

SUBRECIPIENT AGREEMENT
BETWEEN CITY OF MINOT (GRANTEE) AND STRENGTHEN ND (SUB-RECIPIENT) FOR THE
NATIONAL DISASTER RESILIENCE PROGRAM

THIS AGREEMENT is entered into this 21 day of March 2019 by and between the City of Minot (the "Grantee") and Strengthen ND (the "Sub-recipient") for the development of a portfolio of potential grant and financial resources for the city of Minot that has the potential to fund efforts to address unmet needs and sustained resilience growth not funded with the CDBG-NDR grant.

I. Recitals

WHEREAS, Pursuant to Public Law PL 113-2 (the Appropriations Act) and the Federal Register Notice dated June 7, 2016, at Federal Register / Vol. 81, No. 109, the U.S. Department of Housing and Urban Development ("HUD") awarded \$74.3 in Community Development Block Grant National Disaster Resilience (CDBG-NDR) funds to the City of Minot (Grantee) for activities authorized under Title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) and described in the City of Minot's National Disaster Resilience Competition Action Plan (the "Action Plan"); and

WHEREAS, the Grantee wishes to engage Strengthen ND (Sub-recipient) to assist the city in their efforts to increase the community's resilience by identifying funding and financial resources to promote and support resiliency and recovery associated with sustainable community, economic, and housing growth. The Grantee will provide \$20,000 of the Grantee's Federal NDR award, pursuant to this Subrecipient Agreement (the "Agreement"); and

WHEREAS, the CDBG-NDR funds made available for use by the Subrecipient under this Agreement constitute a subaward of the Grantee's Federal award, the use of which must be in accordance with requirements imposed by Federal statutes, regulations, and the terms and conditions of the Grantee's Federal award and this agreement; and

WHEREAS, the Subrecipient has legal authority to enter into this agreement, and the Subrecipient's governing body has duly adopted this Subrecipient Agreement dated March 21 / 2019, authorizing the Subrecipient to enter this agreement with the Grantee, and by signing this agreement, to assure the Grantee that it will comply with all the requirements of the subaward described herein; and

WHEREAS, no funds will be made available under this Agreement until commitment prerequisites identified in the agreement have been met;

NOW, THEREFORE, the parties, for and in consideration of the sum to be paid by the Grantee, in the manner and at the time provided in this Agreement, and for other covenants and conditions contained in this Agreement, do hereby agree as follows:

II. GENERAL AWARD INFORMATION:

This Agreement is financed through a grant provided to the City of Minot by the United States Department of Housing and Urban Development (HUD) pursuant to authority of Title 1 of the Housing and Community Development Act of 1974 as amended (42 USC 5301 et. seq.) Public Law PL 113-2 (the

Disaster Recovery Appropriations Act 2013) and the Federal Register Notice dated June 7, 2016, Community Development Block Grant National Disaster Resilience (CDBG-NDR)

The subaward from the Grantee to the Subrecipient, which is described below, is for the purpose of carrying out a portion of a Federal award described in section I of this agreement and creates a Federal assistance relationship with the Subrecipient.

Federal Award Identification Number: B-13-MS-38-0002

CFDA Number: 14.272 CDBG-NDR

Federal Award Date: September 21, 2016

Subrecipient's unique entity identifier: 080988080

Federal award project description:

The City of Minot received approximately \$74.3 million from the National Disaster Resilience Competition (NDRC) to fund three NDRC projects: reduce flood risk and improve water management, build affordable resilient housing and neighborhoods, and foster economic resilience and diversification. This subrecipient agreement supports one of the critical unmet needs identified in the HUD approved Action Plan which is a need for funding and financial strategies including grant programs at the federal, state, and regional level, private funding including foundations, local and national philanthropies, public-private partnerships, and non-profit creation to generate funding opportunities. These strategies are needed to support projects, unmet needs, community resiliency goals, and sustainable growth gaps identified in the NDRC application, and which were not funded with the \$74.3 million award.

A. Contract Manager

John Zakian, NDR Program Director and Chief Resilience Officer will serve as the City of Minot's primary contract manager for this project. Mr. Zakian may designate a day-to-day contract manager for the project. All reports, notices, and other communications required under or related to this subrecipient agreement shall be directed to the individuals identified below. Mr. Zakian will be the final approver of project draw requests, notices to terminate the contract as provided herein, and will approve all changes except those increasing the total amount which must be approved and by the City Council.

City of Minot NDR Program Manager:
Mr. John Zakian, Director and Chief Resilience Officer
Address: PO Box 5006, Minot, ND 58703
Phone: 701-420-4528
Email: john.zakian@minotnd.org

Sub-recipient: Strengthen ND
Project Contract Manager: Megan Laudenschlager
Address: 1905 2nd St. SE, Minot, ND 58702
Phone: Off-701 303 0840
Email: megan@strengthennd.com

B. List of Agreement Exhibits

The Statement of work is contained in the Exhibits and attachments referenced in the table below. As attachments are completed they will be incorporated into the exhibits and attachments section of the agreement and will be initialed and dated by the respective contract managers. The following Exhibits are attached hereto and incorporated by reference into this agreement:

Document	Description
Exhibit A	Project Description / Scope of Services
Exhibit B	Project Budget

In accordance with 24 C.F.R. Part 570 (now in effect and as may be amended) and the terms and conditions of this agreement, the Sub-recipient agrees to undertake an analysis of potential funding and financial resources at all levels of government as well as through grant and financing sources as foundations, philanthropies, etc. which can be used to support projects, activities, programs, and initiatives focused on the resilient and sustainable growth of the city for continued long term recovery from the nationally declared disaster.

C. Contract Amount

The City shall provide funding assistance to Subrecipient for this project in an amount of \$20,000. This amount constitutes the City's participation and obligation in the performance and completion of work to be performed under this Agreement. Notwithstanding other provisions of this Agreement, failure by Subrecipient to complete the Project or perform or deliver the work, reports, supplies, pay requests, or services required by this Agreement may result in the withholding of payment under this Agreement. Funds will be disbursed for actual eligible costs incurred in connection with this Agreement. Subrecipient understands that this Agreement is funded by federal funds. In the unlikely event the federal funds supporting this Agreement become unavailable or are reduced, the City may terminate or amend this Agreement.

D. Method of Payment

The Subrecipient will submit to the Grantee requests for payment for activities funded under this agreement that are consistent with an approved budget.

Payment shall be made on an eligible cost reimbursement basis only and in such amounts and increments approved by the City's NDR Program Manager and the City's Finance Department for various phases of work following submission by Subrecipient of a proper request for payment, including applicable, accurate and complete supporting documentation that substantiates the payment request in accordance with the scope of work and the project budget. Pay requests will be submitted using a Request for Payment form to be provided by the City or similar acceptable form. The final request for payment must be approved by the Minot City Council before the final payment for the project can be made and will be subject to a final inspection of the project prior to the Council meeting.

The Grantee shall pay to the Subrecipient CDBG-NDR funds available under this agreement based upon information submitted by the Subrecipient for allowable costs permitted under this agreement and consistent with the approved budget. Payments will be made for eligible expenses actually incurred by the Subrecipient, not to exceed actual cash requirements. Payment will be made upon submission by

the Subrecipient of a properly executed Request for Payment, together with all supporting invoices, bills, time sheets, and other documents necessary to justify the payment.

E. Fiscal Responsibility

It is understood and agreed that the total amount of the funds used under this Agreement shall be used for the Project outlined in this Agreement. Should the Project not be completed, be partially completed, or completed at a lower cost than the original budget, the amount reimbursed to Subrecipient shall be only for the amount spent by Subrecipient for eligible project expenses. For any funds received under this Agreement for which expenditure is disallowed, Subrecipient shall reimburse those funds back to the City.

Subrecipient acknowledges that the funds being provided by the City for the Project are received by the City pursuant to the Housing and Community Development Act of 1974 as amended and that expenditures of these funds shall be in accordance with the provisions of the Act and all pertinent regulations issued by agencies of the federal government. Subrecipient agrees to comply fully with all federal, state, and local laws applicable to its operation, whether or not expressly referred to in this Agreement.

F. Period of Performance

The period of performance for all activities assisted by this Agreement shall commence on the contract date of March 18, 2019 and shall be completed by July 31, 2019 except any activities required for closeout.

G. Performance Goals and Timelines

The Subrecipient shall complete the activities required under this agreement in accordance with the following timeframes and performance goals associated with each of the activities with dates to be adjusted as required through the environmental review process. If necessary, dates will automatically be adjusted based on the date of issuance by HUD of the RROF:

TASK	TIMELINE	DELIVERABLE
Gather Sources and Data to identify Funding Potential	March 23- April 1, 2019	Update report
Identify Government and Private Funding Opportunities	April 1-30, 2019	Update report
Identify other potential sources (i.e. financial institutions)	May 1 – 15, 2019	Update report
Identify needs to pursue funding options	May 15 – June 1, 2019	Update report
Submit Final Report	June 15, 2019	Final report

H. Independent Contractor

Nothing contained in this Agreement is intended to be construed in any manner as creating or establishing the relationship of employer/employee between the Parties. The Subrecipient shall at all times remain an independent contractor, with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all unemployment compensation, FICA,

retirement, life or medical insurance, and Worker's Compensation Insurance.

I. Contracting and Subcontractors

With any contractor or subcontractor, Subrecipient must have a contract that complies with applicable HUD requirements and regulations. All work or services covered under this Agreement, which is contracted by the Subrecipient shall be subject to all provisions of this Agreement. Subrecipient shall require any third party to complete with all lawful requirements necessary to ensure the Project is carried out in accordance with the Agreement. Subrecipient shall not award any contract until their procurement policy has been reviewed and approved by the City and subsequent project procurement activities should be reviewed prior to release of procurement advertising.

J. Debarment, Suspension, and Exclusion

Subrecipient certifies to the best of its knowledge and belief that they are not presently debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from covered transactions by any federal department or agency. They have not, within a 3-year period preceding this Agreement, been convicted of or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or perform a public (federal, state, or local) transaction or contract under a public transaction, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property. They are not presently indicted or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in this Agreement and have not been terminated for cause or default on a public transition.

Subrecipient further certifies that it shall immediately notify the Grantee if, at any time during the term of this Agreement, it is debarred, suspended, declared ineligible or otherwise excluded from participation, and that it shall not enter into a subcontract with a person or organization that is debarred, suspended, declared ineligible, or voluntarily excluded from participation. The City may pursue available remedies in the event of such occurrence including immediate termination of this Agreement. The Subrecipient shall include without modification this Certification's language, entitled "Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion" with all contractors and sub-contractors in all covered transactions and in all solicitations for covered transactions in accordance with 45 CFR Part 76.

III. Strengthen ND Portfolio of Resources Project

The National Disaster Resilience program focuses on disaster recovery and resilience. It is important to identify the resilience goals of this project. It is identified in the NDRC Phase 2 application which became the HUD approved CDBG-NDR Action plan that all unmet needs from the disaster as well as resources necessary to sustain resilience growth in the aftermath of the disaster will need significant additional funding from heretofore not accessed grants and related types of non-traditional financing that can address unmet needs not funded from the CDBG-NDR grant.

A key starting point to devise a comprehensive strategy to pursue, access, and implement a wide range of potential funding and financing opportunities is to develop a portfolio of such resources by funding/financing source, types of programs, projects, and activities to be funded by each source, and determine whether or not the physical infrastructure needs to be created to pursue such

funding/financial resources (i.e. properly position 501(c)(3) non-profit corporations.

Strengthen ND is a 501(c)(3) non-profit which has as one of its primary missions identifying and accessing resources throughout western North Dakota including Minot providing technical assistance and grant procurement expertise to non-profits and local governments. Creating this type of resource portfolio for the city of Minot is well within its service delivery purpose.

Investment in long-term resilience has proven to be a smart investment for communities, especially in recovering from major disasters. To further build upon the work of the city of Minot in identifying recovery unmet needs and potential for resilience measures to sustain growth in the community, it is necessary to begin with as extensive as possible a portfolio of potential resources.

This is a Planning Activity within the CDBG-NDR Action Plan and, as such, is not subject to meeting a National Objective to be eligible expenses but must meet the standards of eligibility for planning activities in support of the CDBG-NDR Action Plan.

IV. Subrecipient Obligations

As a condition of receiving this subaward, the Subrecipient shall manage and deliver a final product to be contained in a final report as a portfolio of possible resources that can be used to financially support projects, activities, programs, initiatives and related actions to promote recovery as well as resiliency.

A. Prohibited Activities

The Subrecipient may only carry out the activities described in this agreement. The Subrecipient is prohibited from charging to the subaward the costs of CDBG ineligible activities, including those described at 24 CFR 570.207, and from using funds provided herein or personnel employed in the administration of activities under this agreement for political activities, inherently religious activities, or lobbying.

B. Subrecipient Obligations

1. Sub-recipient must have written approval for all contracts should there be a need to engage any parties not within Strengthen ND. Prior to awarding a contract using CDBG-NDR funds, the sub-recipient shall submit to the City all procurement documents such as advertisements for professional services, Invitation to Bids, Request for Qualifications, cost estimates prior to advertisement, cost reasonableness analysis or other actions to procure contractors for this project.
2. The Subrecipient will provide the Grantee with a copy of their procurement policy and procedures should there be a need to procure outside support for this project.
3. The Sub-recipient will provide the City's NDR Program Manager with a copy of any proposed contract documents, conditions of contract, and related documents prior to executing a contract.
4. Sub-recipient must have contracts that complies with HUD regulations for all project procurements. All work or services covered by this Agreement shall be specified by written contract and subject to all provisions of this Agreement. Contracts will be reviewed by the City prior to execution.
5. Sub-recipient shall adhere to the uniform administrative requirements as specified in 24 CFR 570.502.

6. Sub-recipient shall adhere to all applicable environmental regulations prior to the expenditure of any CDBG-NDR funds.
7. Sub-recipient shall comply with the requirements and standards of 2 CFR 200 et. seq. as applicable, including establishing and/or maintaining compliant accounting systems.
8. Comply with the City of Minot's indemnification and insurance requirements.
9. Comply with and require all contractors and subcontractors paid with funds provided by this agreement to comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended 24 CFR Part 570 and Special Conditions for activities assisted pursuant to Title I of the Community Development Act of 1974 including Davis-Bacon.
10. Sub-recipient shall comply with Conflict of Interest provision for HUD and the City of Minot and shall incorporate these provisions in all contractor and subcontractor agreements.
11. Sub-recipient will prepare and submit to the City status reports with each voucher for payment of a share of the funds.

V. City Obligations

The City shall disburse funds in a timely manner as described in this Agreement and will advise the Subrecipient promptly if there are concerns about the project and work with the Subrecipient to resolve issues of concern. The City will provide reasonable technical assistance to the Subrecipient to comply with applicable federal requirements and regulations governing the use of these federal funds. The City will facilitate the preparation of the environmental review and ensure all environmental review requirements as described in 24 CFR 58 are met. The City will comply with any applicable certifications that are included in the Exhibits.

VI. Amendments

The City or Subrecipient may amend this Agreement provided that such amendments make specific reference to this Agreement and are executed in writing, signed by a duly authorized representative of both organizations. Such amendments shall not invalidate this Agreement nor relieve or release the City or the Subrecipient from its obligations under this Agreement. If any change orders are required, they will follow the Grantees change order policy.

VII. PERFORMANCE MONITORING & REPORTING

A. Monitoring

The Grantee shall monitor the performance of the Subrecipient as necessary and in accordance with regulations on Subrecipient Monitoring and Management, 2 CFR 200.330 – 2 CFR 200.332, to ensure Subrecipient compliance with all the requirements of this agreement, including the timeframes and performance goals associated with the activities. Substandard performance as determined by the Grantee will constitute noncompliance with this agreement. If action to correct such substandard performance is not taken by the Subrecipient within 30 days after being notified by the Grantee, the Grantee may impose additional conditions on the Subrecipient and its use of CDBG-DR funds consistent with 2 CFR 200.207, suspend or terminate this agreement, or initiate other remedies for noncompliance as appropriate and permitted under 2 CFR 200.338.

B. Reporting, Documentation and Record Keeping

In accordance with federal regulations, the City is responsible for ensuring the administration of the NDR

program funds in accordance with all program requirements. The Subrecipient shall maintain documentation and records as required.

C. Financial Records

Subrecipient agrees to adhere to accounting principles and procedures, to utilize adequate internal controls and maintain necessary source documentation for all costs incurred as required in 2 CFR 200. Subrecipient further agrees to maintain an adequate accounting system that provides for appropriate grant accounting including calculation of program income. Subrecipient will adhere to applicable audit requirements as described and in accordance with 2 CFR 200 et. seq. In addition, Subrecipient will provide annual audit reports or annual audited financial statements to the City.

D. Budget

The Subrecipient shall complete all activities in this agreement in accordance with the proposed budget attached in Exhibit B. The budget shall identify activity delivery costs.

E. Program Income

Program income is defined in Federal Register / Vol. 81, No. 109 / Tuesday, June 7, 2016 Notice. Subrecipient shall track all program income and provide annual documentation to the City of Minot to monitor program income. Prior to close-out the City will make a determination for the reuse of Program Income, that will continue to accrue until the close-out of the twenty-year affordability period for the project. At the close of the affordability period the City will monitor the project to comply with HUD's program income and asset requirements.

F. Termination

The Grantee may terminate this agreement, in whole or in part, upon 90 days' notice, if they determine that the Subrecipient has failed to comply with the terms, conditions, requirements, and provisions of this agreement and effort to correct these concerns have not been addressed in a reasonable amount of time. Failure to comply with this agreement, include (but are not limited to) the following:

1. Failure to comply with the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure of the Subrecipient to fulfill in a timely and proper manner its obligations under this agreement;
3. Ineffective or improper use of funds provided under this agreement; or
4. Submission by the Subrecipient to the Grantee reports that are incorrect or incomplete in any material respect.

The Grantee shall promptly notify the Subrecipient, in writing, of its determination and the reasons for the termination together with the date on which the termination shall take effect and any other notifications required under 2 CFR part 200, subpart D. Upon termination, the Grantee retains the right to recover any improper expenditures from the Subrecipient and the Subrecipient shall return to the Grantee any improper expenditures no later than thirty (30) days after the date of termination. The Grantee may, at its sole discretion, allow Subrecipient to retain or be reimbursed for costs reasonably incurred prior to termination, that were not made in anticipation of termination and cannot be canceled provided that said costs meet the provisions of this agreement, 2 CFR Part 200, Subpart E, Cost Principles, and any other applicable state or Federal statutes, regulations or requirements.

"This agreement may also be terminated in whole or in part by either the Grantee or the Subrecipient,

or based upon agreement by both the Grantee and the Subrecipient in accordance with the requirements in 2 CFR part 200, subpart D.”

VIII. OTHER REQUIREMENTS TO COMPLY WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD

The CDBG-NDR funds available to the Subrecipient through this agreement constitute a subaward of the Grantee’s Federal award under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR part 200. This agreement includes terms and conditions of the Grantee’s Federal award that are imposed on the Subrecipient, and the Subrecipient agrees to carry out its obligations in compliance with all the obligations described in this agreement.

The Subrecipient shall comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, and the regulations at 24 CFR part 570, as modified by the Federal Register notices that govern the use of CDBG-DR funds available under this agreement. These Federal Register notices include, but are not limited to, Federal Register / Vol. 81, No. 109 / Tuesday, June 7, 2016 / Notice and Federal Register / Vol. 82, No. 150 / Monday, August 7, 2017 / Notice. Notwithstanding the foregoing, (1) the Subrecipient does not assume any of Grantee’s responsibilities for environmental review, decision-making, and action, described in 24 CFR part 58 and (2) the Subrecipient does not assume any of the Grantee’s responsibilities for initiating the review process under the provisions of 24 CFR Part 52. The Subrecipient shall also comply with all other applicable Federal, state and local laws, regulations, and policies that govern the use of the CDBG-DR funds in complying with its obligations under this agreement, regardless of whether CDBG-DR funds are made available to the Subrecipient on an advance or reimbursement basis.

A. Duplication of Benefits

The Subrecipient shall not carry out any of the activities under this agreement in a manner that results in a prohibited duplication of benefits as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 USC 5155) and described in the Appropriations Act. The Subrecipient must comply with HUD’s requirements for duplication of benefits, imposed by Federal Register notice on the Grantee, which are: Federal Register / Vol. 81, No. 109 / Tuesday, June 7, 2016. The Subrecipient shall carry out the activities under this agreement in compliance with the Grantee’s procedures to prevent duplication of benefits. Subrecipient shall complete a Duplication of Benefit Affidavit and sign a Subrogation Agreement.

B. Drug-Free Workplace

Drug-free workplace. Subrecipients must comply with drug-free workplace requirements in Subpart B of part 2429, which adopts the governmentwide implementation (2 CFR part 182) of sections 5152-5158 of the Drug- Free Workplace Act of 1988 (Pub. L. 100-690, Title V, Subtitle D; 41 U.S.C. 701-707).

C. Insurance & Bonding

The Subrecipient shall comply with the bonding and insurance requirements of 2 CFR §200.325 and §200.310.

D. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

The Subrecipient shall comply with the applicable provisions in 2 CFR part 200, Uniform Administrative

Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR part 200 except as provided in 24 CFR 570.502(a) and (b). These provisions include:

1. Financial & Program Management

The Subrecipient shall expend and account for all CDBG-DR funds received under this agreement in accordance with:

The requirements in 2 CFR part 200, including 2 CFR part 200, subpart D, which covers Standards for Financial and Program Management. Go to

<https://www.gpo.gov/fdsys/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf> for the specific requirements.

2. Cost Principles

Costs incurred, whether charged on a direct or an indirect basis, must be in conformance with 2 CFR part 200, subpart E. All items of cost listed in 2 CFR part 200, subpart E, that require prior Federal agency approval are allowable without prior approval of HUD to the extent they comply with the general policies and principles stated in 2 CFR part 200, subpart E and are otherwise eligible under this agreement, except for the following:

- A. Depreciation methods for fixed assets shall not be changed without the approval of the Federal cognizant agency.
- B. Fines penalties, damages, and other settlements are unallowable costs to the CDBG program.
- C. Costs of housing (e.g., depreciation, maintenance, utilities, furnishings, rent), housing allowances and personal living expenses (goods or services for personal use) regardless of whether reported as taxable income to the employees (2 CFR 200.445)
- D. Organization costs (2 CFR 200.455); and
- E. Pre-Award Costs, as limited by this agreement.

E. Documentation and Record Keeping

The Subrecipient shall establish and maintain records sufficient to enable the Grantee to (1) determine whether the Subrecipient has complied with this agreement, applicable Federal statutes and regulations, and the terms and conditions of the Grantee's Federal award and (2) satisfy recordkeeping requirements applicable to the Grantee. These records include the records described in Section I of this agreement, Scope of Service. At a minimum, the Subrecipient shall maintain records required by 24 CFR 570.506 as stated under Recordkeeping in Federal Register / Vol. 81, No. 109 / Tuesday, June 7, 2016 / Notice.

These records include but are not limited to: Records documenting compliance with the fair housing and equal opportunity requirements of the CDBG program regulations; Financial records as required by 24 CFR 570.502, and 2 CFR part 200, including records necessary to demonstrate compliance with all applicable procurement requirements; and Other records necessary to document compliance with this agreement, any other applicable Federal statutes and regulations, and the terms and conditions of Grantee's Federal award.

As required by 2 CFR 200.331(a)(5), the Subrecipient shall permit the Grantee and auditors to have access to the Subrecipient's records and financial statements as necessary for the Grantee to meet its audit requirements under the Federal award. The U.S. Department of Housing and Urban Development, Inspectors General, the Comptroller General of the United States, and the City of Minot, or any of their authorized representatives, must have the right of access to any documents, papers, or

other records which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the Subrecipient's personnel for the purpose of interview and discussion related to such documents.

Prior to close-out of this agreement, the Subrecipient must transmit to the Grantee records sufficient for the Grantee to demonstrate that all costs under this agreement met the requirements of the Federal award. Subrecipient shall retain financial records, supporting documents, statistical records, and all other Subrecipient records pertinent to this agreement and Subrecipient's subaward for the longer of 6 years after the expiration or termination of this agreement, or 6 years after the submission of the Grantee's annual performance and evaluation report, as prescribed in § 91.520 of this title or in the applicable Federal Register notices governing the use of the funds, in which the specific activity is reported on for the final time.

The preceding requirement is however, subject to the following exceptions:

- Records for activities subject to the reversion of assets provisions at 24 CFR § 570.503(b)(7) or change of use provisions at 24 CFR § 570.505 must be maintained for as long as those provisions continue to apply to the activity, otherwise, records for real property and equipment acquired under this agreement must be retained for 3 years after final disposition;
- Records for individual activities for which there are outstanding loan balances, other receivables, or contingent liabilities must be retained until such receivables or liabilities have been satisfied;
- If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken;
- When the Subrecipient is notified in writing by HUD, the cognizant agency for audit as defined in 2 CFR 200.18, the oversight agency for audit as defined in 2 CFR 200.73, the cognizant agency for indirect costs as defined in 2 CFR 200.19, or the Grantee, the Subrecipient shall extend the retention period consistent with the notification;
- When records are transferred to or maintained by HUD or the Grantee, the 3-year retention requirement is not applicable to the Subrecipient;
- The retention period for the records pertaining to the earning of the program income (as defined in this agreement) starts from the end of the Grantee's fiscal year in which the program income is earned.

The Subrecipient must comply with 2 CFR §200.303 and take reasonable measures to safeguard protected personally identifiable information, as defined in 2 CFR 200.82, and other information HUD or the Grantee designates as sensitive or the Subrecipient considers sensitive consistent with applicable Federal, state, local, and tribal laws regarding privacy and obligations of confidentiality.

F. Program Close-out

Program Closeout is the process by which the Grantee determines that all applicable actions and all required work on the project including audits and resolution of any audit findings have been completed. Findings from City monitoring visits must be cleared prior to closeout. Subrecipient's obligation to the Grantee shall not end until all closeout requirements are completed.

The Subrecipient shall closeout its use of the CDBG-NDR funds and its obligations under this agreement

by complying with the closeout procedures in 2 CFR § 200.343. Activities during this close-out period may include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee), and determining the custodianship of records.

Notwithstanding the terms of 2 CFR 200.343, upon the expiration of this agreement, the Subrecipient shall transfer to the Grantee any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds, further, any real property under the Subrecipient's control that was acquired or improved in whole or in part with CDBG funds (including CDBG funds provided to the subrecipient in the form of a loan) shall be treated in accordance with 24 CFR 570.503(b)(7).

G. Audits, Inspections, and Monitoring

The Subrecipient must be audited as required by 2 CFR part 200, subpart F when it is expected that the Subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.

The Subrecipient shall permit the Grantee and auditors to have access to the Subrecipient's records and financial statements as necessary for the Grantee to meet the requirements of 2 CFR part 200. The Subrecipient must submit to monitoring of its activities by the Grantee as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of this agreement. This review must include: (1) reviewing financial and performance reports required by the Grantee; (2) following-up and ensuring that the Subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the Subrecipient from the Grantee detected through audits, on-site reviews, and other means; and (3) issuing a management decision for audit findings pertaining to this Federal award provided to the Subrecipient from the Grantee as required by 2 CFR §200.521.

The Grantee may issue management decisions and may consider taking enforcement actions if noncompliance is detected during audits. The Grantee may require the Subrecipient to take timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means. In response to audit deficiencies or other findings of noncompliance with this agreement, Grantee may impose additional conditions on the use of the CDBG-NDR funds to ensure future compliance or provide training and technical assistance as needed to correct noncompliance.

H. Procurement and Contractor Oversight

The Subrecipient shall comply with the procurement standards in 2 CFR §200.318 - §200.326 when procuring property and services under this agreement. HUD's Buying Right CDBG-DR can be found at <https://www.hudexchange.info/resources/documents/Buying-Right-CDBG-DR-and-Procurement-A-Guide-to-Recovery.pdf>. The Subrecipient shall impose the Subrecipient's obligations under this agreement on its contractors, specifically or by reference, so that such obligations will be binding upon each of its contractors.

The Subrecipient shall maintain oversight of all activities under this agreement and shall ensure that for any procured contract or agreement, its contractors perform according to the terms and conditions of the procured contracts or agreements, and the terms and conditions of this agreement.

I. Property Standards

The Subrecipient shall also comply with the Property Standards at 2 CFR 200.310, 2 CFR 200.312, 2 CFR 200.314 through 2 CFR 200.316. The Subrecipient shall also comply with 2 CFR 200.313 Equipment, except that when the equipment is sold, the proceeds shall be program income, and equipment not needed by the Subrecipient for activities under this agreement shall be transferred to the Grantee for its CDBG-NDR program or shall be retained after compensating the Grantee. See also (R), Reversion of Assets.

J. Federal Funding Accountability and Transparency Act (FFATA)

The Subrecipient shall comply with the requirements of 2 CFR part 25 Universal Identifier and System for Award Management (SAM). The grantee must have an active registration in SAM in accordance with 2 CFR part 25, appendix A, and must have a Data Universal Numbering System (DUNS) number. The grantee must also comply with provisions of the Federal Funding Accountability and Transparency Act, which includes requirements on executive compensation, and 2 CFR part 170 Reporting Subaward and Executive Compensation Information.

K. Relocation, Real Property Acquisition, and One-for-one Housing Replacement

The Subrecipient shall comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), 42 USC 4601 – 4655, 49 CFR part 24, 24 CFR part 42, and 24 CFR 570.606.

In addition to other URA requirements, these regulations (49 CFR § 24.403(d)) implement Section 414 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 USC § 5181, which provides that "Notwithstanding any other provision of law, no person otherwise eligible for any kind of replacement housing payment under the [URA] shall be denied such eligibility as a result of his being unable, because of a major disaster as determined by the President, to meet the occupancy requirements set by such Act".

Subrecipient will minimize displacement of persons as a result of activities assisted with CDBG funds. In addition, if applicable, Subrecipient will:

1. Comply with Sections 301-304 of Title III (Uniform Real Property Acquisition Policy) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. Chapter 61), and HUD implementing instructions at 24 CFR Part 42 and 24 CFR §570.606; and
2. Inform affected persons of their rights and of the acquisition policies and procedures set forth in the regulations at 24 CFR Part 42.

L. Nondiscrimination

The Subrecipient will comply with 24 CFR part 6, which implements the provisions of section 109 of title I of the Housing and Community Development Act of 1974 (Title I) (42 U.S.C. 5309). Section 109 provides that no person in the United States shall, on the ground of race, color, national origin, religion, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Federal financial assistance.

The Subrecipient will adhere to the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) (Age Discrimination Act) and the prohibitions against discrimination on the basis of disability under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) (Section 504). Section 109 of the HCDA makes these requirements applicable to programs or activities funded in whole or in part with CDBG-DR funds. Thus, the Subrecipient shall comply with

regulations of 24 CFR part 8, which implement Section 504 for HUD programs, and the regulations of 24 CFR part 146.

The Subrecipient shall ensure that its activities are consistent with requirements of Architectural Barriers Act and the Americans with Disabilities Act. The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of "residential structure" as defined in 24 CFR 40.2 or the definition of "building" as defined in 41 CFR 101-19.602(a) is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) and shall comply with the Uniform Federal Accessibility Standards (appendix A to 24 CFR part 40 for residential structures, and appendix A to 41 CFR part 101-19, subpart 101-19.6, for general type buildings).

The Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218 and 225) (ADA) provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy no later than January 26, 1993, that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable—that is, easily accomplishable and able to be carried out without much difficulty or expense.

The Subrecipient shall comply with the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352), as amended [if the Grantee is subject to 24 CFR part 570, subpart K, insert: "and 24 CFR 570.601 and 570.602". No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this agreement. The specific nondiscrimination provisions at 24 CFR 1.4 apply to the use of these funds. The Subrecipient shall not intimidate, threaten, coerce, or discriminate against any person for the purpose of interfering with any right or privilege secured by title VI of the Civil Rights Act of 1964 or 24 CFR part 1, or because he has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under 24 CFR part 1. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of 24 CFR part 1, including the conduct of any investigation, hearing, or judicial proceeding arising thereunder.

As a condition to the approval of this Agreement and the extension of any Federal financial assistance, the Subrecipient assures that the program or activities described in this Agreement will be conducted and the housing, accommodations, facilities, services, financial aid, or other benefits to be provided will be operated and administered in compliance with all requirements imposed by or pursuant to this Part 1.

If the Federal financial assistance under this agreement is to provide for is in the form of personal property or real property or interest therein or structures thereon, the Subrecipient's assurance herein shall obligate the Subrecipient or, in the case of a subsequent transfer, the transferee, for the period during which the property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits, or for as long as the recipient retains ownership or possession of the property, whichever is longer. In all other cases the assurance

shall obligate the Subrecipient for the period during which Federal financial assistance is extended pursuant to the contract or application. This assurance gives the Grantee and the United States a right to seek judicial enforcement of the assurance and the requirements on real property.

In the case of real property, structures or improvements thereon, or interests therein, acquired with Federal financial assistance under this Agreement or acquired with CDBG-NDR funds and provided to the Subrecipient Under this Agreement, the instrument effecting any disposition by the Subrecipient of such real property, structures or improvements thereon, or interests therein, shall contain a covenant running with the land assuring nondiscrimination for the period during which the real property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

Affirmative Action - The Subrecipient agrees that it shall carry out pursuant to the Grantee's specifications an Affirmative Action Program in compliance with the President's Executive Order 11246 of September 24, 1966, as amended, and implementing regulations at 42 CFR chapter 60. The Grantee shall provide Affirmative Action guidelines to the Subrecipient to assist in the formulation of such program. The Subrecipient shall provide a copy of their plan for an Affirmative Action Program for approval prior to the release of funds under this agreement.

- i. **Women- and Minority-Owned Businesses (W/MBE):** The Subrecipient shall take the affirmative steps listed in 2 CFR 200.321(b)(1) through (5) to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible when the Subrecipient procures property or services under this agreement.
- ii. **Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement:** The Subrecipient shall, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

M. Labor and Employment

The Subrecipient shall comply with the labor standards in Section 110 of the Housing and Community Development Act of 1974, as amended and ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this agreement shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 3141, *et seq.*), and 29 CFR part 1, 3, 5, 6, and 7, provided, that this requirement shall apply to the rehabilitation of residential property only if such property contains not less than 8 units.

The Subrecipient agrees to comply with the Copeland Anti- Kick Back Act (18 U.S.C. 874) and its implementing regulations of the U.S. Department of Labor at 29 CFR part 3 and part 5. The Subrecipient shall maintain documentation that demonstrates compliance with applicable hour and wage requirements. Such documentation shall be made available to the Grantee for review upon request.

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

The Subrecipient shall comply with the provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC 1701u, and its implementing regulations at 24 CFR part 135. The Subrecipient shall include the "Section 3 clause" at 24 CFR 135.38 in every "Section 3 covered contract" (as defined in 24 CFR 135.5).

O. Conduct

The Subrecipient shall comply with the Hatch Act, 5 USC 1501 – 1508, and shall ensure that no funds provided, nor personnel employed under this agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the U.S.C.

In the procurement of supplies, equipment, construction, and services pursuant to this agreement, the Subrecipient shall comply with the conflict of interest provisions in 2 CFR 200.317 and 200.318. In all cases not governed by 2 CFR 200.317 and 200.318, the Subrecipient shall comply with the conflict of interest provisions in 24 CFR 570.611.

The Subrecipient certifies that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal 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;
2. 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, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
3. It shall require that the language of paragraph (a) through (d) 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; and
4. 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 required by section 1352, title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

P. Religious Activities

The Subrecipient agrees that funds provided under this agreement shall not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

Q. Environmental Conditions

Subrecipient shall not obligate nor expend funds for any choice-limiting Project activity under this Agreement until notified, in writing from the City, that the environmental review requirements pursuant to 24 CFR 570.604 have been satisfactorily completed for the Project activity(s) and that a HUD-approved Request for Release of Funds and certification has been issued. The City's written notice shall specify the date upon which SUBRECIPIENT may begin to obligate and expend funds under this Agreement. SUBRECIPIENT does not assume responsibility for undertaking the environmental review

process under 25 CFR Part 52. However, SUBRECIPIENT shall provide the City with timely and accurate Project information as the City may require in order to cause the environmental review(s) to be satisfactorily undertaken. If there is a proposed change in the location or scope of a Project activity, SUBRECIPIENT shall not undertake any action to obligate or expend funds in connection with the proposed change without obtaining the City's prior written approval. Any such City approval shall be subject to City's sole determination as to whether the proposed change requires an additional environmental review and clearance before any funds may be committed or expended for the Project activity.

The Subrecipient must comply with the limitations in 24 CFR 58.22 even though the Subrecipient is not delegated the requirement under Section 104(g) of the HCD Act for environmental review, decision-making, and action (see 24 CFR part 58) and is not delegated the Grantee's responsibilities for initiating the review process under the provisions of 24 CFR Part 52. 24 CFR 58.22 imposes limitations on activities pending clearance, and specifically limits commitments of HUD funds or non-HUD funds by any participant in the development process before completion of the environmental review. A violation of this requirement may result in a prohibition on the use of Federal funds for the activity.

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

- Air quality. (1) The Clean Air Act (42 U.S.C. 7401 et. seq.) as amended; particularly section 176(c) and (d) (42 U.S.C. 7506(c) and (d)); and (2) Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency—40 CFR parts 6, 51, and 93).
- Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, *et seq.*, as amended, including the requirements specified in Section 114 and Section 308 of the Federal Water Pollution Control Act, as amended, and all regulations and guidelines issued thereunder;
- Flood Disaster Protection – NA
- Lead-Based Paint
The Subrecipient shall comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, J, K, and R, which apply to activities under this agreement.
- Historic Preservation – NA
- Release of Funds (ROF)

No funds may be encumbered prior to the completion of the Environmental Review. The Environmental Review Record (ERR) must be completed before any funds are obligated. The responsibility for certifying the appropriate ERR and ROF shall rest with the City. It is the responsibility of the Subrecipient to notify the City and to refrain from making any commitments and expenditures on the project until an ROF has been issued by the City.

R. Use and Reversion of Assets

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

1. The Subrecipient shall transfer to the Grantee any CDBG funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of expiration,

cancellation, or termination.

2. Real property under the Subrecipient's control that was acquired or improved, in whole or in part, with funds under this Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until five (5) years after expiration of this Agreement [or such longer period of time as the Grantee deems appropriate]. If the Subrecipient fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Subrecipient shall pay the Grantee an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the Grantee. The Subrecipient may retain real property acquired or improved under this Agreement after the expiration of the five-year period [or such longer period of time as the Grantee deems appropriate].
3. In all cases in which equipment acquired, in whole or in part, with funds under this Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Agreement were used to acquire the equipment). Equipment not needed by the Subrecipient for activities under this Agreement shall be (a) transferred to the Grantee for the CDBG program or (b) retained after compensating the Grantee [an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment].

IX. OTHER REQUIREMENTS IMPOSED BY GRANTEE

CCR Registration. No funds may be obligated or expended in any project activity except the administration activity until the Subrecipient provides Grantee with documentation of registration in the Central Contractor Registration (CCR) system. The CCR system may be accessed online at www.sam.gov.

THE UNDERSIGNED, as authorized officials on behalf of the parties, have executed this Contract for Subrecipient Assistance, which shall be effective as of the date of execution hereof on behalf of the Grantee.

GRANTEE

By: _____

(signature)

Name: Shaun Sipma

Title: Mayor

Date: 3/21/19

SUBRECIPIENT

By: _____

(signature)

Name: Megan Laudenschlager

Title: Executive Director

Date: 3/29/19

EXHIBIT A
CDBG-NDR Agreement
Project Description/Scope of Work

The National Disaster Resilience program focuses on disaster recovery and resilience. The city of Minot through the preparation of the NDRC Phase 2 application identified unmet needs directly and indirectly remaining to be addressed as a result of the 2011 flooding and necessary and desirable measures to support resilience in a sustain growth in long term post disaster recovery. The CDBG-NDR grant does not address all that was identified. In recognition of this situation, the city of Minot in its Action Plan establishing a specific allocation of funds under Planning to identify means and methods to secure all necessary funding not covered by the CDBG-NDR grant.

SUB-RECIPIENT primary goal is supporting and enhancing efforts to achieve community resilience and recovery. SUB-RECIPIENT shall use its expertise, experience and resources to research potential grants from federal, state, and regional entities, potential grants and related funding from national, regional and local foundations, potential grants and related funding from national, regional, and local philanthropies, and alternate potential financing mechanisms and means such as through financial institutions, non-profit corporations, and any other potential forms of grant or financial assistance which can support activities, programs, projects, initiatives, and other actions to address remaining unmet needs and/or sustainable resilience measures to promote growth which is reflected in the city of Minot's CDBG-NDR Action Plan. The SUB-RECIPIENT will also offer recommendations and suggestions for measures best be taken to access funding and financing opportunities identified such as non-profit corporations, development authorities, etc.

Exhibit B
CDBG-NDR Budget
Project Budget

Payment shall be made to the sub-recipient on a monthly basis in 4 equal instalments based on Sub-recipient providing applicable payment voucher request which includes description of work performed consistent with the project timelines and goals set forth in this agreement.