

STATE OF KANSAS
DEPARTMENT OF COMMERCE
GRANT AGREEMENT NO. 25-PF-027
City of Arkansas City

I. Grant Agreement

- A. This Grant Agreement (the "Agreement") is between the State of Kansas, Department of Commerce (the "Department") and the **City of Arkansas City**, Kansas, (the "Grantee"). The following documents are hereby incorporated by reference into this Agreement: 1.) Condition Letter, Attachment A, 2.) Federal Conditions, Attachment B, 3.) the Grantee's Approved Project Application dated **DECEMBER 19, 2025**, Attachment C, and 4.) the Grantee Handbook, Attachment D, located at <https://www.kansascommerce.gov/wp-content/uploads/2024/11/2024-GRANTEE-HANDBOOK-10-29-2024-update.pdf>.

II. Authority

- A. This Agreement is financed in part through a grant provided to the Department by the United States Department of Housing and Urban Development (HUD) under Title I of the Federal Housing and Community Development Act of 1974, as amended, 42 USC 5301 et. seq., (the "Federal Act"). As provided in the Federal Act, the State of Kansas, through the Department, has elected to administer the Community Development Block Grants federal program.
- B. The Department, in accordance with the provisions of K.S.A. 74-5001 et. seq., has approved the application of the Grantee and awarded funds for the purpose of supporting the Grantee's Community Development project as described in the Approved Project Application (the "Project").
- C. In the event of changes in any applicable Federal regulations and/or law, this Agreement shall be deemed to be amended when required to comply with any law so amended.
- D. Federal Program – Community Development Block Grant Cluster (CDBG) (CFDA No. 14.228).

III. Description of Activities

The Grantee agrees to complete the Project or cause to be performed, the work required to complete the Project.

IV. Period of Performance

The period of performance for all activities assisted by this Agreement shall commence on **FEBRUARY 1, 2026**, (the "Commencement Date") and shall be complete on **JANUARY 31, 2028** (the "Completion Date") except those activities required for close-out and final audit.

V. Compensation

- A. In consideration of the Grantee's satisfactory performance of the work required under this Agreement and the Grantee's compliance with the terms of this Agreement, the Department shall provide the Grantee an amount not to exceed **\$628,728** in Community Development Block Grant funds (the "Grant Funds"). The Grantee shall use the Grant Funds for the Project in accordance with the activities listed and budgeted in the Approved Project Application and the Contract Project Budget Form.
- B. In addition, the Grantee shall provide **\$157,182** in other sources of funds to the Project (the "Matching Funds") and such funds shall be used by the Grantee in accordance with the activities and budget on the Approved Project Application.
- C. Any additional funds required to complete the Project set forth in this Agreement that exceed the Grant Funds amount will be the sole responsibility of the Grantee.
- D. The Grantee understands that this Agreement is funded in whole or in part by federal funds. In the unlikely event the federal funds supporting this Agreement become unavailable or are reduced, the Department may terminate or amend this Agreement and will not be obligated to pay the Grantee from state revenues.
- E. It is hereby agreed that the Grant Funds committed to be provided by the Department are conditioned upon the availability and use of the Matching Funds. In the event any portion of the Matching Funds required to be provided by the Grantee pursuant to subsection (B) of this section are not made available or are not used for activities as listed and budgeted, the Department may, in its discretion, withdraw or reduce proportionately the Grant Funds to be provided to the Grantee.
- F. The Grantee shall not anticipate future funding from the Department beyond the terms of this Agreement and in no event shall this Agreement be construed as a commitment by the Department to expend funds beyond the Completion Date.

VI. Indemnification

The Grantee shall indemnify, defend, and hold harmless the State of Kansas and its officers and employees from any liabilities, claims, suits, judgments, and damages arising because of the performance of the obligations under this Agreement by the Grantee or any subgrantee, contractor, subcontractor, or person. The liability of the Grantee under this Agreement shall continue after the termination of the Agreement with respect to any liabilities, claims, suits, judgments, and damages resulting from acts occurring prior to termination of this Agreement.

VII. Obligations of Grantee

- A. All the activities required by this Agreement shall be performed by personnel of the Grantee or by third parties (subgrantees, contractors, or subcontractors) under the direct supervision of the Grantee and in accordance with the Federal Act. Any contracts entered into by the Grantee and other third parties to complete the Project may be made subject to approval by the Department.
- B. Except as may otherwise be provided in the Federal Conditions, the Grantee may subgrant, contract, or subcontract any of the work or services covered by this Agreement.
- C. The Grantee shall remain fully obligated and liable under the provisions of this Agreement, notwithstanding its designation of any third party or parties for the undertaking of all or any of the Project being funded under this Agreement.
- D. The Grantee shall require any third party to comply with all federal requirements as described in the Federal Conditions, and any other applicable federal and state requirements necessary to ensure that the Project is carried out and completed in accordance with this Agreement and the Federal Act.
- E. The Grantee shall comply with all timelines for completion of Grantee's Environmental Review and contracting responsibilities as established by the Department in the Condition Letter.

VIII. Program Costs

- A. The Grantee may only incur Project costs that are reasonable and necessary and are allowable under the Department's procedures as described in the Grantee Handbook (the "Department's Procedures") and under 2 CFR Part 200. Any Project costs not specifically authorized in the Approved Project Application may only be incurred after receiving written approval by the Department.
- B. Matching Funds must adhere to the criteria as described in the Department's Procedures.
- C. The total "CDBG Funds" expended for "Administration" shown in the Contract Project Budget Form shall not exceed the approved amount unless amended by all parties to this Agreement.
- D. The Grantee shall not incur costs associated with the Project until the Environmental Review has been completed and the Department has issued the "Notice of Release of Funds."
- E. Any activities performed by the Grantee in relation to the Project in the period between notification of award and the Commencement Date shall be performed at the sole risk of the Grantee. In the event this Agreement should not become effective, the Department shall be under no obligation to pay the Grantee for any costs incurred or monies spent in connection with the Project, or to otherwise pay for any Project costs incurred during such period. However, upon execution of this Agreement, Project costs incurred during the period of performance shall be reimbursed in accordance with the terms and conditions of this Agreement.
- F. The Grant Award may not, without advance written approval by the Department, be obligated after the Completion Date except for those activities required for close-out. Obligations incurred prior to and still outstanding as of the Completion Date shall be liquidated within ninety (90) days.
- G. The Department may review all Project costs incurred by the Grantee and all payments made at any time during the period of performance under this Agreement, and upon receipt of the progress and financial reports, Final Program Report or Final Audit Report. Upon such review the Department shall disallow any items of expense which are not determined to be allowable or are not described in the Approved Project Application and shall inform the Grantee of any such disallowance.
- H. If the Department disallows costs for which payment has not yet been made, it shall refuse to pay such costs. If payment has been made with respect to costs which are subsequently disallowed, the Department may deduct the amount of disallowed costs from any future payments under this Agreement or require that the Grantee refund the amount of the disallowed costs.

IX. Requisition of Grant Funds

- A. Requisitions for cash advances shall be made on the established forms and shall not ordinarily be made more frequently than once a week or in amounts less than \$3,000 and in no more than \$200,000. Requisitions greater than \$200,000 must be pre-approved by the Department.
- B. The Grantee shall establish procedures to ensure that the Grant Funds received through requisition process shall be expended within three (3) business days of receipt of the funds in the Grantee depository account.
- C. Cash advances made by the Grantee to subgrantees shall conform substantially to the same standards of timing and amount as apply to the Grantee under this Agreement.
- D. Amounts withheld from a contractor to assure satisfactory completion of work shall not be paid until the Grantee has received a final payment request from the contractor and has certified the work is complete and satisfactory.
- E. The Department may terminate advance financing and require the Grantee to finance its operations with its own working capital should it be determined that the Grantee is unwilling or unable to establish procedures to minimize the time lapsing between cash advances and disbursement. Payments to the Grantee would then be made only as reimbursement for actual cash disbursements.

X. Depositories for Program Funds

- A. The Grantee shall maintain a Grantee depository account that is a separate account for money received under the Community Development Program (the "Program"). The only funds that shall be included in this account are:
 1. The Grant Funds received from the Department.
 2. Program income earned through Program activities.
- B. Any interest earned on the Grant Funds shall be remitted to the Department for subsequent return to the United States Treasury.

XI. Financial Management

- A. Grantees shall establish and maintain a system which assures effective control over and accountability for all funds, property and other assets used in the Program.
- B. Grantees shall either adopt the system recommended by the Department or certify to the Department, in writing, prior to making the first requisition of funds that the alternative system proposed for use shall meet the following standards:
 1. Maintenance of separate accounting records and source documentation for the Program;
 2. Provision for accurate, current and complete disclosure of the financial status of the Program;
 3. Establishment of records of budgets and expenditures for each approved Program project;
 4. Demonstration of the sequence and status of receipts, obligations, disbursements and fund balance;
 5. Provision of financial status reports in the form specified by the Department;
 6. Compliance with the audit requirements under 2 CFR Part 200, Subpart F; and
 7. Consistency with generally accepted accounting principles unless a waiver of GAAP has been received by the Grantee from the Department.

XII. Monitoring and Reporting

- A. The Grantee shall monitor the activities of the Project, including those of contractors and subcontractors, to assure that all Program requirements are being met.
- B. The Grantee shall submit Quarterly Progress Reports to the Department on or before ten (10) days after the end of each quarter. The reporting periods consist of January/February/March, April/May/June, July/August/September and October/November/December. Any extension of time approved by the Department will require additional Quarterly Progress and Financial Reports to be submitted in accordance with the above-referenced schedule. These reports shall be in a format prescribed by the Department.
- C. The Grantee shall submit a Final Progress Report no later than ninety (90) days following the Completion Date.
- D. From time to time, as requested in writing by the Department, the Grantee shall submit such data and other information as the Department may require.
- E. Failure to report as required or respond to requests for data or information in a timely manner may be grounds for suspension or termination of this Agreement.

XIII. Procurement Procedures

- A. The Grantee shall use established local procurement procedures which reflect applicable federal, State, and local laws, rules and regulations.
- B. In accordance with the procurement requirements of the Department's Procedures, the Grantee will give opportunity for free, open, and competitive bidding for each contract to be let by the Grantee that is (a) for more than \$25,000 and (b) for installation, construction, reconstruction, demolition, removal or site improvement work, or other similar work as part of the Program unless the local procurement policy is stricter. Procurement of goods and services procured only with local funds shall be governed by local procurement policies and as further described in the Department's Procedures.
- C. In accordance with the procurement requirements of the Department's Procedures, the Grantee shall follow the "competitive negotiations" requirements for the procurement of consultants and other professional services. The Grantee shall follow Small Purchases requirements for the procurement of supplies or services with costs under \$25,000, including soliciting three quotes from potential vendors.
- D. These standards do not relieve the Grantee of any contractual responsibilities under its contracts. The Grantee is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements entered in support of the Project. These include but are not limited to source evaluation, protests, disputes, and claims.

XIV. Bonding Requirements

- A. In accordance with the Department's Procedures, the Department has established bonding and insurance requirements for construction or rehabilitation and the bids and contracts that exceed \$25,000. For all contracts less than \$25,000, the Grantee will follow local policies and procedures relating to bonding and insurance, however, the Department recommends some type of security be secured for these contracts. The following types of bonds are required for contracts \$25,000 and above per the Department's Procedures:
 1. A bid guarantee from each bidder equivalent to five (5) percent of the bid price, secured by a bid bond or certified check;
 2. A 100 percent "performance bond" on the part of the contractor to secure fulfillment of all the contractor's obligations under the contract; and
 3. A 100 percent "payment bond" on the part of the contractor to assure payment, as required by law, of all persons supplying labor and materials as part of work provided under the contract.
- B. The Department reserves the right to promulgate, modify and enforce bonding procedures and requirements applicable to any project.
- C. All bonds shall be procured from a surety company registered and licensed to do business in the State of Kansas and countersigned by its Kansas resident agent.

XV. Program Close-out Procedures

- A. Program close-out is the process by which the Department determines that all applicable administrative and financial actions and all required work of the Project including audit and resolution of audit findings have been completed. All findings from Department monitoring visits must be cleared prior to close-out.
- B. The Grantee shall submit to the Department close-out documents covering the entire Program within ninety (90) days of completion date. Additionally, one copy must be placed where other program documents are available for public review, and at least one copy must remain in the Grantee's files. The Department may grant extensions to the time for submission of these documents when so requested by the Grantee in writing.
- C. The Department retains the right to recover any amount of Grant Funds that remain unobligated.
- D. The Grantee shall account for any property acquired with the Grant Funds or received from the federal or state government in accordance with the Department's property management procedures.

XVI. Termination for Convenience

- A. The Department or Grantee may terminate the grant in whole, or in part, when both parties agree that the continuation of the Project would not produce beneficial results commensurate with the further expenditure of funds.
- B. The two parties shall agree upon the termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated.
- C. The Grantee shall not incur new obligations for the terminated portion after the effective date and shall cancel as many outstanding obligations as possible. The Grantee shall be allowed full credit for noncancelable obligations, property incurred prior to termination.

XVII. Suspension or Termination-for-Cause

- A. The Department may suspend the Grant Funds, in whole or in part, at any time during the term of this Agreement, and upon reasonable notice to the Grantee withhold further payments or prohibit the Grantee from incurring additional obligations of the Grant Funds when it is determined that the Grantee has failed to substantially comply with the conditions of this Agreement. This will be done pending corrective action by the Grantee or a decision by the Department to terminate the Agreement. The Department shall allow all necessary and proper costs which the Grantee could not reasonably avoid during the period of suspension.
- B. The Department, after reasonable notice may terminate the Agreement, in whole or in part, at any time during the term of the Agreement when it is determined that the Grantee has failed to substantially comply with the conditions of this Agreement. The Department shall promptly notify the Grantee in writing, of the determination and the reasons for the termination, together with the effective date and may initiate procedures to recapture all funds advanced to Grantee.

XVIII. Eligibility for Federal Assistance

The Grantee shall maintain an active registration with SAM.gov and retain an active Unique Entity Identifier (UEI). The Grantee shall also require all sub-recipients, contractors, and consultants under direct contract with the Grantee to maintain an active registration with SAM.gov and a UEI. Sub-contractors and lower tier contractors do not need to be fully registered in SAM.gov but must have a UEI. The requirements of this section must be included in all subcontracts utilizing CDBG funds.

XIX. Debarment and Suspension

The Grantee shall not enter into a contract with any parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180, “Debarment and Suspension.”

XX. Audit Requirements

- A. The Grantee shall arrange for the performance of annual financial/compliance audits of the Project. All audits must be performed by an independent qualified auditor. The audit period is identical to the Grantee's regular fiscal year. The audit(s) will be conducted in accordance with the requirements set forth in the audit section of the Department's Procedures, which have adopted certain aspects of 2 CFR Part 200.
 1. If the local government expends \$1,000,000 or more of Federal grant assistance from all programs, it must have a Single Annual Audit performed in accordance with 2 CFR Part 200, Subpart F. A Single Annual Audit is a financial and compliance audit that covers the entire operations of the local government, rather than being limited to the Project or Program.
 2. If the local government expends less than \$1,000,000 in a fiscal year, it will be the option of the Department to determine if a Project specific audit will be required. If such audit is required, it will be procured and paid for by the Department.
 3. Grantee's will be required to submit the “audit information form” to the Department each fiscal year. This form must be submitted to the Department by or before May 15th of each fiscal year.
- B. Grantees are required to submit one copy of a fiscal year audit report as described in this section. The audit reports shall be sent within 30 days after the completion of the audit, but no later than the nine months after the end of the audit period unless agreed to by the Department.
- C. If any expenditures are disallowed because of the Final Audit Report, the obligation for reimbursement to the Department shall rest with the Grantee.

XXI. Client Data and Other Sensitive Information

In the event that the Grantee comes to possess client data and other sensitive information as a result of this Agreement, then the Grantee shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of services provided. Such information shall be made available to KDC for review upon request. The Grantee must comply with 2 C.F.R. § 200.303 and shall take reasonable measures to safeguard protected personally identifiable information, as defined in 2 C.F.R. § 200.

XXII. Retention of and Access to Records

- A. Financial records, supporting documents, statistical records, and all other records pertinent to this Agreement shall be retained in accordance with the Department's Procedures.
- B. Authorized representatives of the Department, the Secretary of HUD, the Inspector General of the United States, or the U.S. General Accounting Office shall have access to all books, accounts, records, reports, files, papers, things, or property belonging to, or in use by, the Grantee pertaining to this Agreement and the receipt of assistance under the Program as may be necessary to make audits, examinations, excerpts, and transcripts for a period of three years after the entire State CDBG grant year you were awarded from has been closed out by HUD.

- C. Any contract or agreement entered by the Grantee shall contain language comparable to subsection (B) to assure access by authorized parties to the pertinent records of any subgrantee, contractor, or subcontractor.
- D. The Grantee shall make all project files and records available to the public following the Kansas Open Records Act (K.S.A. 42-215, et. seq.) requirements. The Grantee shall be responsible for ensuring public records which are exempt from disclosure are protected.

XXIII. Conflict of Interest

- A. The Department has adopted a conflict-of-interest policy that incorporates the provisions of 24 CFR 570.611 and 2 CFR 200.112. The Kansas Conflict of Interest policy can be found in the Grantee Handbook.
- B. This policy is applicable in the procurement of supplies, equipment, construction, and services by Grantees and subrecipients. The policy also covers the acquisition and disposition of real property and the provisions of assistance by the Grantee or subrecipients to individuals, businesses, and other private entities in the form of grants, loans, or other assistance through eligible activities of the program which authorize assistance.
- C. This policy shall apply to any person who is an employee, elected or appointed official, agent, consultant, officer, or any immediate family member or business partner of the above, of the Grantee, or of any designated public agencies, or subrecipients which are receiving CDBG grant funds.
- D. No member of the Governing Body, officer or employee of the Grantee, or its designees or agents, or any other person who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure and for one year afterward.
- E. The Grantee shall incorporate, or cause to be incorporated, in all third-party agreements, a provision prohibiting such conflict of interest pursuant to this Section.
- F. The Grantee shall not employ, nor shall permit any third party to employ, any employee of the Department.

XXIV. Equal Opportunity

In addition to all equal opportunity provisions and the assurances incorporated by reference herein, the Grantee agrees to comply with all the requirements of the Kansas Acts Against Discrimination relating to fair employment practices, to the extent applicable and shall cause the foregoing provisions to be inserted in all contracts with third parties for any work covered by this Agreement so that such provisions will be binding upon such third parties.

Grantee will conduct and administer the grant in conformity with Title VI of the Civil Rights Act of 1964 (42 USC 2000d *et seq.*, as amended).

XXV. Waiver of Enforcement

A waiver by the Department of the right to enforce any provision of this Agreement shall not be deemed a waiver of the right to enforce each and all the provisions herein.

XXVI. Reversion of Assets

- A. The Grantee shall use CDBG purchased equipment for the approved project for which it was acquired and for as long as needed, whether or not the Project or Program continues to be supported by CDBG. The Grantee must maintain property records that include a description of the property, a serial number or like, source of funding, title holder, acquisition date, cost of property, percentage of the CDBG Grant Funds to the original purchase, the location, the use and condition of property, and disposition data. The Grantee is required to conduct a physical inventory of the property owned and controlled by the Grantee at least annually. When equipment acquired with CDBG Grant Funds is no longer needed for the original Project or Program, the Grantee shall follow disposition requirements found in 2 CFR 200. Equipment with a fair market value of \$10,000 or less (per unit) may be retained, sold, or otherwise disposed of with no further responsibility to the Department or HUD.
- B. The title to supplies purchased with CDBG Grant Funds will vest upon acquisition in the Grantee. When there is a residual inventory of unused supplies valued at \$10,000 or less, in the aggregate, at the end of the period of performance, the Grantee may retain the unused supplies with no further responsibility to the Department or HUD.

XXVII. Budget Amendments and Other Changes

- A. During the implementation of the Project, the Grantee may revise the CDBG budget line items in the Approved Project Application; provided that:
 1. The cumulative effect of the revision is to not make line-item budget transfers which exceed ten percent of the total Grant Funds or \$10,000 cumulative of Grant Funds, whichever is less;

2. The change does not increase any professional services within the Approved Project Application;
3. The change will not significantly change the scope, location, or objectives of the Project; and
4. The change does not add or eliminate any CDBG National Objective eligible activity.

B. Any such changes to this Agreement shall constitute an amendment, including time extension of the completion date and must be reduced to writing.

C. The Grantee shall notify the Department if, using other funds, there is an intention to expand, enhance or add to the scope of the Project covered by the Agreement, or there is a proposal to undertake activities that will have an impact upon the buildings, areas or activities of the Project. The Department reserves the right to require an amendment to this Agreement if such is deemed necessary.

D. Amendments to the terms and conditions of this Agreement shall not become effective unless reduced to writing, applicable standard forms submitted, passed by Resolution of the governing body, and signed by the duly authorized representative of the Grantee, and signed by the Department.

E. The Provisions found in Contractual Provisions Attachment (DA-146a, Rev. 07-19), which is attached hereto, are hereby incorporated in this Agreement and made a part thereof.

F. **I hereby certify that I have knowledge of all activities in the above-referenced grant. I also certify that I am aware CDBG regulations prevent the use of any facility built or rehabilitated with CDBG funds, or any portion thereof, to be used for the general conduct of governmental business. By accepting the above-referenced grant award, I certify that no portion of the above grant award violates this regulation.**

Copies or originals of all CDBG recipient files and documentation must be maintained at the recipient's principal place of business.

We, the undersigned, have read and understood the above document and hereby agree to the terms and conditions contained herein.

DATED BY THE DEPARTMENT OF COMMERCE THIS _____ DAY OF _____, 20____.

STATE OF KANSAS
DEPARTMENT OF COMMERCE

By: _____
CDBG Program
Kansas Department of Commerce

By: _____
Notary Public, State of Kansas

City of Arkansas City Kansas
(Grantee)

By: _____
(Name) (Title)

(SEAL)

ATTEST: _____
(For the Grantee)

FEDERAL CONDITIONS

This Federal Conditions document is not intended to be an exhaustive list of all laws and policies applicable to HUD funded awards. In addition to the terms and conditions of this Agreement, the Grantee agrees and assures it will comply with the following:

1. Equal Access and Non-Discrimination

- A. HUD's Equal Access Rule (24 CFR 5.106) and ensure no discrimination based on family composition, sexual orientation, gender identity, or marital status. Grantee shall remove or refrain from using intake form options that read 'other' for gender identifiers where such identifiers are inconsistent with program requirements for HUD-funded housing-related activities. All references to rescinded Executive Orders shall be removed from local documents.
- B. All federal civil rights laws and nondiscrimination assurances. All certifications and representations provided under this Agreement are subject to applicable enforcement provisions, including the False Claims Act (31 U.S.C. 3729-3733).
- C. Not adopt a selection, scoring, or procurement criteria that prioritize or favor individuals, firms, or projects on the basis of race, gender, or any other federally protected characteristics.
- D. Not use grant funds to promote "gender ideology," as defined in Executive Order (E.O.) 14168, Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government.
- E. Agree that its compliance in all respects to with all applicable Federal anti-discrimination laws is material to the U.S. Government's payment decisions for purposes of section 3729(b)(4) of title 31, United States Code.
- F. Certifies that it does not operate any programs that violate any applicable Federal anti-discrimination laws, including Title IV of the Civil Rights Act of 1964.

2. Environmental Compliance

- A. All National Environmental Policy (NEPA) requirements as applicable to the performance of this Agreement as found in 29 CFR Part 58, 24 CFR Part 55, and 40 CFR 1500-1508. The Grantee agrees to assume all the responsibilities for Environmental Review, decision making and action, as specified and required in Section 104(g) of the Federal Act. The Grantee shall not delegate the Environmental Review responsibilities. The Grantee shall also monitor and follow any further HUD rulemaking or guidance related to environmental review.
- B. Federal Water Pollution Control Act, as amended, 33 U.S.C.1251, et seq., as amended, and 33 U.S.C. 1318 relating to inspection, monitoring, entry, reports, and information, and all regulations and guidelines issued thereunder.
- C. All applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency.
- D. The Flood Disaster Protection Act of 1973 (42 U.S.C. 4001) and obtain and maintain flood insurance under the National Flood Insurance Program for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).
- E. The Residential Lead-Based Paint Hazard Reduction Act of 1992 and the Residential Lead-Based Paint Poisoning Prevention Act of 1971. Any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR 35, Subpart B. Such regulations pertain to all CDBG-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be required.
- F. The Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (54 U.S.C. 300101); the Archaeological and Historical Preservation Act of 1974 (Public Law 93-291); and the procedures set forth in 36 CFR 800; Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this Agreement. Grantee shall also comply with federal Executive Order 11593 on the protection and enhancement of the cultural environment. In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a federal, state, or local historic property list.

3. Program Income

- A. For the purposes of this Agreement, "Program Income" is defined in 24 CFR 580.489(e). Program Income means gross income earned by the Grantee from activities supported by grants made by the Department under the provisions of the Federal Act, or as otherwise defined by the Department. Such income may include proceeds from the sale of real property, interest earned on revolving loan funds, or loan payments. Program Income does not include interest earned on cash advances from the Department.
- B. It is the policy of the Department that funds received by the Grantee considered to be Program Income shall be immediately reported and returned to the Department. The Grantee may only retain Program Income with the direct approval of the Department.

4. Fair Housing

A. The Fair Housing Act (42 USC 3601-3619) and the requirement that the Grantee affirmatively further fair housing (AFFH). The requirement to affirmatively further fair housing dictates some form of action to be taken by the Grantee, not just passive compliance with existing laws and ordinances. This requirement is applicable to all CDBG funded activities, no matter the activity, and for each year the Grantee has an open CDBG grant.

Fair housing choice is the ability of persons of similar income levels to have available to them a like range of housing choices regardless of race, color, national origin, religion, sex, familial status, or disability.

The Grantee must:

1. Identify a local contact to be fair housing representative and contact for complaints.
2. Propose AFFH activities that inform the public and for each year of open CDBG grant.

5. Violence Against Women Act (Right to Report)

A. The Violence Against Women Act of 2022, 34 U.S.C. 12495, and all applicable rules and notices.

6. Relocation, Displacement, and Acquisition

A. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, in 24 CFR 42, 49 CFR 24, and 42 U.S.C. 5304(d) as they apply to the performance of this Agreement. Grantee agree to comply with 24 CFR 570.606 relating to the acquisition and disposition of all real property utilizing grant funds and to the displacement of persons, businesses, non-profit organizations, and farms occurring as a direct result of any acquisition of real property utilizing grant funds.

7. Excessive Force Policy

A. Adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations in accordance with Section 519 of Public Law 101-144, (the 1990 HUD Appropriations Act) and prohibiting the barring of entrance or exit to any facility or location which is the subject of such demonstration (The Cranston-Gonzales National Affordable Housing Act).

8. Drug Free Workplace

A. By signing this Agreement, the Grantee hereby certifies that it shall provide a drug-free workplace in compliance with the Drug-Free Workplace Act of 1988, as amended. This requirement is applicable to all contracts and subcontracts of \$100,000 or more.

9. Labor Provisions

A. Except for housing rehabilitation projects on buildings designed to contain fewer than eight (8) units, each construction contract let by the Grantee pursuant to this Program shall comply with the governing federal labor standards and regulations set forth in 29 CFR Parts 1, 3, 5, 6, and 7.

10. Procurement of Recovered Materials

A. Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procurement only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

11. Systemic Alien Verification for Entitlements (SAVE)

A. Review program activities under the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) and the SAVE verification process. For activities that provide direct public benefits subject to PRWORA, Grantee must implement verification procedures consistent with HUD guidance and include contract language requiring compliance.

B. Verify eligibility of beneficiaries through SAVE or an equivalent method as required by HUD guidance for programs that provide direct benefits. Area-benefit projects that serve broad geographic populations are not subject to individual SAVE verification requirements but must follow HUD guidance for documenting area-benefit eligibility.

C. Administer the grant in accordance with applicable immigration restrictions and requirements, including the eligibility and verification requirements that apply under title IV of PRWORA and any applicable requirements that HUD, the Attorney General, or the U.S. Citizenship and Immigration Services may establish from time to time to comply with PRWORA, Executive Order 14218, or other Executive Orders or immigration laws.

D. Use SAVE, or an equivalent verification system approved by the Federal government, to prevent any Federal public benefit from being provided to an ineligible alien who entered the United States illegally or is otherwise unlawfully present in the United States.

12. Sanctuary Jurisdictions

A. Not maintain local policies or ordinances that prevent cooperation with federal immigration enforcement where such non-cooperation would conflict with conditions of federal funding. Grantee shall assess local ordinances and ensure activities are consistent with federal requirements.

B. Not use the Grant Funds in a manner that by design or effect facilitates the subsidization or promotion of illegal immigration or shields illegal aliens from deportation, including by maintaining policies or practices that materially impede enforcement of federal immigration statutes and regulations.

13. Buy America Provision

A. Pursuant to 2 CFR § 200.322, the Grantee should, to the greatest extent practicable under this Agreement and as appropriate and to the extent consistent with law, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States. The Grantee shall include this requirement in agreements with subgrantees, including all contracts and purchase orders for work or products under this Agreement.

14. Economic Opportunity (Section 3)

A. The requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), as amended, and the HUD regulations issued at 24 CFR Part 75.

15. Buy America Build America (BABA)

A. The requirements of the Build America, Buy America (BABA) Act, 41 USC 8301, and 2 CFR Part 184, and all applicable rules and notices, as may be amended, if applicable to the Grantee's infrastructure project.

16. Change of Use of Real Property

A. For real property purchased with CDBG funds, the Grantee may not change the use or planned use of any property (including the beneficiaries of such use) from that for which the acquisition or improvement was made, unless the Grantee provides affected citizens with reasonable notice of, and opportunity to comment on, any proposed change, and either:

1. The new use of the property qualifies as meeting one of the national objectives and is not a building for the general conduct of government; or
2. The requirements in paragraph (B) of this section are met.

B. If the Grantee determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify under paragraph (A) of this section, it may retain or dispose of the property for the changed use if the State's CDBG program is reimbursed, at the discretion of the Department. The reimbursement shall be in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property. However, if the change in use occurs five (5) years or more after the project closeout, the Grantee shall be allowed to use, or dispose of, the property with no further obligation to the Department or HUD.

C. Following the reimbursement of the CDBG program in accordance with paragraph (B) of this section, the property will no longer be subject to any CDBG requirements.

17. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)

A. Pursuant to Appendix A to 45 CFR Part 93, the Grantee certifies that for all sub-grants, contracts and subcontracts pursuant to which more than \$100,000 of Grant Funds are contemplated to be expended:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress 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 Federal contract, grant, loan, or cooperative agreement, the Grantee shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The Grantee shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

In addition to the above certifications, the undersigned also makes the certification required which is attached regarding Lobbying.

18. Other Applicable Laws

A. OMB administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, set forth in 2 CFR 200.

B. Any applicable and existing Executive Orders. This Agreement shall not be governed by Executive Orders revoked by E.O. 14154, including E.O 14008, or NOFO requirements implementing Executive Orders that have been revoked.

C. Not use the Grant Funds to provide abortion services, counseling that facilitates abortion access, or to support facilities whose primary services include abortion as required by E.O. 14182, Enforcing the Hyde Amendment. Grantee shall screen proposals that involve healthcare providers to ensure compliance.

D. Ensure that CDBG funds are not used for religious worship, instruction, or proselytization. Faith-based organizations may participate as subrecipients provided funds are used exclusively for permissible secular activities and monitoring procedures confirm no religious activities are funded. Grantee, in the selection of subrecipients, may not discriminate against an organization based on the organization's religious charter, affiliation, or exercise.

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress 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, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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

Date

Official

Grantees are required to keep records until three years after the entire CDBG grant year from HUD has been closed out.

CONTRACTUAL PROVISIONS DA-146A REV. 07/19

1.1 Important

The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 07-19), which is attached hereto, are hereby incorporated in this contract and made a part thereof. The parties agree that the following provisions are hereby incorporated into the contract to which it is attached and made a part thereof, said contract being the 19TH day of DECEMBER, 2025.

1.2. Terms Herein Controlling Provisions

It is expressly agreed that the terms of each and every provision in this attachment shall prevail and control over the terms of any other conflicting provision in any other document relating to and a part of the contract in which this attachment is incorporated. Any terms that conflict or could be interpreted to conflict with this attachment are nullified.

1.3. Kansas Law and Venue

This contract shall be subject to, governed by, and construed according to the laws of the State of Kansas, and jurisdiction and venue of any suit in connection with this contract shall reside only in courts located in the State of Kansas.

1.4. Termination Due to Lack of Funding Appropriation

If, in the judgment of the Director of Accounts and Reports, Department of Administration, sufficient funds are not appropriated to continue the function performed in this agreement and for the payment of the charges hereunder, State may terminate this agreement at the end of its current fiscal year.

State agrees to give written notice of termination to contractor at least thirty (30) days prior to the end of its current fiscal year and shall give such notice for a greater period prior to the end of such fiscal year as may be provided in this contract, except that such notice shall not be required prior to ninety (90) days before the end of such fiscal year. Contractor shall have the right, at the end of such fiscal year, to take possession of any equipment provided State under the contract. State will pay to the contractor all regular contractual payments incurred through the end of such fiscal year, plus contractual charges incidental to the return of any such equipment. Upon termination of the agreement by State, title to any such equipment shall revert to contractor at the end of the State's current fiscal year. The termination of the contract pursuant to this paragraph shall not cause any penalty to be charged to the agency or the contractor.

1.5. Disclaimer of Liability

No provision of this contract will be given effect that attempts to require the State of Kansas or its agencies to defend, hold harmless, or indemnify any contractor or third party for any acts or omissions. The liability of the State of Kansas is defined under the Kansas Tort Claims Act (K.S.A. 75-6101, et seq.).

1.6. Anti-Discrimination Clause

The contractor agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001, et seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111, et seq.) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101, et seq.) (ADA), and Kansas Executive Order No. 19-02, and to not discriminate against any person because of race, color, gender, sexual orientation, gender identity or expression, religion, national origin, ancestry, age, military or veteran status, disability status, marital or family status, genetic information, or political affiliation that is unrelated to the person's ability to reasonably perform the duties of a particular job or position; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the contractor is found guilty of any violation of such acts by the Kansas Human Rights Commission, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration; (f) Contractor agrees to comply with all applicable state and federal anti-discrimination laws and regulations; (g) Contractor agrees all hiring must be on the basis of individual merit and qualifications, and discrimination or harassment of persons for the reasons stated above is prohibited; and (h) if it is determined that the contractor has violated the provisions of any portion of this paragraph, such violation shall constitute a breach of contract and the contract may be canceled, terminated, or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration.

1.2. Acceptance of Contract

This contract shall not be considered accepted, approved or otherwise effective until the statutorily required approvals and certifications have been given.

1.3. Arbitration, Damages, Warranties

Notwithstanding any language to the contrary, no interpretation of this contract shall find that the State or its agencies have agreed to binding arbitration, or the payment of damages or penalties. Further, the State of Kansas and its agencies do not agree to pay attorney fees, costs, or late payment charges beyond those available under the Kansas Prompt Payment Act (K.S.A. 75-6403), and no provision will be given effect that attempts to exclude, modify, disclaim or otherwise attempt to limit any damages available to the State of Kansas or its agencies at law, including but not limited to, the implied warranties of merchantability and fitness for a particular purpose.

1.4. Representative's Authority to Contract

By signing this contract, the representative of the contractor thereby represents that such person is duly authorized by the contractor to execute this contract on behalf of the contractor and that the contractor agrees to be bound by the provisions thereof.

1.5. Responsibility For Taxes

The State of Kansas and its agencies shall not be responsible for, nor indemnify a contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.

1.6. Insurance

The State of Kansas and its agencies shall not be required to purchase any insurance against loss or damage to property or any other subject matter relating to this contract, nor shall this contract require them to establish a "self insurance" fund to protect against any such loss or damage. Subject to the provisions of the Kansas Tort Claims Act (K.S.A. 75-6101, et seq.), the contractor shall bear the risk of any loss or damage to any property in which the contractor holds title.

1.7. Information

No provision of this contract shall be construed as limiting the Legislative Division of Post Audit from having access to information pursuant to K.S.A. 46-1101, et seq.

1.8. The Eleventh Amendment

"The Eleventh Amendment is an inherent and incumbent protection with the State of Kansas and need not be reserved, but prudence requires the State to reiterate that nothing related to this contract shall be deemed a waiver of the Eleventh Amendment."

1.9. Campaign Contributions / Lobbying

Funds provided through a grant award or contract shall not be given or received in exchange for the making of a campaign contribution. No part of the funds provided through this contract shall be used to influence or attempt to influence an officer or employee of any State of Kansas agency or a member of the Legislature regarding any pending legislation or the awarding, extension, continuation, renewal, amendment or modification of any government contract, grant, loan, or cooperative agreement.