**STATE OF NORTH CAROLINA**
**COMMUNITY DEVELOPMENT BLOCK GRANT**
**DIVISION OF WATER INFRASTRUCTURE**
**GRANT CONTRACT**

**CBDG-I PROJECT NUMBER: 17-I-2970**

**GRANTOR: NC DEPARTMENT OF ENVIRONMENTAL QUALITY** ("DEQ" or "CDBG-I"), an agency of the State of North Carolina ("State")

**CONTRACT ADMINISTRATOR:** **Colleen M. Simmons**
Mooresville Regional Office
610 East Center Avenue, Suite 301
Mooresville, NC 28115
Phone: 704.235.2202; Fax: 704.663.6040
Email: colleen.simmons@ncdenr.gov

**GRANT RECIPIENT:** Town of Stoneville a North Carolina Local Government Unit [*county*], or a North Carolina Municipal Corporation [*town or city*] ("Grant Recipient")

**CONTRACT ADMINISTRATOR:** The Honorable Ricky Craddock, Mayor
Town of Stoneville
PO Box 71
Stoneville, NC 27048-0071
Phone: (336) 573-9393
Email: kgamble@town.stoneville.nc.us

**FEDERAL I.D. NUMBER:** 56-6001346

**FISCAL YEAR END DATE:** June 30

**CONTRACT EFFECTIVE DATE:** Date of Last Signature (the "Effective Date")

**CONSTRUCTION CONTRACT DATE:** April 10, 2020

**CONTRACT EXPIRATION DATE:** May 7, 2021 (the "Expiration Date")

**REIMBURSEMENT DATE:** May 21, 2021

**FINAL GRANT CLOSEOUT DATE:** July 2, 2021

**GRANT AMOUNT:** up to $1,300,000 (the "Grant")

**AWARD DATE:** February 28, 2018 (the "Award Date")

**THIS GRANT CONTRACT** (the "Grant Contract"), is made and entered into as of the Effective Date by and between the DEQ and the Grant Recipient, both sometimes hereinafter referred to individually as a "Party" or collectively as the "Parties".

**WITNESSETH:**

**WHEREAS,** Grant Recipient has submitted to the DEQ an application requesting a grant of monies (hereinafter the "Grant Application") to engage in sanitary sewer system rehabilitation as more particularly described on Exhibit A (the "Project").

**WHEREAS,** the Grant Recipient is a qualified applicant for Community Development Block Grant (CDBG) assistance under Title I of the Housing and Community Development Act of 1974, (P.L. 93-383), as amended.

**WHEREAS,** the Project shall be carried out for the purposes and in accordance to the schedule set out in the Notice of Intent to Fund letter, and pursuant to the budget set forth on Exhibit B based on the Grant Recipient's application.

**WHEREAS,** the State Water Infrastructure Authority determined the Grant Recipient's application at its meeting on the February 28, 2018 is eligible for funding from the CDBG-I program.

**WHEREAS,** the Parties desire to enter into this Grant Contract and intend to be bound by its terms.

**NOW, THEREFORE,** for and in consideration of the Grant, the mutual promises each to the other made, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties mutually agree as follows:

1. **Grant Documents**. The documents described below are hereinafter collectively referred to as the "Grant Documents." In the case of conflict between any of these documents, each shall have priority over all others in the order listed below. Upon execution and delivery of this Grant Contract, it and the other Grant Documents and items required hereunder will constitute a valid and binding agreement between the Parties, enforceable in accordance with the terms thereof. The Grant Contract constitutes the entire agreement between the Parties, superseding all prior oral and written statements or agreements.

The Grant Documents consist of:

a. This Grant Contract
b. Exhibit A – Project description, Conditions, and Schedule
c. Exhibit B – Project Budget, Distribution of Funds, and Refunds
d. Exhibit C – Reporting and Audit Requirements
g. Exhibit D – DEQ Quarterly Progress Report Form
h. Exhibit E – DEQ Request for Reimbursement Form
i. Exhibit F – Definitions
k. Exhibit G – General Terms and Conditions.

Upon execution and delivery of the Grant Contract, and once the Department of Environmental Quality has encumbered the grant, and the Grant Recipient has received its counterpart original of the Grant Contract, fully executed and with all dates inserted where indicated on the cover sheet

of the Grant Contract, then the Grant Contract will constitute a valid and binding agreement between the Parties, enforceable with the terms thereof.

2. **Purpose.** The purpose of the Grant is for the "Sanitary Sewer System Rehabilitation" project as described in Exhibit A.

3. **CDBG-I's Duties**. Subject to the appropriation, allocation, and availability to CDBG-I of funds for the Project, CDBG-I hereby agrees to pay the Grant funds to the Grant Recipient in accordance with the payment procedures set forth herein.

4. **Grant Recipient's Duties.** The Grant Recipient shall carry out the Project pursuant to the terms of this Contract and all applicable federal and State laws, executive orders, rules, and regulations that are generally applicable for public assistance programs and those specific to the CDBG program. In addition, the Grant Recipient shall ensure all contracts and subcontracts contain appropriate provisions to also meet applicable CDBG program requirements, including , but not limited to, the following:

a. Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301 et seq).

b. The CDBG program requirements, laws, rules, regulations and requirements, as may be amended, including those set forth in 24 C.F.R., Part 570.

c. Environmental Review Procedures for the CDBG Program and the CDBG regulations contained in 24 CFR Part 58.

d. Conflict of Interest provisions, including but not limited to those found at N.C. Gen. Stat. § 14-234, 2 C.F.R. § 200.317-318, 320-321, 323-326, 24 C.F.R. § 570.489 (g) and (h), and 24 C.F.R. § 570.611. Certain limited exceptions to the conflict of interest rules listed in 24 C.F.R. § 570.489 may be granted in writing by HUD and/or DEQ upon written request and the provision of information specified in 24 C.F.R. § 570.489(h)(ii)(4).

5. **Contract Period**. The DEQ's commitment to disburse Grant funds under this Grant Contract shall cease on the Reimbursement Date. <u>It is the responsibility of the Grant Recipient to ensure that the Project is completed by the Expiration Date and that all costs to be reimbursed have been submitted to the DEQ by the Reimbursement Date.</u> After the Expiration Date, any Grant monies remaining under this Grant Contract will no longer will be available to the Grant Recipient except to pay proper invoices for budgeted costs incurred by the Expiration Date. **The burden is on the Grant Recipient to request an extension of the Grant Contract if the Grant Recipient anticipates that the Project will not be completed by the Expiration Date**. The request for an extension must be made in a writing addressed to the DEQ, explaining why an extension is needed and proposing a new expiration date for the Grant Contract. DEQ must receive this request in its Division of Water Infrastructure office at least 60 days before the Expiration Date. DEQ, within its discretion, may or may not approve the extension, based on Project performance and other contributing factors. **The DEQ is not responsible for notifying the Grant Recipient of an approaching Expiration Date.**

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

6. **Grant Withdrawal for Failure to Enter into a Construction Contract.** This Grant Award shall be withdrawn if award conditions required for release of funds are not completed within one year of the Award Date, unless DEQ finds that the Grant Recipient has good cause for failure. If DEQ finds good cause for Grant Recipient's failure, the DEQ must set a date by which Grant Recipient must take action or forfeit the grant.

This Grant award shall be withdrawn if the Grant Recipient fails to enter into a construction contract for the Project within two years after the Award Date, unless the DEQ finds that Grant Recipient has good cause for the failure. If the DEQ finds good cause for Grant Recipient's failure, the DEQ must set a date by which Grant Recipient must take action or forfeit the grant.

7. **Reporting Requirements**. Reporting requirements are set forth on Exhibit C. Reports shall be made on the form set forth on Exhibit D. Annual Performance Report (APR) by calendar year.

8. **Site Access.** The Grant Recipient shall permit representatives of the DEQ to visit the Property and any other premises of the Grant Recipient to examine construction activities of the Grant Recipient pursuant to the Grant, including materials, books and records in any way related to the Grant or the Project.

9. **Project Site**. The Grant Recipient shall have an interest in and/or appropriate agreements covering the site of the Project and all other real property of Grant Recipient essential to the Project, including necessary easements and rights of way, to assure undisturbed use and possession for the purpose of construction and operation for the estimated life of the Project.

10. **Conflict of Interest.** Recipient agrees to comply with all applicable conflict of interest provisions including, but not limited to, N.C. Gen. Stat. § 14-234, 2 C.F.R. § 200.317-318, 320-321, 323-326, 24 C.F.R. § 570.489 (g) and (h), and 24 C.F.R. § 570.611.

11. **Notice; Contract Administrators.** All notices, requests or other communications permitted or required to be made under this Grant Contract or the other Grant Documents shall be given to the respective Contract Administrator. Notice shall be in writing, signed by the party giving such notice. Notice shall be deemed given three (3) business days following the date when deposited in the mail, postage prepaid, registered or certified mail, return receipt requested.

12. **Signature Warranty.** Each individual signing below warrants that he or she is duly authorized to sign this Contract for the respective party, and to bind said party to the terms and conditions of this Grant Contract.

13. **Citizen Participation.** A recipient of CDBG funds must have a Citizen Participation Plan. A written Citizen Participation Plan must certify that access to information and participation in all stages of the project is provided. Local governments must certify that citizens, especially residents of a proposed project area, had an adequate opportunity to participate in the planning and development of the CDBG applications beyond the public hearing requirements. Compliance with the plan must be documented, including the information made public and the means used to make it public.

14. **Fair Housing**. Recipients of CDBG funds are required to comply with fair housing and non-discrimination laws and regulations. A Recipient must described the actions it will take in the areas of enforcement, education, and removal of barriers and impediments to affirmatively further

fair housing. Compliance with the plan must be documented, including the information made public and the means used to make it public.

15. **Equal Employment Opportunity (Executive Order 11246) and Procurement**. A Recipient must describe the actions it will take while the grant is open in the areas of enforcement, education and removal of barriers and impediments that affirmatively further equal access in employment and procurement. Compliance with the plan must be documented, including the information made public and the means used to make it public.

16. **Local Economic Benefit** (Section 3 Regulation). For each year that a CDBG is active, the Recipient must describe a strategy whereby opportunities in employment and procurement arising out of a CDBG assisted project are identified and made available to low-income residents within the CDBG assisted area to the greatest extent feasible. This strategy must include (1) identification of training and technical assistance resources to prepare low-income residents for employment and procurement opportunities, (2) attempts to reach the numerical targets for new hires set forth in the Section 3 regulation, which applies to Recipients receiving $200,000 or more in non-administrative line items expended for construction contracts and (3) education of low-income residents within the CDBG assisted area about the components and opportunities of the program. Compliance with the plan must be documented, including the information made public and the means used to make it public.

17. **Section 504 of the Rehabilitation Act of 1973**. Recipients must comply with the provision of Section 504 of the Rehabilitation Act of 1973, as amended, and HUD implementing regulations at 24 C.F.R., Parts 8 and 9. Recipient must complete the Section 504 Survey and adopt a Grievance Procedure as well as complete a Transition Plan, if applicable. The Grant contract requires recipients to complete the Section 504 Survey and Transition Plan (if applicable), covering policies, practices, and physical accessibility and notify affected persons that it does not discriminate on the basis of the handicap. Compliance with the plan must be documented, including the information made public and the means used to make it public.

18. **Americans with Disabilities Act (ADA).** State and local governments are required to comply with the provisions of Title I of the Americans with Disabilities Act (ADA) which protects qualified individuals with disabilities from discrimination in all state and local government programs and activities including employment.

Governments with 25 or more employees were subject to the law after July 26, 1992, and governments with 15 or more employees after July 26, 1994. If a government is not covered by Title I of the Act, Section 504 of the Rehabilitation Act of 1973 applies. All governments receiving federal financial assistance will continue to be covered by Section 504. The Division will continue to monitor for only Section 504 compliance until otherwise required by HUD.

19. **Language Access Plan** (LAP). Recipients of Federal financial assistance have an obligation to reduce language barriers that can preclude meaningful access by Limited English Proficient (LEP) persons to important government programs, services, and activities. Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000(d) and its implementing regulations require that Recipients take responsible steps to ensure meaningful access by LEP persons. Compliance with the plan must be documented, including the information made public and the means used to make it public.

20. **Procurement Standards**. Where applicable, Recipient shall follow the procurement standards established in the " Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards" (2 C.F.R. § 200.317-318, 320-321, 323-326) and HUD implementing regulations contained in 24 C.F.R. § 570.489(g), which explicitly prohibit cost plus a percentage of cost and percentage of construction cost methods of contracting. In addition, all purchase orders and contracts shall include any clauses required by Federal Statutes, executive orders, and implementing regulations including Section 3 clause, per 24 C.F.R. 570.489 (g) and 24 C.F.R. 135.38.

21. **Relocation Anti-Displacement and Relocation Assistance Plan.** A recipient must have a plan to minimize residential displacement and to provide relocation assistance to displaced residents in a timely manner. Compliance with the plan must be documented, including the information made public and the means used to make it public.

22. **Labor Standards**. Recipient shall follow all applicable laws, rules and regulations concerning the payment of wages, contract work hours, safety, health standards, and equal opportunity for CDBG-I programs, including but not limited to the rules set forth in 24 C.F.R. § 570.603 and the following (as may be applicable to CDBG-I projects):

a. Davis-Bacon Act (40 U.S.C.A. 276a). Among other provisions, this act requires that prevailing local wage levels be paid to laborers and mechanics employed on certain construction work assisted with CDBG funds.

b. Contract Work Hours and Safety Standards Act (40 U.S.C.A. 327 through 333). Under this act, among other provisions, laborers and mechanics employed by contractors and subcontractors on construction work assisted with CDBG funds must receive overtime compensation at a rate not less than one and one-half the basic rate of pay for all hours worked in excess of forty hours in any workweek. Violators shall be liable for the unpaid wages and in addition for liquidated damages computed in respect to each laborer or mechanic employed in violation of the act.

c. Fair Labor Standards Act (29 U.S.C. 201 et seq.), requiring among other things that covered employees be paid at least the minimum prescribed wage, and also that they be paid one and one-half times their basic wage rate for all hours worked in excess of the prescribed work-week.

d. Federal anti-kickback laws (18 U.S.C. 874 and 40 U.S.C. 276), which, among other things, outlaws and prescribes criminal penalties for "kickbacks" of wages in federally financed or assisted construction activities. Weekly statements of compliance and weekly payrolls must be provided by all contractors and subcontractors. In addition, a Semiannual Labor report must be submitted on March 30th, and September 29th while the grant is open.

23. **Architectural Barriers**. Per 24 C.F.R. §§ 570.487 and 570.614 and other applicable law, all applicable buildings or facilities designed, constructed or altered with CDBG Grant funds shall be made accessible and useable to the physically handicapped as may be required by applicable laws, rules, regulations or requirements. Additionally, Recipient must comply with the following (as may be applicable to CDBG projects):

a. Architectural Barriers Act of 1968 (P .L. 90-480). This act requires Recipient to ensure that certain buildings constructed or altered with CDBG funds are readily accessible to the physically handicapped.

b. Minimum Guidelines and Requirements for Accessible Design 36 C.F.R. Part 1190.

c. Americans with Disabilities Act ["ADA"] and the ADA Accessibility Guidelines for Buildings and Facilities or the Uniform Federal Accessibility Standards.

d. North Carolina Building Code, Volume I, Chapter II-X. These provisions describe minimum standards Recipient must meet in constructing or altering building and facilities, to make them accessible to and useable by the physically handicapped.

24. **Excessive Force Provision.** Recipient must submit to DEQ an adopted "Excessive Force Provision". Per Section 519 of Public Law 101-144, (1990 HUD Appropriations Act), the recipient of CDBG funds acknowledges its responsibility to enforce the policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any and all individuals engaged in non-violent civil rights demonstrations, and will enforce a policy of enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstration within the local government.

25. **Environmental Review.** Recipients of CDBG funds are required to comply with the requirements of the National Environmental Policy Act of 1969 (NEPA) found at 24 CFR Part 58 and complete an Environmental Review Record (ERR).

**26. Floodplain.** Recipients must provide the Division with a certification signed by the CEO stating that the project area is not in a floodplain along with a floodplain map of the project area; or with a certification stating the process that will be followed, if the project occurs in the following floodplain zones:

**If the project occurs in a Coastal High Hazard Area (V Zone) or a floodway**, federal assistance may not be used at this location if the project is a critical action pursuant to 24 CFR 55.1(c) and 55 Subpart B except as provided therein. For projects allowed under 24 CFR 55.1(c) and 55 Subpart B, the eight-step process shall be followed pursuant to 24 CFR 55.20.

**If the project occurs in a 100-year floodplain (A Zone),** the 8-Step Process is required as provided for in 40 CFR 55.20 or as reduced to the **5-Step Process** pursuant to 40 CFR 55.12(a), unless an exception is applicable pursuant to 40 CFR 55.12(b).

**If the project occurs in a 500-year floodplain (B Zone or shaded X Zone),** the 8-Step Process is required for critical actions as provided for in 40 CFR 55.20 or as reduced to the **5-Step Process** pursuant to 40 CFR 55.12(a), unless an exception is applicable pursuant to 40 CFR 55.12(b).

**27. Complaints and Grievance procedures for Compliance Plans.** Recipients must address complaints to the North Carolina Department of Commerce and DEQ, only, if the Compliance Plan covers multiple grants awarded by both departments. Recipients must address complaints to DEQ, only, if the Compliance Plans cover a grant or multiple grants awarded by DEQ.

**28. Deobligations of Unused Funds.** When project costs are less than the grant award amount, excess award funds shall be deobligated back to DEQ. Administration funds shall be deobligated in proportion to the amount of program funds being deobligated to DEQ.

**IN WITNESS WHEREOF,** the Grant Recipient and the Fund have executed this Grant Contract in two originals as of the Effective Date. One original shall be retained by each Party. If there is any controversy among the documents, the document on file in the Fund's office shall control.

**GRANT RECIPIENT:**

By: _____

Name: _____

Title: _____

Date: _____

[SEAL]

ATTEST:

By: _____

Name: _____

Title: _____

**APPROVED AS TO FORM:**

_____

Town/City/County Attorney

**Department of Environmental Quality**

By: _____

Name: Kim H. Colson

Title: Director

Division of Water Infrastructure

Date: _____

**EXHIBIT A**
**Project No. 17-I-2970**

**Project Description:** Town of Stoneville will replace approximately 4,500 LF of old deteriorated wastewater collection lines to address inflow and infiltration concerns within the Town's wastewater collection system. The lines targeted for replacement are located on N. Henry Street (north of Mathew Street), Highland Avenue, Kallam Street, Dalton Street, and Roberts Street. The project includes 4,500 LF new 8" gravity sewer lines to be installed by the dig and replace method. This is the selected method based on conditions requiring improved flow in flat sections, replacement of collapsed sections, and concerns for the ability to utilize cured-in-place construction, or pipe bursting techniques in this situation. The low-to-moderate income percentage of the project area is 92.31 percent, and the poverty level for the entire town is 10.6 percent.

Changes to this project description must be requested in writing, and formalized in an amendment to this grant agreement, prior to any action taken by the grantee.

**Conditions:** The following schedule must be followed, or funds will be forfeited. Times indicated for each activity are considered to be maximum times allowable.

| Milestone | Date |
|---|---|
| Attendance at the EA/ER Workshop | May 17 or June 7, 2018 |
| Attendance at the Compliance Workshop | May 16 or June 6, 2018 |
| Contract with DWI Executed | June 22, 2018 |
| Engineering Report Submitted | October 26, 2018 |
| Environmental Document and Request for Release of Funds Submitted | March 22, 2019 |
| Funding Approval Conditions Submitted | March 22, 2019 |
| Environmental Document and Request for Release of Funds Approved | April 5, 2019 |
| Engineering Report Approved | March 1, 2019 |
| Bid and Design Package Submitted | September 2, 2019 |
| Bid and Design Package Approved | January 3, 2020 |
| Submit Itemized Bid Tabulation | March 6, 2020 |
| Execute Construction Contracts | April 10, 2020 |
| **Compliance Plans** | **Date** |
| Adopted Equal Opportunity and Procurement Plans | October 22, 2018 |
| Adopted Section 3 Plan (Local Economic Benefit for Low and Very Low-Income Persons) | October 22, 2018 |
| Adopted Language Access Plan | October 22, 2018 |
| Section 504 Self-Evaluation and Adopted Grievance Procedure | October 22, 2018 |
| Adopted Residential Anti-Displacement and Relocation Assistance Plan | October 22, 2018 |
| Adopted Citizen Participation plan | October 22, 2018 |
| Excessive Force Provision | October 22, 2018 |

| | |
|---|---|
| Floodplain Certification - Map | October 22, 2018 |
| Adopted Assessment of Fair Housing | March 22, 2019 |

Funding Approval Conditions. For reference, grant administration activities include activities required for the **preparation of the environmental document**, as well as the **engineering report.**

1. **Completion of the Environmental Review Process.** No funds may be obligated or expended in any project activity except for the grant administration activities in the above mentioned project until the recipient has complied with the Environmental Review procedures for the CDBG-Infrastructure program.

2. **Grant administration contracts/inter-local agreements.** No funds may be obligated or expended in any project activity except the grant administration activities until the recipient has submitted either a copy of the contract/inter-local agreement awarded for the administration of this grant or a statement signed by the chief elected official stating that the contract will be administered internally.

**Schedule:** [from Notice of Intent to Fund]

1. **Construction Contract Date: April 10, 2020.** Enter into a construction contract by this date for the work identified as construction in Exhibit A. Failure to enter into a construction contract by this date will result in withdrawal of the Grant, unless the DEQ has found the Grant Recipient had good cause for such failure and the Board of Trustees has set a date by which the Grant Recipient must take action.

2. **Contract Expiration Date: May 7, 2021.** Complete the Project Scope of Work and submit the Grant Contract Final Report (items in Exhibit F, item 2 and as otherwise specified in Exhibit A) by this date. The DEQ will not reimburse the Grant Recipient for Project costs incurred after this date.

3. **Final Reimbursement Date: May 21, 2021**. The DEQ must receive the Final Request for Payment for the Project by this date. The DEQ will not accept or process for payment any request for payment received after this date. The DEQ will not reimburse the Grant Recipient for costs incurred after the Contract Expiration Date.

4. **Final Grant Closeout Date: July 2, 2021.** Submit the final closeout completed packet containing the required forms and public hearing requirements (items will be specified after the "Construction Contract Date"). The DEQ will not allow extensions to the Grant under any circumstances after the Final Grant Closeout Date.

## EXHIBIT B

### CDBG-I Project No. 17-I-2970

### PROJECT BUDGET, DISTRIBUTION OF FUNDS, AND REFUNDS

**1. Project Budget**

a. To obtain payment, the Grant Recipient must submit itemized documentation substantiating direct costs incurred in the implementing the project.

b. Matching funds are contributed by:

| **Funder** | **Type of funding & Status of Funding** | **Matching Funds** | **Percent** |
|---|---|---|---|
| CDBG-I | Grant | $1,300,000 | 100% |
| Local – specify | Bonds, reserves, in-kind etc. | $0 | 0% |
| Other public funding source(s) – specify | SRF loan, state grants, Golden Leaf, ARC, etc. | $0 | 0% |
| **Total** | | $1,300,000 | 100% |

**2. Disbursement of Grant Funds.**

a. No funds may be obligated or expended in any project activity except for the administration activity in the project until the recipient has complied with the Environmental Review Procedures for the CDBG Program and the CDBG environmental regulations contained in 24 CFR Part 58.

b. No funds may be obligated or expended in any project activity except the administration activity until the recipient has submitted either a copy of the contract awarded for administration of this grant or a statement signed by the authorized representative stating that the contract will be administered internally.

c. Requests for Payment. Disbursement of Grant funds for the Project shall be made by no less than monthly reimbursement of Grant Recipient's expenditures on the Project as set forth in Exhibits A and B. To obtain reimbursement, the Grant Recipient shall submit to the DEQ's Contract Administrator the following documentation:

(i) A completed and signed Payment Request form, as provided by the DEQ and as shown in Exhibit E, accompanied by appropriate itemized documentation supporting all expenses claimed and that clearly identifies each expenditure for which reimbursement is claimed. The supporting documentation must be organized in a manner that clearly relates the expenses shown in the supporting documentation to the line items shown on Exhibit E.

(ii) Any application for reimbursement that does not clearly identify each expenditure and relate each expenditure to the line items shown on Exhibit E will not be processed, and will be returned to the Grant Recipient for correction and re-submittal. **Grant Recipient shall identify any sales tax for which reimbursement has been or will be obtained from the State Department of Revenue, and such monies shall not be reimbursed.**

a. Certification by Engineer. At the option of the DEQ, reimbursements may be made only on the certificate and seal of an appropriately qualified registered Professional Engineer, that the improvements for which the reimbursement is requested have been completed in accordance with approved plans and specifications, to which certificate shall be attached an estimate by the construction contractor setting forth items to be paid out of the proceeds of each such reimbursement. The DEQ, at its option, may further require a certificate from such appropriately qualified registered Professional Engineer that the portion of the Project completed as of the date of the request for reimbursement has been completed according to schedule and otherwise as approved by the DEQ and according to applicable engineering standards and requirements. However, the DEQ may, at its discretion, make reimbursements without requiring such certificates or construction contractor's estimate, in which event the Grant Recipient shall furnish the DEQ a list of and the amounts of items to be paid out of the reimbursement, or such other evidence as the DEQ may require.

b. Reimbursement Based on Progress. The Grant Recipient agrees to proceed with diligence to accomplish the Project according to the schedule set out in Exhibit A and shall show appropriate progress prior to each reimbursement. Reimbursement may be withheld or delayed if Grant Recipient fails to make progress on the Project satisfactory to the DEQ. Amounts withheld shall be reimbursed with subsequent reimbursements in the event that Grant Recipient is able to demonstrate an ability to resume satisfactory progress toward completion of the Project.

c. Proof of Payment. The Grant Recipient agrees to pay, as the work progresses, all bills for labor and materials going into the accomplishment of the Project, and agrees to submit to the DEQ all such receipts, affidavits, canceled checks, or other evidences of payment as may be requested from time to time and, when and if requested by the DEQ, furnish adequate proof of payment of all indebtedness incurred in the development of the Project.

d. Alternate Disbursement of Grant Funds. DEQ may, upon request by the Grant Recipient, disburse grant funds prior to actual project payments by the Grant Recipient if costs are documented by unpaid third-party invoices. In order for DEQ to disburse grant funds to the Grant Recipient based upon unpaid third-party invoices, the Grant Recipient shall indicate its review and approval of the unpaid third-party invoice in writing, and certify to the DEQ that the unpaid third-party invoice will be paid within three (3) working days of receipt of the disbursed grant funds. The Grant Recipient will confirm to DEQ that the required payment has been made within three banking days of receipt of funds.

e. Payment of Construction Contingency Funds. Construction contingency funds will not be disbursed until the Grant Recipient has demonstrated that it has expended at least 90% of all other matching funds including matching grant and/or loan funds.

f. DEQ Retaining Portion of Funds Until Project Completion. The DEQ will withhold payment from the Grant Recipient in the amount of 5% of the Grant until the Grant Recipient has satisfactorily submitted its Final Report.

g. No Excess Costs. The DEQ agrees to pay or reimburse the Grant Recipient only for costs actually incurred by the Grant Recipient that do not exceed the funds budgeted for the Project shown on Exhibit B.

h. Costs of Project Administration. The DEQ agrees to reimburse the Grant Recipient for administrative costs consisting only of costs of labor for administrative work conducted exclusively on this Project. The Grant Recipient's requests for such reimbursement shall be made under the Project Administration line item of Exhibit B and shall conform with the following:

(i) Costs allowable under the Project Administration line item shall be only costs of labor needed to comply with the general conditions of the Grant Contract (e.g., progress reports, the environmental review, the engineering report, compliance activities, payment requests, preparing the project final report, revisions to the Grant Contract). Allowable Project Administration labor costs may include any of the following: (a) pay to the Grant Recipient's payroll employees, plus the Grant Recipient's cost of paying benefits on such pay (usually employees' pay times an audited or auditable benefits multiplier); (b) pay to contract employees of the Grant Recipient (e.g., temporary office support), payable at the Grant Recipient's actual cost, without application of a benefits multiplier; and/or (c) cost of professional services labor contracted by the Grant Recipient (e.g., engineering firm or consultant), payable at the Grant Recipient's actual cost for that labor.

(ii) Costs of any other work described in the Project Scope of Work in Exhibit A are not allowable under the Project Administration line item.

(iii) No more than 60% of the Project Administration line item shall be reimbursed prior to the start of construction. Five percent of the Project Administration line item shall be withheld until construction is complete and all reports are submitted to DEQ.

i. Period for Incurring Reimbursable Expenditures. The DEQ will reimburse the Grant Recipient only for allowable Project expenditures that are incurred by the Grant Recipient or the Grant Recipient's consultants, contractors, or vendors during the period between the Award Date and the Expiration Date of the Grant Contract. The DEQ will not reimburse the Grant Recipient for Project expenditures that are not incurred during this period.

3. **Refunds, Reversion of Unexpended Funds, and Reduction of the Grant based on Construction Cost less than Budgeted Construction Cost.**

a. Refunds. The Grant Recipient shall repay to the DEQ any compensation it has received that exceeds the payment to which it is entitled herein, including any interest earned on funds reimbursed pursuant to the Grant Contract. The Grant Recipient shall repay to the DEQ administration funds in proportion to the program funds being repaid.

b. Reversion of Unexpended Funds. Any unexpended Grant monies shall revert to the CDBG-I upon termination of the Grant Contract. The Grant Recipient shall repay to the DEQ administration funds in proportion to the program funds being repaid.

c. Reduction of the Grant based on construction cost less than budgeted construction cost. The DEQ may reduce the Grant amount if the Grant Recipient expects actual construction costs to be less than budgeted construction costs, as follows:

(i) The Grant Recipient shall provide to the DEQ a construction contract pricing document(s), consisting minimally of a statement of the scope of the construction work included in the pricing, a schedule of construction payment items, agreed-upon constructor or vendor pricing for each item, and a total anticipated construction cost based on the pricing.

(ii) The Grant Recipient shall deliver the construction contract pricing document to the DEQ's Contract Administrator within 30 days of executing a construction contract for the Project.

(iii) The DEQ may, at its discretion after comparing the total anticipated construction cost with the Grant Contract project budget, choose to reduce the Grant. If the DEQ chooses to reduce the Grant, the DEQ's Contract Administrator will prepare an amendment to the Grant Contract for this purpose, and the DEQ will approve requests for reimbursement of the Grant Recipient's construction costs only after the amendment has been signed by both the Grant Recipient and the DEQ. Grant administration funds shall be reduced in proportion to the project funds being reduced.

d. Reimbursement to DEQ for Improper Expenditures. The Grant Recipient will reimburse DEQ for any amount of Grant assistance improperly expended, either deliberately or non-deliberately, by any person or entity. Additionally, a contract for administrative services should include a clause holding the administrator organization responsible for reimbursement to the Recipient for any improperly expended grant funds that had to be returned to DEQ.

**EXHIBIT B**

**PROJECT BUDGET**
**(see next page)**

## PROJECT BUDGET

| A. CDBG: Grant Amount Approved: Town of Stoneville #17-I-2970 | | | | | $1,300,000 | | |
|---|---|---|---|---|---|---|---|
| **Use of Funds** | Total Cost | A. CDBG | B. Appalachian Regional Commission | C. Other Federal Funds | D. State/Local Funds | E. Private Funds | F.Other: |
| **C. Public Facilities and Improvements** | | | | | | | |
| (9) Street Improvements | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| (10) Flood and Drainage Improvements | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| (11) Pedestrian Improvements | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| (12) Other Public Facilities | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| (13) Public Sewer Improvements | $ 1,198,500.00 | $ 1,198,500.00 | $ - | $ - | $ - | $ - | $ - |
| (14) Public Water Improvements | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| (15) Housing Rehab - water connections | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| (16) Housing Rehab - sewer connections | $ - | $ - | $ - | $ - | $ | $ - | $ - |
| Planning | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Administration (10%) | $ 101,500.00 | $ 101,500.00 | $ - | $ - | $ - | $ - | $ - |
| **TOTAL** | $ 1,300,000.00 | $ 1,300,000.00 | | | | | |

## EXHIBIT C

## REPORTING, RECORD KEEPING, AND AUDIT REQUIREMENTS

1. Project Progress Reports. Grant Recipient shall submit a written detailed narrative progress report describing the work accomplished on the Project and progress toward meeting the Project objectives to the CDBG-I's Contract Administrator, quarterly beginning with the next quarter after the Effective Date in the format set forth on Exhibit D. Quarters shall be defined as January-March, April-June, July-September, and October-December. **Reports shall be received by the DEQ's Contract Administrator within 45 days after the end of the quarter.**

2. Grant Contract Final Report. Grant Recipient shall submit to the CDBG-I's Contract Administrator a grant contract final report in accordance with the schedule shown on Exhibit A. **If the final report is not acceptable to DEQ, it shall be returned to the Grant Recipient for correction. Final payment will not be made until the final report is acceptable to DEQ.** The grant contract final report shall parallel the scope and conditions of the Grant Contract as defined in Exhibit A. The required format for this report is set forth on Exhibit D, and the report shall include:

a. A narrative statement evaluating and summarizing the completed Project including a concise statement of the Scope of Work in Exhibit A, a detailed description of the objectives the Grant Recipient hoped to accomplish with the Project, and comparison of the objectives with accomplishments.

b. A summary of changes made to the Project Scope of Work (Exhibit A) and Project Budget (Exhibit B) and reasons for the changes.

c. Any other documents, reports or other evidence, including photographs necessary to verify that the Project has been concluded in compliance with this Grant Contract.

d. Copy of Engineer's Certification of Completion.

3. Recordkeeping Requirements. Grant Recipient will maintain all records and comply with all responsibilities as required under CDBG recordkeeping for example, 24 C.F.R. 570.490 ("Recordkeeping Requirements"), 24 C.F.R. § 570.506 ("Records to be maintained") and 2 C.F.R. § 200.333-337 ("Retention and Access Requirements for Records") as may be modified by HUD as well as records to document compliance with CDBG requirements. Recipient agrees to comply with any additional record-keeping requirements now or hereinafter set forth by DEQ, HUD or any other federal or state entity.

4. Project Audits. Grant Recipient agrees that the Fund and the State have the right to audit the books and records of the Grant Recipient pertaining to this Grant Contract both during performance and for five (5) years after the completion or termination of this Grant Contract or until all audit exceptions, if any, have been resolved, whichever is longer. The Grant Recipient shall retain complete accounting records, including original invoices, payrolls, contracts, or other documents clearly showing the nature of all costs incurred under this Grant Contract, for that same period of time. The Grant Recipient agrees to make available at all reasonable times to the Fund all bid documents, and accurate books and records of all expenditures for costs applicable to this Grant Contract which will facilitate the audit of the Grant Recipient's records.

Grant recipients expending at least $750,000 in one fiscal year are required to have an audit conducted in accordance with 2 C.F.R § 200.501, except when Recipient elects to have a program-specific audit conducted.

5. Access to Records. The Grant Recipient shall provide any duly authorized representative of DEQ, the State of North Carolina, the federal Department of Housing and Urban Development (HUD), and the Comptroller General, the Inspector General and other authorized parties at all reasonable times access to and the right to inspect, copy, monitor, and examine all of the books, papers, records, and other documents relating to the grant for a period of five years following the completion of all closeout procedures. All original files shall be maintained at the Local Government offices for access purposes.

6. Release of Personal Financial and Identifying Information. To ensure and document compliance with CDBG income requirements as well as other matters, Grant Recipient shall obtain and retain personal, income-related, financial, tax and/or related information from companies, individuals and families that are benefitting from Grant or Program funds. Additionally, Grant Recipient is obligated to provide access to any and all information relating to the Program to DEQ, HUD or other appropriate federal or state monitoring entity, upon DEQ's request. This obligation includes, but is not limited to, the personal, financial and identifying information of individuals assisted by the Program. As such, Grant Recipient shall obtain any releases or waivers from all individuals or entities necessary to ensure that this information can be properly and legally provided to appropriate federal and state entities, including DEQ and HUD, without issue or objection by the individual or entity.

# CDBG-I QUARTERLY PROGRESS REPORT (Activities and Benefit)

Grantee: _____ Grant No: _____ Amount Awarded: _____

Period Covered (Month/Year) : _____ Calendar Quarter: _____ Date Prepared: _____

| A. Activity | LF, #Properties Connected, Treatment Plan Rehab Proposed (Describe) | LF or # Completed This Quarter (Describe) | LF or # Completed To Date (Describe) |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| TOTAL | | | |

Note: Please report benefit for the project, if any. Otherwise explain the reason of no benefit during project.

| B. Activity | # Persons Proposed | # Households Proposed | # Persons AMI | # Households AMI | # Persons MI | # Households MI | # Persons LI | # Households LI | # Persons VLI | # Households VLI | Race |
|---|---|---|---|---|---|---|---|---|---|---|---|
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| TOTAL | | | | | | | | | | | |

# CDBG-I QUARTERLY PROGRESS REPORT (Grant Finances)

Grantee: _____ Grant No: _____ Amount Awarded: _____

Period Covered (Month/Year) : _____ Calendar Quarter: _____ Date Prepared: _____

| C. Activity | Activity Code | CDBG Budget | Expended This Quarter | Expended To Date | Amt. Req. This Quarter | Amt. Req. To Date | Local Funds Obligated | Local Funds Expended To Date |
|---|---|---|---|---|---|---|---|---|
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| TOTAL | | $0 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |

| D. Activity - Administration (Please provide a brief description of budget expended in activities within administration) | Activity Code | CDBG Budget | Expended This Quarter | Expended To Date | Amt. Req. This Quarter | Amt. Req. To Date | Local Funds Obligated | Local Funds Expended To Date |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
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| | | | | | | | | |
| TOTAL | | $0 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |

Notes:

Authorized Representative: _____

Title: _____

## Instructions

**Table A.**

**Activity**: Choose from the dropdown menu the activity to be covered for the report

**LF, #Properties Connected, Treatment Plan Rehab Proposed (Describe)**: Describe with details the activities that have taken place during the quarter

**LF or # Completed This Quarter (Describe)**: Provide (numbers) details of activities completed for the quarter

**LF or # Completed To Date (Describe)**: Provide (numbers) details of activities completed from day one of grant awarded until the last day of this quarter

**Table B.**

**Activity**: Choose from the dropdown menu the activity to be covered for the report

**# Persons Proposed**: Proposed number of persons benefiting from this project

**# Households Proposed**: Proposed number of households benefiting from this project

**# Persons AMI:** Number of persons Above Moderate Income

**# Households AMI:** Number of households Above Moderate Income

**# Persons MI**: Number of persons Moderate Income

**# Households MI**: Number of households Moderate Income

**# Persons LI**: Number of persons Low Income

**# Households LI**: Number of households Low Income

**# Persons VLI**: Number of persons Very Low Income

**# Households VLI**: Number of households Very Low Income

**Race**: numbers are reported, as applicable, for each activity as they are reported in the Annual Performance Report (APR) and the Closeout Accomplishments

| | |
|---|---|
| **W**: White | **MR**: Other Multi-Racial |
| **NH:** Native Hawaii/Other Pacific Islander | **AW**: Asian & White |
| **AS**: Asian | **H**: Hispanic |
| **AN**: American Indian/Alaskan Native & Black/African A | **BW**: Black/African American & White |
| **HB:** Hispanic & Black | **HW:** Hispanic & White |
| **HO**: Hispanic & Other Race | **AI:** American Indian/Alaskan Native |
| **AA**: Black/African American | |

**Table C.**

**Activity:** Choose from the dropdown menu the activity to be covered for the report

**Activity Code:** Choose from the dropdown menu the activity code to be covered for the report

**CDBG Budget:** Total dollar amount awarded

**Expended This Quarter:** Dollar amount expended for the quarter

**Expended To Date:** Dollar amount expended from day one of grant awarded until last day of this quarter

**Amt. Req. This Quarter:** Dollar amount requested for this quarter

**Amt. Req. To Date:** Dollar amount requested from day one of grant awarded until last day of this quarter

**Local Funds Obligated:** Total dollar amount of local funds obligated for this project

**Local Funds Expended To Date:** Dollar amount of local funds expended from day one of grant awarded until last day of this quarter

**Table D**

**Activity: Administration (Please provide a brief description of budget expended in activities within the administration line)**

**Activity Code:** Choose from the dropdown menu the activity code to be covered for the report

**CDBG Budget:** Total dollar amount awarded

**Expended This Quarter:** Dollar amount expended for the quarter

**Expended To Date:** Dollar amount expended from day one of grant awarded until last day of this quarter

**Amt. Req. This Quarter:** Dollar amount requested for this quarter

**Amt. Req. To Date:** Dollar amount requested from day one of grant awarded until last day of this quarter

**Local Funds Obligated:** Total dollar amount of local funds obligated for this project

**Local Funds Expended To Date:** Dollar amount of local funds expended from day one of grant awarded until last day of this quarter

## EXHIBIT D

## DEQ FORM FOR QUARTERLY PROGRESS REPORT
**(see next page)**

Electronic version of the Quarterly Progress Report is found at http://portal.ncdenr.org/web/wi/cdbg.

EXHIBIT E

## REIMBURSEMENT REQUEST FORM

**Division of Water Infrastructure** **Project No:**

**Period Covered by this Report:** From To

**Recipient Organization**

**Name:** **Payment No:**

**Address:** **Page No:**

**City, State & Zip:** Of

**Disclosure: THIS FORM CANNOT BE MODIFIED. ANY CHANGES TO THE FORM WILL DELAY ANY PAYMENTS.**

| | Contract admin | Engineer | Contract #1 | Contract #2 | Year to Date |
|---|---|---|---|---|---|
| **ADMINISTRATION** | | | | | |
| General admin | | | | | |
| Environmental Review | | | | | |
| Engineering Report | | | | | |
| | | | | | |
| **SERVICE DELIVERY-WATER IMPROVEMENTS** | | | | | |
| Planning and design | | | | | |
| Construction Admin | | | | | |
| Construction inspection | | | | | |
| | | | | | |
| **SERVICE DELIVERY-SEWER IMPROVMENTS** | | | | | |
| Planning and design | | | | | |
| Construction Admin | | | | | |
| Construction inspection | | | | | |
| | | | | | |
| **CONSTRUCTION - WATER IMPROVEMENTS** | | | | | |
| Construction | | | | | |
| Equipment | | | | | |
| Miscellaneous | | | | | |
| Deductions (income) | | | | | |
| | | | | | |
| **CONSTRUCTION - SEWER IMPROVEMENTS** | | | | | |
| Construction | | | | | |
| Equipment | | | | | |
| Miscellaneous | | | | | |
| Deductions(income) | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| | | | | | |
| **HOUSING REHAB - WATER** | | | | | |
| Connections - new | | | | | |
| Connections - rehab | | | | | |
| | | | | | |
| **HOUSING REHAB - SEWER** | | | | | |
| Connections - new | | | | | |
| Connections - rehab | | | | | |
| | | | | | |
| **TOTAL CUMULATIVE TO DATE** | | | | | |
| Previous received | | | | | |
| Amount requested | | | | | |
| Percent complete | | | | | |
| Program Income | | | | | |

The funds requested above have already been paid to the respective vendors, consultants & contractors by the award recipient. ☐

**OR**

The funds requested above have not been paid to the respective vendors, consultants & contractors. Funds received from the State will be disbursed to these entities within three (3) banking days. ☐

#1 REQUIRED

**Recipient** **Signature of Authorized Representative** **Date**

**Type or Print Name and Title**

#2 REQUIRED

**Recipient** **Signature of Authorized Representative** **Date**

**Type or Print Name and Title**

## INSTRUCTIONS REIMBURSEMENT REQUEST FORM

**Disclosure: THIS FORM CANNOT BE MODIFIED. ANY CHANGES TO THE FORM WILL DELAY ANY PAYMENTS.**

| | |
|---|---|
| **Project No:** | Enter the Grant number assigned (e.i 13 - I-XXXX, 14-I-XXXX, 15-I-XXXX) |
| **Period Covered by this Report:** | Enter the time period cover for the request |
| **Recipient Organization:** | Enter grantee name and address; Payment No.and Number of pages that the request form includes |

## Columns

| | | |
|---|---|---|
| **Contract Admin:** | Enter expenses under the Grant Administration Contract ONLY | |
| | General Admin | |
| | Environmental Review | |
| | Engineering Report | |

Note: If you are including multiple Invoices for the same request under the same activity please add totals and attached individual invoices for every expense being claimed.

| | | |
|---|---|---|
| ***Example:*** | | |
| General Administration: | **$2,000** | This is the only amount that must be entered on the request form, but the Invoice for each item must be attached to the form |
| Compliance Plans | $1,500 | |
| Meetings with Local Government Officers | $500 | |
| | $2,000 | |

| | |
|---|---|
| **Engineer:** | Enter expenses under this category only if the activities are perfomed by the Engineering Company |
| **Contract #1:** | Enter expenses under this categoty only if construction activities are taking place |
| **Contract #2:** | Enter expenses under this categoty only if and additional construction contract activities are taking place |
| **Year to Date:** | Enter expenses including previous requested amounts including current request |

## Rows

| | |
|---|---|
| **Administration** | Enter total expenses for Administration activities ONLY for the time period covered by the report |
| General admin | Enter total amount from invoices under this activity for each contract if applicable |
| Environmental Review | Enter total amount from invoices under this activity for each contract if applicable |
| Engineering Report | Enter total amount from invoices under this activity for each contract if applicable |

| | | | | | | |
|---|---|---|---|---|---|---|
| **Service Delivery** | Enter total expenses for Service Delivery activities ONLY for the time period covered by the report | | | | | |
| Planning and design | Enter total amount from invoices under this activity for each contract if applicable | | | | | |
| Construction Admin | Enter total amount from invoices under this activity for each contract if applicable | | | | | |
| Construction inspection | Enter total amount from invoices under this activity for each contract if applicable | | | | | |
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| **Construction - Water** | Enter total expenses for Construction -Water activities ONLY for the time period covered by the report | | | | | |
| Construction | Enter total amount from invoices under this activity for each contract if applicable | | | | | |
| Equipment | Enter total amount from invoices under this activity for each contract if applicable | | | | | |
| Miscellaneous | Enter total amount from invoices under this activity for each contract if applicable | | | | | |
| Deductions (income) | Enter total amount from invoices under this activity for each contract if applicable | | | | | |
| | | | | | | |
| **Construction - Sewer** | Enter total expenses for Construction -Sewer activities ONLY for the time period covered by the report | | | | | |
| Construction | Enter total amount from invoices under this activity for each contract if applicable | | | | | |
| Equipment | Enter total amount from invoices under this activity for each contract if applicable | | | | | |
| Miscellaneous | Enter total amount from invoices under this activity for each contract if applicable | | | | | |
| Deductions(income) | Enter total amount from invoices under this activity for each contract if applicable | | | | | |
| | | | | | | |
| **Housing Rehab - Water** | Enter total expenses for Housing Rehab - Water activities ONLY for the time period covered by the report | | | | | |
| Connections - new | Enter total amount from invoices under this activity for each contract if applicable | | | | | |
| Connections - rehab | Enter total amount from invoices under this activity for each contract if applicable | | | | | |
| | | | | | | |
| **Housing Rehab - Sewer** | Enter total expenses for Housing Rehab - Sewer activities ONLY for the time period covered by the report | | | | | |
| Connections - new | Enter total amount from invoices under this activity for each contract if applicable | | | | | |
| Connections - rehab | Enter total amount from invoices under this activity for each contract if applicable | | | | | |
| | | | | | | |
| **Total Cumulative to Date** | Enter total amount expended to date for all the activities | | | | | |
| Previous received | Enter total amount received from last request | | | | | |
| Amount requested | Enter total amount requested from current request | | | | | |
| Percent complete | Enter percentage of total amount expended to date from total amount of project per contract | | | | | |
| Program Income | Enter total amount for program income to date | | | | | |

## EXHIBIT E

## DEQ REQUEST FOR REIMBURSEMENT FORM

**(see next page)**

Electronic version of the Reimbursement Request Form is found at http://portal.ncdenr.org/web/wi/cdbg.

## EXHIBIT F

## DEFINITIONS

Unless indicated otherwise from the context, the following terms shall have as their meanings in this Grant Contract the definitions set forth below.

(1) "Agency" (as used in the context of the definitions below) shall mean and include every public office, public officer, or official (State or local, elected or appointed), institution, board, commission, bureau, council, department, authority or other unit of government of the State or of any county, unit, special district or other political sub-agency of government.

(2) "Audit" means an examination of records or financial accounts to verify their accuracy.

(3) "Construction contract" means a legally binding agreement between the Grant Recipient and another party for implementing construction work described in the project scope of work given in Exhibit A.

(4) "Enter into a construction contract" means signature of a construction contract by both the Grant Recipient and another party for the construction work described in the project scope of work given in Exhibit A.

(5) "Fund" means the Community Development Block Grant- Infrastructure fund.

(6) "Grant" means state funds disbursed by the Department of Environmental Quality through the Department of Commerce and the federal Department of Housing and Urban Development to a Grant Recipient to conduct activities described in this Grant Contract.

(7) "Grant Contract" means a legal instrument that is used to reflect a relationship between the grantor and Grant Recipient and is used interchangeably herein with the term "Contract".

(8) "Grant Recipient" shall mean one of the entities identified as a party to this Contract.

(9) "Grantor" as used in this Grant Contract, means the Fund in its capacity as provider of grant funds for the Grant Recipient's use in conducting the project.

## EXHIBIT G

## GENERAL TERMS AND CONDITIONS

### A. Affirmative Covenants

1. Compliance with Laws. Grant Recipient agrees to perform and maintain the Project in compliance with all federal, state and local laws and regulations, including, without limitation, environmental, zoning and other land use laws and regulations. The Grant Recipient agrees to take reasonable steps to advise Project participants that they shall comply in the same manner.

2. Insurance. The Grant Recipient agrees to keep structures or improvements of any sort constituting the Project fully insured at all times during construction and to keep fully insured all building materials at any time located on the Project. Grant Recipient will ensure that all contractors furnish adequate payment and performance bonds.

3. No Liens. The Grant Recipient shall take such action, including, without limitation, obtaining lien waivers, as shall be reasonably necessary to avoid liens against the Property in any way related to the Project.

4. Retention, Operation, Maintenance and Use.

(a) Grant Recipient agrees to complete the Project as approved by the DEQ. The descriptions, purpose, schedules, scope of work and budgets set out in Exhibits A and B, and accompanying or related plans, specifications, estimates, procedures and maps submitted to the DEQ by the Grant Recipient are the foundation of this Grant Contract.

(b) Property acquired, developed or improved with grant assistance from the Fund shall be retained and used for the purposes identified in Exhibit A and Grant Recipient hereby agrees to file or record such restrictions as may be required to assure such continued use and such restrictions shall be in form and substance satisfactory to the DEQ.

### B. Representations and Warranties

In order to induce the DEQ to enter into this Grant Contract and to make the Grant as herein provided, the Grant Recipient after reasonable inquiry makes the following representations, warranties and covenants, which shall remain in effect after the execution and delivery of this Grant Contract and any other documents required hereunder, any inspection or examinations at any time made by or on behalf of the DEQ, and the completion of the Project by the Grant Recipient:

1. No Actions. There are no actions, suits, or proceedings pending, or to the knowledge of the Grant Recipient, threatened, against or affecting the Grant Recipient before any court, arbitrator, or governmental or administrative body or agency which might affect the Grant Recipient's ability to observe and perform its obligations under this Grant Contract.

2. Validity of Grant Documents. Upon execution and delivery of items required hereunder, this Grant Contract and the other grant documents and items required hereunder will be valid and binding agreements, enforceable in accordance with the terms thereof.

3. False or Misleading Information. Recipient is advised that providing false, fictitious or misleading information with respect to CDBG funds may result in criminal, civil, or administrative prosecution under 18 U.S.C. § 1001, 18 U.S.C. § 1343, 31 U.S.C. § 3729, 31 U.S.C. § 3801, or another applicable statute. Recipient shall promptly refer to DEQ and HUD's Office of the Inspector General any credible evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving CDBG funds.

C. Termination by Mutual Consent

The Parties may terminate this Contract by mutual written consent with 60 days prior written notice to the Contract Administrators, or as otherwise provided by law.

D. Termination for Cause; Events of Default

1. Events of Default. The happening of any of the following, after the expiration of any applicable cure period without the cure thereof, shall constitute an event of default ("Event(s) of Default") by the Grant Recipient of its obligations to the DEQ, and shall entitle the DEQ to exercise all rights and remedies under this Grant Contract and as otherwise available at law or equity:

(a) Property Unsuitable. A determination by the DEQ, prior to the disbursement of the Grant funds that the Property is unsuitable for the purposes of the Grant Contract.

(b) Unsuitable Use. The Property is used in a manner materially inconsistent with the purposes of this Grant Contract or the Project.

(c) Default in Performance. The default by the Grant Recipient in the observance or performance of any of the terms, conditions or covenants of this Grant Contract; provided, however, that no such default shall occur until the Grant Recipient has been given written notice of the default and 30 days to cure have elapsed.

(d) Misrepresentation. If any representation or warranty made by the Grant Recipient in connection with the Grant or any information, certificate, statement or report heretofore or hereafter made shall be untrue or misleading in any material respect at the time made.

(e) Abandonment of the Project. If Grant Recipient abandons or otherwise ceases to continue to make reasonable progress towards completion of the Project.

E. Fund's Rights and Remedies

If an Event of Default shall occur, the DEQ shall have the following rights and remedies, all of which are exercisable at the DEQ's sole discretion, and are cumulative, concurrent and independent rights:

1. Project Termination. If an Event of Default occurs, the DEQ may, at its discretion suspend and/or terminate all obligations of the DEQ hereunder. If, in the judgment of the DEQ, such failure was due to no fault of the Grant Recipient, amounts required to resolve at minimum costs any irrevocable obligations properly incurred by Grant Recipient shall, in the discretion of the DEQ, be eligible for assistance under this Grant Contract consistent with state and federal law.

2. Additional Remedies. If an Event of Default occurs, the DEQ shall have the power and authority, consistent with its statutory authority: (a) to prevent any impairment of the Project by any acts which may be unlawful or in violation of this Grant Contract or any other item or document required hereunder; (b) to compel specific performance of any of Grant Recipient's obligations under this Grant Contract; (c) to obtain return of all Grant Funds, including equipment if applicable; and (d) to seek damages from any appropriate person or entity. The DEQ shall be under no obligation to complete the Project.

3. Nonwaiver. No delay, forbearance, waiver, or omission of the DEQ to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to waive any such Event of Default or to constitute acquiescence therein. Every right, power and remedy given to the DEQ may be exercised from time to time and as often as may be deemed expedient by the DEQ.

## F. Miscellaneous

1. Modification. This Grant Contract may be rescinded, modified or amended only by written agreement executed by all parties hereto.

2. Benefit. This Grant Contract is made and entered into for the sole protection and benefit of the DEQ, the State and the Grant Recipient, and their respective successors and assigns, subject always to the provisions of paragraph F.8 of this Exhibit H. Except for the State, there shall be no third party beneficiaries to this Grant Contract.

3. Further Assurance. In connection with and after the disbursement of Grant funds under this Grant Contract, upon the reasonable request of the DEQ, the Grant Recipient shall execute, acknowledge and deliver or cause to be delivered all such further documents and assurances, and comply with any other requests as may be reasonably required by the DEQ or otherwise appropriate to carry out and effectuate the Grant as contemplated by this Grant Contract.

4. Compliance by Others. The Grant Recipient shall be responsible for compliance with the terms of this Grant Contract, and shall require the same compliance of its sub-grant recipients, including but not limited to, a political subdivision, public agency, or qualified non-profit organization to which funds or obligations are transferred, delegated or assigned pursuant to this Grant Contract. Delegation by the Grant Recipient to a sub-grant recipient of any duty or obligation hereunder does not relieve the Grant Recipient of any duty or obligation created hereunder. Failure by such sub-grant recipient to comply with the terms of this Grant Contract shall be deemed failure by the Grant Recipient to comply with the terms of this Grant Contract. Any such delegation of duties or obligations shall be in writing, signed by the Grant Recipient and sub-grant recipient, and shall contain an affirmative covenant by the sub-grant recipient that it shall abide by the rules set forth in Title 09, Subchapter 03M of the North Carolina Administrative Code.

5. Independent Status of the Parties. The Parties are independent entities and neither this Grant Contract nor any provision of it or any of the Grant Documents shall be deemed to create a partnership or joint venture between the Parties. Further, neither the Grant Contract nor any of the Grant Documents shall in any way be interpreted or construed as making the Grant Recipient, its agents or employees, agents or representatives of the DEQ. The Grant Recipient is and shall be

an independent contractor in the performance of this Contract and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. In no event shall the DEQ be liable for debts or claims accruing or arising against the Grant Recipient. The Grant Recipient represents that it has, or shall secure at its own expense, all personnel required in the performance of this Contract. Such employees shall not be employees of, nor have any individual contractual relationship with, the DEQ.

6. Indemnity. The Grant Recipient agrees, to the fullest extent permitted by law, to release, defend, protect, indemnify and hold harmless the State, the DEQ, its employees and agents against claims, losses, liabilities, damages, and costs, including reasonable attorney fees, which result from or arise out of: (a) damages or injuries to persons or property caused by the negligent acts or omissions of Grant Recipient, its employees, or agents in use or management of the Project or Property; (b) use or presence of any hazardous substance, waste or other regulated material in, under or on the Property; and (c) for any claims, whether brought in contract, tort, or otherwise, arising out of this Grant Contract. The obligations under this paragraph are independent of all other rights or obligations set forth herein. This indemnity shall survive the disbursement of the Grant funds, as well as any termination of this Grant Contract.

7. Binding Effect, Contract Assignable. The terms hereof shall be binding upon and inure to the benefit of the successors, assigns, and personal representatives of the parties hereto; provided, however, that the Grant Recipient may not assign this Grant Contract or any of its rights, interests, duties or obligations hereunder or any Grant proceeds or other moneys to be advanced hereunder in whole or in part without the prior written consent of the Fund, which may be withheld for any reason and that any such assignment (whether voluntary or by operation of law) without said consent shall be void.

8. Savings Clause. Invalidation of any one or more of the provisions of this Grant Contract, or portion thereof, shall in no way affect any of the other provisions hereof and portions thereof which shall remain in full force and effect.

9. Additional Remedies. Except as otherwise specifically set forth herein, the rights and remedies provided hereunder shall be in addition to, and not in lieu of, all other rights and remedies available in connection with this Grant Contract.

10. Survival. Where any representations, warranties, covenants, indemnities or other provisions contained in this Grant Contract by its context or otherwise, evidences the intent of the parties that such provisions should survive the termination of this Grant Contract or any Closing, the provisions shall survive any termination or Closing.

11. Incorporation of Exhibits. All exhibits attached to this Contract are fully incorporated as if set forth herein.

12. Entire Contract. This Grant Contract constitutes the entire agreement between the parties hereto with respect to the subject matter hereof. All recitals, exhibits, schedules and other attachments hereto are incorporated herein by reference.

13. Headings. The headings of the various sections of this Grant Contract have been inserted for convenience only and shall not modify, define, limit or expand the express provisions of this Grant Contract.

14. Time of the Essence. Time is of the essence in the performance of this Grant Contract.