, which do not increase the total funding to the Contractor, will require notification to HOST program staff and upon approval may be submitted with the next monthly draw. Minor modifications to the services provided by Contractor, or changes to each line item budget in excess of the ten percent (10%) threshold, which do not increase the total funding to Contractor, may be made only with prior written approval by HOST program staff. Such budget and service modifications will require submittal by Contractor of written justification and new budget documents. All other contract modifications will require an amendment to this Agreement executed in the same manner as the original Agreement.
- 5.1.3 The Contractor understands that any budget modification requests under this Agreement must be submitted to HOST prior to the last Quarter of the Contract Period, unless waived in writing by the HOST Director.

6.1 Procurement

- 6.1.1 The Contractor shall follow the City Procurement Policy to the extent that it requires that at least three (3) documented quotations be secured for all purchases or services (including insurance) supplies, or other property that costs more than ten thousand dollars (\$10,000) in the aggregate.
- 6.1.2 The Contractor will maintain records sufficient to detail the significant history of procurement. These records will include, but are not limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
- 6.1.3 For contracts subject to federal agreements, If there is a residual inventory of unused supplies exceeding five thousand dollars (\$5,000) in total aggregate upon termination or completion of award, and if the supplies are not needed for any other federally sponsored programs or projects the Contractor will compensate the awarding agency for its share.

7.1 Bonding

- 7.1.1 For contracts subject to federal agreements, HOST may require adequate fidelity bond coverage, in accordance with 24 C.F.R. 84.21 (d), where the subrecipient lacks sufficient coverage to protect the Federal Government's interest.

8.1 Records Retention

- 8.1.1 The Contractor must retain for seven (7) years financial records pertaining to the contract award. The retention period for the records of each fund will start on
- 8.1.2 the day the single or last expenditure report for the period, except as otherwise noted, was submitted to the awarding agency.
- 8.1.3 The awarding agency and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access, upon reasonable notice, to any pertinent books, documents, papers, or other records which are pertinent to the contract, in order to make audits, examinations, excerpts, and transcripts.

9.1 Contract Close-Out

- 9.1.1 All Contractors are responsible for completing required HOST contract close-out forms and submitting these forms to their appropriate HOST Contract Specialist within sixty (60) days after the Agreement end date, or sooner if required by HOST in writing.
- 9.1.2 Contract close out forms will be provided to the Contractor by HOST within thirty (30) days prior to end of contract.
- 9.1.3 HOST will close out the award when it determines that all applicable administrative actions and all required work of the contract have been completed. If Contractor fails to perform in accordance with this Agreement, HOST reserves the right to unilaterally close out a contract, "unilaterally close" means that no additional money may be expended against the contract.

10.1 Collection of amounts due

- 10.1.1 Any funds paid to a 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 Federal Government and the City. If not paid within a reasonable period after demand, HOST may 1) Make an administrative offset against other requests for reimbursements, 2) Withhold advance payments otherwise due to the Contractor, or 3) other action permitted by law.

PART II
SUPPLEMENTARY GENERAL CONDITIONS (CDBG)

ARTICLE I
FEDERAL REQUIREMENTS

Except as specifically set forth herein, the following conditions take precedence over any conflicting conditions in the Agreement.

Sec. 100. Definitions. As used in this Part II:

A. “City” means City and County of Denver or a person authorized to act on its behalf.

B. “Contractor” means a person or entity that has entered into an Agreement with the City under which the person or entity will receive federal funds under the Community Development Block Grant Program. “Subcontractor” means any person or entity that enters into an agreement or contract with a Contractor.

C. “HOST” means the City’s Department of Housing Stability or a person authorized to act on its behalf.

D. “HUD” means the United States Department of Housing and Urban Development or a person authorized to act on its behalf.

E. “Construction contract or agreement” means a contract for construction, rehabilitation, alteration and/or repair, including painting and decorating.

Sec. 101. Housing and Community Development Act of 1974. This Agreement is subject to Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 et seq.), pertaining to Community Development Block Grants, and HUD regulations at 24 C.F.R. 570 et seq., and 24 C.F.R. 85 et seq.

Sec. 102. Uniform Administrative Requirements. This Agreement is subject to the requirements of 2 CFR Part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (the “OMB Omni Circular”), and applicable sections of 24 C.F.R. Parts 84 and 85 as they relate to the acceptance and use of Federal funds.

Sec. 103. Nondiscrimination Under Title VI of the Civil Rights Act of 1964.

A. This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and implementing regulations at 24 C.F.R. Part 1, prohibiting discrimination on the basis of race, color, or national origin in any program or activity receiving federal financial assistance.

B. In the sale, lease or other transfer of land acquired, cleared or improved with

assistance provided under this Agreement, 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, sex or national origin, in the sale, lease or rental, or in the use or occupancy of such land or any improvements erected or to be erected thereon, and providing that the Contractor and the United States are beneficiaries of and entitled to enforce such covenant. The Contractor agrees to take such measures as are necessary to enforce such covenant and will not itself so discriminate.

Sec. 104. Nondiscrimination in Housing Under Title VIII of the Civil Rights Act of 1968. This Agreement is subject to the requirements of Title VIII of the Civil Rights Act of 1968 (P.L. 90-284), and implementing regulations, prohibiting housing discrimination on the basis of race, color, religion, sex, disability/handicap, familial status, or national origin. The Contractor agrees to carry out the services under this Agreement in a manner so as to affirmatively further fair housing.

Sec. 105. Nondiscrimination Under Age Discrimination Act of 1975. This Agreement is subject to the requirements of the Age Discrimination Act of 1975 (P.L. 94-135) and implementing regulations of the U.S. Department of Health and Human Services. Except as provided in the Act, no person shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving funds under this Agreement. The Contractor will include the provisions of the above clause in every subcontract which is paid for in whole or in part with assistance provided under this Agreement.

Sec. 106. Compliance with Section 109 of the Housing and Community Development Act of 1974. This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, as amended, and implementing regulations (24 C.F.R. Part 6 and Section 570.602), providing that no person shall be excluded from participation (including employment), denied program benefits or subjected to discrimination on the basis of race, color, national origin, religion or sex under any program or activity funded in whole or in part under Title I of the Act.

Sec. 107. Nondiscrimination and Equal Opportunity in Housing Under Executive Order 11063. This Agreement is subject to Executive Order 11063, issued November 20, 1962, as amended by Executive Order 12259, issued December 31, 1980, and implementing regulations at 24 C.F.R. Part 107, requiring equal opportunity in housing by prohibiting discrimination on the basis of race, color, religion, sex or national origin in the sale or rental of housing built with federal assistance.

Sec. 108. Nondiscrimination on the Basis of Handicap Under Rehabilitation Act of 1973. This Agreement is subject to Section 504 of the Rehabilitation Act of 1973 (P.L. 93-112), as amended, and regulations at 24 C.F.R. Part 8, providing that no otherwise qualified individual shall, solely by reason of a handicap, be excluded from participation (including employment), denied program benefits or subjected to discrimination under any program or activity receiving federal funds.

Sec. 109. “Section 3” Compliance in the Provision of Training, Employment and Business Opportunities.

A. The work to be performed under this contract is subject to the requirements of section 3 of Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (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. The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers’ representative of the Contractor’s commitments under this section 3 clause, and will post copies of this 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. The Contractor 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 Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. Part 135.

E. The Contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Contractor is selected but before the Agreement 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 future HUD-assisted contracts.

Sec. 110. Relocation Assistance and Property Acquisition Requirements. This Agreement is subject to the relocation and acquisition requirements of the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970, as amended, and implementing regulations at 49 C.F.R. Part 24; Section 104(d) of the Housing & Community Development Act, CDBG Part II rev.8/29/2018

as amended, and implementing regulations at 24 C.F.R. Part 42; and 24 C.F.R. 570.606. The Contractor must comply with the City's Anti Displacement and Relocation Assistance Plan on file.

Sec. 111. Conflict of Interest.

A. Conflicts Prohibited.

1) Except for the use of CDBG funds to pay salaries or other related administrative or personnel costs, no employees, agents, consultants, officers, or elected or appointed officials of the City or of a sub-recipient, if applicable, who exercise or have exercised any functions or responsibilities in connection with activities funded under this Agreement or who are in a position to participate in a decision-making process or gain inside information with regard to such activities may obtain any personal or financial interest or benefit from the proceeds of this Agreement for themselves, their families or business associates during their tenure and for one year thereafter. Such prohibited interests include the acquisition and disposition of real property; all subcontracts or agreements for goods or services; and any grants, loans or other forms of assistance provided to individuals, businesses and other private entities out of proceeds of this Agreement.

2) The Contractor's officers, employees or agents shall not solicit or accept gratuities, favors or anything of monetary value from subcontractors, or potential subcontractors.

3) No employee, officer or agent of the Contractor shall perform or provide part-time services for compensation, monetary or otherwise, to a consultant or other subcontractor that has been retained by the Contractor under this Agreement.

4) In the event of a real or apparent conflict of interest, the person involved shall submit to the Contractor and the City a full disclosure statement setting forth the details of the conflict of interest in accordance with 24 C.F.R. 570.611(d), relating to exceptions by HUD. In cases of extreme and unacceptable conflicts of interest, as determined by the City and/or HUD, the City reserves the right to terminate the Agreement for cause, as provided in Article V below. Failure to file a disclosure statement shall constitute grounds for termination of this Agreement for cause by the City.

B. Interest of Certain Federal Officials. No member of the Congress of the United States shall be admitted to any share or part of this Agreement or to any benefit to arise from the same.

Sec. 112. Political Activity Prohibited. None of the funds provided under this Agreement shall be used directly or indirectly for any partisan political activity, or to further the election or defeat of any candidate for public office.

Sec. 113. Lobbying Prohibited. None of the funds provided under this Agreement shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before the U.S. Congress.

Sec. 113(a). Prohibition on Use of Federal Funds for Lobbying; Requirements for Disclosure Statements, and CERTIFICATION, Section 319, P.L. 101-121. Any contractor, subcontractor and/or grantee receiving federal appropriated funds certifies by signing this Agreement, in two parts Part I, and Part II and signing and/or entering into any other agreement in connection with this Agreement, to the best of his or her knowledge and belief, that:

A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

C. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31 U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Sec. 114. Copyrights. If this Agreement results in a book or other copyright material, the author is free to copyright the work but HUD and the City reserve a royalty-free, nonexclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, all copyrighted material and all material which can be copyrighted.

Sec. 115. Patents. Any discovery or invention arising out of or developed in the course of work under this Agreement shall be promptly and fully reported to HUD for determination as to whether patent protection on such invention or discovery should be sought, and how the rights under any patent shall be allocated and administered in order to protect the public interest.

Sec. 116. Theft or embezzlement from HOST funds; Improper Inducement, Obstruction of Investigations and other Criminal provisions. Under 24 C.F.R. 24, the Contractor and/or any member of its staff may be debarred, suspended, and/or criminally liable if

s/he:

- A. Embezzles, willfully misapplies, steals or obtains by fraud any of the monies, funds, assets or property which are the subject of the contract;
- B. By threat of procuring dismissal of any person from employment, induces any persons to give up money or things of value;
- C. Willfully obstructs or impedes an investigation or inquiry under HUD;
- D. Directly or indirectly provides any employment, position, compensation, contract, appointment or other benefit, provided for or made possible in whole or in part by HOST funds to any person as consideration, or reward for any political action by or for the support or opposition to any candidate of any political party;
- E. Directly or indirectly knowingly causes or attempts to cause any person to make a contribution of a thing of value (including services) for the benefit of any candidate or any political party, by means of the denial or threat of denial of any employment or benefit funded under the Act.

ARTICLE II

DISBURSEMENTS AND ACCOUNTING

Sec. 201. Eligible and Ineligible Costs. Costs under this Agreement are governed by the OMB Omni Circular as applicable. All costs incurred by the Contractor using monies under this Agreement must be reasonable and relate clearly to the specific purposes and end product of the Agreement. To be eligible for reimbursement, expenditures must: (1) Be necessary and reasonable for proper and efficient performance of the contractual requirements and in accordance with the approved budget; (2) Be no more liberal than policies, procedures and practices applied uniformly to activities of the City, both Federally assisted and non-Federally assisted; (3) Not be allocable to or included as a cost of any other Federally financed program; (4) Be net of all applicable credits, such as purchase discounts, rebates or allowances, sales of publications or materials, or other income or refunds; and (5) Be fully documented.

The following costs or expenditures by the Contractor are specifically ineligible for reimbursement: bad debts, contingency reserves, contributions and donations, entertainment and fines and penalties.

Sec. 202. Documentation of Costs. All costs must be supported by properly executed payrolls, time records, invoices, contracts or vouchers, or other documentation evidencing in proper detail the nature and propriety of the charges. All checks, payrolls, invoices, contracts, vouchers, orders or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible.

Sec. 203. Charges Against Project Account.

A. Payments under the Agreement shall be made on an actual basis for services that are performed and fully documented as having been performed. The City shall not reimburse or pay any expenditures, costs or payments that are inconsistent with the last approved budget. The budget for this Agreement may be revised upon written request of the Contractor, and written approval from HOST.

B. At any time prior to final payment, the City may have the invoices and statements of costs audited. Each payment shall be subject to reduction for amounts which are found by the City not to constitute allowable costs. Any payment may be reduced for overpayments, or increased for underpayments, on preceding invoices or vouchers.

C. In the absence of error or manifest mistake, all payments when approved shall be evidence of the services performed, except that all payments made by the City to the Contractor are subject to correction in accordance with the audit findings of the City or HUD. The Contractor shall promptly repay the City the amounts determined to be due on the basis of such audit.

D. Prior to final payment, the Contractor shall first furnish the City evidence in affidavit form that all claims, liens, or other obligations incurred by it and all of its subcontractors or agents in connection with the performance of their services have been properly paid and settled.

E. Contract funds remaining unspent by the Contractor at the termination of the Agreement for any cause shall be returned to the City within the time specified by the City. Interest shall accrue in the favor of the City at the rate of eight percent (8%) per annum on such funds thereafter.

F. Unless otherwise specified in this Contract or the exhibits hereto, the effective indirect cost rate shall be at a rate of zero percent (0.00%) per annum.

Sec. 204. Method of Payment and Disbursements. The Contractor must submit properly executed invoices and requests for payment to HOST. The City agrees to establish a payment procedure that will provide funds in a timely and regular manner, and which will include, among other things, the requirement for a ten percent (10%) retainage by the City where funds are disbursed for construction. The Contractor agrees to disburse funds within seventy-two (72) hours of receiving payment from the City.

Sec. 205. Travel Expenses. Reimbursement for travel and related subsistence, local mileage and parking, is limited to those costs and amounts for which the City reimburses City employees for official travel. First class air-fare is not allowable. Any travel outside of the Denver metropolitan area must be specifically authorized in advance by the City.

Sec. 206. Designation of Depository. The Contractor shall designate a commercial bank which is a member of the Federal Deposit Insurance Corporation for deposit of funds under this Agreement. Any balance deposited in excess of FDIC insurance coverage must be collaterally secured. The Contractor is encouraged to use minority or female-owned banks.

Sec. 207. Refunds. The Contractor agrees to refund to the City any payment or portions of payments which HUD and/or the City determine were not properly due to the Contractor.

ARTICLE III

CONSTRUCTION CONTRACTS AND LABOR STANDARDS

Sec. 301. Lead-Based Paint Hazards. The construction or rehabilitation of residential structures with assistance provided under this Agreement is subject to the HUD Lead-Based Paint Regulations, 24 C.F.R. Part 570.608. The Contractor is responsible for the inspections and certifications required.

Sec. 302. Davis-Bacon Act. Except for the rehabilitation of residential property that contains not less than eight (8) units, the Contractor and all subcontractors hired under contracts for more than \$2,000.00 for the construction or repair of any building or work financed in whole or in part with assistance provided under this Agreement, shall comply with the Davis-Bacon Act, 40 U.S.C. 276a to 276a-7, and applicable regulations of the Department of Labor under 29 C.F.R. Part 5, requiring the payment of wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor. The current Davis-Bacon wage rate schedule must be included in all bid and contract documents, as well as the “Federal Labor Standards Provisions”, Form HUD-4010, by one of the following methods contained in the Labor Relations Letter No. LR 2006-03 at <http://www.hud.gov/offices/olr/library.cfm>.

Sec. 303. Contract Work Hours and Safety Standards Act. All federally assisted construction contracts of more than \$2,000.00 must comply with Department of Labor regulations (29 C.F.R. Part 5), and all federally assisted construction contracts of more than \$100,000.00 must comply with the Contract Work Hours and Safety Standards Act of 1962 (40 U.S.C. 327 et seq.).

Sec. 304. Anti-Kickback Act. If this Agreement involves construction or repair, then it is subject to the Copeland “Anti-Kickback” Act of 1934 (40 U.S.C. 276c) and Department of Labor regulations (29 C.F.R. Part 3), prohibiting and prescribing penalties for “kickbacks” of wages. Wages must be paid in accordance with the requirements of 29 C.F.R. Part 3 and 29 C.F.R. 5.5.

Sec. 305. Equal Employment Opportunity Under Executive Order No. 11246, as Amended. If this Agreement involves a federally assisted construction project in excess of \$10,000.00 then it is subject to Executive Order No. 11246, as amended by Executive Orders 11375 and 12086, HUD regulations at 24 C.F.R. Part 130, and the Department of Labor Regulations at 41 C.F.R. Chapter 60.

The Contractor agrees that it will be bound by the equal opportunity clause set forth below
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and other provisions of 41 C.F.R. Chapter 60, with respect to its own employment practices when it participates in federally assisted construction work, provided that if the Contractor so participating is a State or local government, the equal opportunity clause set forth below is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the Agreement.

The Contractor agrees that it will incorporate into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 C.F.R. Chapter 60, which is paid for in whole or in part with funds obtained pursuant to this Agreement, the following equal opportunity clause:

“During the performance of this Agreement, the Contractor agrees as follows:

- (1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- (2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all employment is without regard to race, color, religion, sex or national origin.
- (3) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement, or other contract or understanding, a notice to be provided by the Contract Compliance Officer advising the said labor union or workers’ representatives of the Contractor’s commitment under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) The Contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and the rules, regulations and relevant orders of the Secretary of Labor.
- (5) The Contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the Department and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Agreement or with any of such rules, regulations or orders, this Agreement may be cancelled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contract procedures authorized in Executive Order No. 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions or paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The subcontract or purchase orders shall include such terms and conditions as the Department may direct as a means of enforcing such provisions including sanctions for non-compliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Department, the Contractor may request the United States to enter into such litigation to protect the interest of the United States.

The Contractor further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work; provided, that if the Contractor so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government, which does not participate in work on or under the Agreement.

The Contractor agrees that it will assist and cooperate actively with the Department and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations and relevant orders of the Secretary of Labor; that it will furnish the Department and the Secretary of Labor such information as they may require for the supervision of such compliance; and that it will otherwise assist the Department in and the discharge of its primary responsibility for securing compliance.

The Contractor further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order No. 11246 of September 24, 1965, with a contractor debarred from or who has not demonstrated eligibility for Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontracts by the Department or the Secretary of Labor pursuant to Part II, Subpart D, of the Executive Order. In addition, the Contractor agrees that if it fails or refuses to comply with the requirements hereof, the City may take any or all of the following

actions: Cancel, terminate or suspend, in whole or in part this grant, contract, agreement or loan; refrain from extending any further assistance to the Contractor under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from such Contractor; and refer the case to the Department of Justice for appropriate legal proceedings.”

ARTICLE IV **ENVIRONMENTAL AND HISTORIC CONDITIONS**

Sec. 401. Environmental Clearance. Pursuant to 24 CFR 58.22, no funds under this Agreement may be obligated or spent for acquisition, demolition or construction, or disposition, refinancing and other real property-affecting activities, such as granting easements and covenants, until Contractor has received written environmental clearance from HOST. Any special environmental and historic conditions imposed by the City must be incorporated into the design and construction of the project.

Sec. 402. Compliance with Clean Air and Water Acts. Contractor and all subcontractors must comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 USC 1857(h)), Section 508 of the Clean Water Act, (33 USC 1368), the Federal Water Pollution Control Act, (33 USC 1251 et seq.), Executive Order 11738, and Environmental Protection Agency (“EPA”) regulations (40 C.F.R. Part 15), which prohibit the use of facilities included on the EPA List of Violating Facilities.

Sec. 403. Additional Environmental and Historic Conditions. This Agreement is also subject to the following statutes, executive orders and regulations, when the Contractor is so instructed by the City or the United States of America.

A. National Environmental Policy Act of 1969 (42 USC 4321 et seq.), HUD regulations (24 C.F.R. Part 58) and the Council on Environmental Quality regulations (40 C.F.R. Parts 1500-1508) providing for establishment of national policy and procedures for environmental quality;

B. National Historic Preservation Act of 1966 (16 USC 470 et seq.), requiring consideration of the effect of a project on any site or structure that is included in or eligible for inclusion in the National Register of Historic Places;

C. Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921 et seq.), requiring that federally-funded projects contribute to the preservation and enhancement of sites, structures and objects of historical, architectural or archaeological significance;

D. Reservoir Salvage Act of 1960 (16 USC 469 et seq.) as amended by the Archaeological and Historical Data Preservation Act of 1974, (16 USC 469 et seq.), providing for the preservation of historic and archaeological data that would be lost due to federally-funded development and construction activities;

E. Flood Disaster Protection Act of 1973, (42 USC 4001 et seq.), relating to mandatory purchase of flood insurance in areas having special flood hazards;

F. Executive Order 11988, Flood Plain Management, May 24, 1977 (42 FR 26951 et seq.) prohibiting certain activities in flood plains unless there is no practical alternative, in which case the action must be designed to minimize potential damage;

G. Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961 et seq.), requiring review of all actions affecting a wetland;

H. Safe Drinking Water Act of 1974, (42 USC 201, 300f et seq.), prohibiting federal financial assistance for any project which the Environmental Protection Agency determines may contaminate an aquifer which is the sole or principal drinking water source for an area;

I. Endangered Species Act of 1973, (16 USC 1531 et seq.), requiring that actions funded by the federal government do not jeopardize endangered and threatened species;

J. Wild and Scenic Rivers Act of 1968, (16 USC 1271 et seq.), prohibiting federal assistance in the construction of any water resources project that would have a direct and adverse effect on the National Wild and Scenic Rivers System;

K. Clean Air Act, (42 USC 7401 et seq.), prohibiting federal assistance for any activity which does not conform to the State implementation plan for national primary and secondary ambient air quality standards;

L. Farmland Protection Policy Act of 1981 (7 USC 4201 et seq.) relating to the effects of federally assisted programs on the conversion of farmland to non-agricultural uses;

M. HUD Environmental Criteria and Standards, (24 C.F.R. Part 51) providing national standards for noise abatement and control, acceptable separation distances from explosive or fire prone substances and suitable land uses for airport runway clear zones.

ARTICLE V **TERMINATION**

Sec. 501. Termination Due to Loss of Funding. This Agreement is funded with monies provided by the U.S. Department of Housing and Urban Development. If such funds or any part thereof are not appropriated by City Council or paid into the City Treasury, the City may immediately terminate this Agreement.

Sec. 502. Termination for Cause.

A. The City may terminate this Agreement whenever the Contractor materially fails to perform any of its obligations under this Agreement in a timely and proper manner, or is

otherwise in default, and shall fail to cure such default within a period of ten (10) days (or such longer period as the City may allow) after receipt from the City of a notice specifying the default.

B. If the City has sustained damages due to the Contractor's breach of this Agreement, the City may withhold payment as a set off until the amount of damages due to the City is determined.

Sec. 503. Termination for Convenience. The City may terminate this Agreement at any time the City desires. The City shall effect such termination by giving written notice of termination to the Contractor and specifying the effective date thereof, at least twenty (20) days before the effective date of such termination.

Sec. 504. Payment After Termination. The Contractor shall be reimbursed only for that portion of work satisfactorily completed at the effective date of the termination.

Sec. 505. Reversion of Assets. Upon termination of this Agreement for any reason, or upon expiration of this Agreement, any CDBG funds on hand and any accounts receivable attributable to the use of CDBG funds must be immediately returned to the City. Any real property under the Contractor's control that was acquired or improved with more than \$25,000 in CDBG funds must either: (1) be used to meet one of the national objectives of the Housing and Community Development Act of 1974, listed in 24 C.F.R. 570.901 for five years after termination or expiration of this Agreement; or (2) disposed of so that the City is reimbursed for the fair market value of the property, minus any portion of the value attributable to expenditures of non-CDBG funds.

ARTICLE VI MISCELLANEOUS

Sec. 601. Personnel. The Contractor represents that it has or will secure all personnel required in performing its services under this Agreement. All services required of the Contractor will be performed by the Contractor or under its supervision, and all personnel engaged in the work shall be fully qualified and authorized or permitted under State and local laws to perform such services.

Sec. 602. Subject to Local Laws. This Agreement shall be construed and enforced in accordance with Colorado law, and the Charter and Revised Municipal Code of the City and County of Denver. Venue for any legal action relating to this Agreement shall lie in the District Court in and for the City and County of Denver, Colorado.

Sec. 603. Contractual Relationship. The Contractor shall not be considered for any purpose whatsoever to be an agent or an employee of the City. It is understood and agreed that the status of the Contractor shall be that of an independent contractor.

Sec. 604. When Rights and Remedies Not Waived. Payment by the City shall not be construed to be a waiver of any breach which may then exist on the part of the Contractor, and no assent, expressed or implied, to any breach shall be deemed a waiver of any other breach.

Sec. 605. Sales and Use Taxes. The Contractor or any subcontractor is not exempt from payment of the City Sales Tax or Use Tax. In accordance with applicable State and local law, the Contractor will pay, and/or require subcontractors to pay, all sales and use taxes on tangible personal property, including that built into a project or structure, acquired under this Agreement.

Sec. 606. Patented Devices, Materials, and Processes. If the Contractor employs any design, device, material or process covered by letter of patent or copyright, it shall provide for such use by suitable legal agreement with the patentee or owner. The Contractor shall defend, indemnify and save harmless the City from any and all claims for infringement by reason of the use of any such patented design, device, material or process, or any trademark or copyright, and shall indemnify the City for any costs, expenses, and damages which the City may be obliged to pay by reason of any infringement.

Sec. 607. Titles and Subheadings. The titles and subheadings used in this Agreement are for the convenience of reference only and shall not be taken as having any bearing on the interpretation of this Agreement.

Sec. 608. Notices. All notices shall be given by certified mail. Notices to the City shall be addressed to the Director of the Office of Economic Development Either of the parties may designate in writing substitute addresses or persons to receive notices.

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