

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
LOAN AGREEMENT**

THIS AGREEMENT, made and entered into on this 26th day of November 2019, by and between **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government pursuant to KRS Chapter 67A, and located at 200 East Main Street, Lexington, Fayette County, Kentucky 40507 (hereinafter referred to as "GOVERNMENT"), and **CASA OF LEXINGTON, INC.**, (hereinafter referred to as "BORROWER"), a non-stock, non-profit Kentucky corporation, organized pursuant to KRS Chapter 273, and whose mailing address is 3245 Loch Ness Drive, Lexington, Kentucky 40517 (hereinafter referred to as "BORROWER").

RECITALS

WHEREAS, the GOVERNMENT has been awarded federal funds from the U.S. Department of Housing and Urban Development's (hereinafter referred to as "HUD") Community Development Block Grant Program (CFDA 14.218);

WHEREAS, the GOVERNMENT'S 2019 Consolidated Plan Annual Action Plan provides for the allocation of \$407,460 in funds to the BORROWER for the acquisition of property located at 3245 Loch Ness Drive, Lexington, KY, 40517;

WHEREAS, the Government agrees to loan the BORROWER funds for the acquisition of this property located in Fayette County;

WHEREAS, the BORROWER agrees to operate this property to provide court appointed special advocate services for abused, neglected and dependent children in the family court system;

NOW, THEREFORE, in consideration of the foregoing and mutually agreed upon promises, conditions, and covenants hereinafter set forth, the parties hereto agree as follows:

I. STATEMENT OF WORK

A. Activities

1. BORROWER agrees to use the funds herein referenced for acquiring the property located at 3245 Loch Ness Drive, for use as a facility for providing court appointed special advocacy services for abused, neglected, and dependent children;
2. The BORROWER agrees to pay all taxes and legal assessments, water rates, and other charges, fines, and impositions against the property promptly, and upon request exhibit the receipts therefore to the Government.
3. The BORROWER agrees to maintain the buildings and improvements and property acquired with funding provided hereunder, in compliance with all local, state, and federal housing and building codes and standards.
4. The BORROWER agrees to operate the facility and all programs in compliance with all local, state and federal laws and regulations.

B. National Objectives

The BORROWER certifies that the activities carried out with funds provided under this Agreement will benefit low- and moderate-income persons. BORROWER agrees the facility must be used for services for abused and neglected children unless its use is changed to benefit a different low-moderate income population and change is approved by the Government.

C. Performance Monitoring

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

D. Budget and Use of Funds

Funds in the amount of \$407,460 shall be used exclusively for acquiring the property.

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

E. Payment

The Government agrees to loan to BORROWER \$407,460 upon the terms and conditions set forth herein for the purpose of acquiring the facility located at 3245 Loch Ness Drive, Lexington, KY, 40517. It is expressly agreed and understood that the total amount to be paid by the GOVERNMENT under this Agreement shall not exceed \$407,460.

F. Schedule – Time of Performance

Acquisition shall be completed by December 31, 2020. The term of this Agreement shall be November 21, 2019, through November 20, 2029.

II. RECORDS AND REPORTS

A. Records to be Maintained

The BORROWER shall maintain all records required by the federal regulations specified in 24 CFR Part 570.506 that are pertinent to the activities to be funded under this Agreement. Such records shall include but not be limited to:

1. Records providing a full description of each activity undertaken;
2. Records demonstrating that each activity undertaken meet one of the National Objectives of the CDBG Program;
3. Records required to determine the eligibility of activities;
4. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
5. Records documenting compliance with the fair housing and equal opportunity components of the CDBG Program;
6. Financial records as required by 24 CFR Part 570.502, and 24 CFR 84, and
7. Other records necessary to document compliance with Subpart K of 24 CFR 570.

B. Client Data and Other Sensitive Information

The BORROWER shall maintain client data necessary for completing all CDBG reporting requirements. The required Annual Report is attached as Exhibit A. Data to be collected and maintained includes, but is not limited to, unduplicated number of program participants, race/national origin, ethnicity, gender, disability.

The BORROWER understands that client information collected under this Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the GOVERNMENT's responsibilities with respect to services provided under this Agreement, is prohibited unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

C. Retention

The BORROWER shall retain all records pertinent to expenditures incurred under this Agreement for a period of four (4) years after the termination of all activities funded under this Agreement. Records of non-expendable property acquired with funds under this Agreement shall be retained for four (4) years after final disposition of such property. Records for any displaced person must be kept for four (4) years after final disposition of such property. Records for any displaced person must be kept for four (4) years after he/she has received final payment. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the four-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the four-year period, whichever occurs later.

D. Reporting

Annual Reports

For the period November 30, 2019, through July 31, 2030, the BORROWER shall submit annual reports providing information on the number of unduplicated clients served and race, ethnicity, national origin, age, gender, and disability, along with a narrative description of the

programming provided and providing the following information about the employees of the BORROWER's organization: race, age, sex, and disability. Additional annual reports required are the "Unserved" and the "Program Participant" reports. Annual reports shall be submitted to the GOVERNMENT no later than July 30th.

E. Project Close-out

The BORROWER's obligation to the GOVERNMENT shall not end until all close-out requirements are completed. Activities during this close-out period shall include, but are not limited to: making final payments, disposing of program assets, including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the GOVERNMENT and determining the custodianship of records.

F. Audits, Inspections and Monitoring

1. Single Audit

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

BORROWER shall submit a copy of the audit report to the Federal Audit Clearinghouse within 30 days after receipt of the audit report, but not later than nine months after the end of the audit period. Concurrently with the submission of the audit report to the Federal Audit Clearinghouse, BORROWER shall submit a copy of the audit report to the GOVERNMENT'S Division of Grants and Special Programs. Any deficiencies noted in audit reports must be fully cleared by the BORROWER within 30 days after receipt by the BORROWER. Failure of the BORROWER to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of the future payments.

2. Inspections and Monitoring

All BORROWER records with respect to any matters covered by this Agreement shall be made available to the GOVERNMENT, grantor agency, their designees or the federal government, at any time during normal business hours, as often as the grantor agency deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data to meet the requirements of 2 CFR part 200.

The BORROWER must submit to monitoring of its activities by the GOVERNMENT as necessary to ensure that the loan is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of this agreement.

G. Access to Records

The BORROWER shall furnish and cause each of its own subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by GOVERNMENT, HUD or its agent, or other authorized federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

The BORROWER shall keep and maintain books, records, and other documents relating directly to the grants, covenants, terms, provisions, or conditions of this contract during the term of the indebtedness and any duly authorized representative of the Secretary of the U.S. Department of Housing and Urban Development or Comptroller General of the United States or the Government shall, at all reasonable times, have access to and the right to inspect, copy, audit, and examine all such books, records, and other documents of the BORROWER during this time period. The BORROWER agrees that any duly authorized representative of the Secretary, Comptroller, or the Government shall, at all reasonable times, have access to any portion of the Project in which the BORROWER is involved until the expiration of ten years after the due date of the note executed simultaneously herewith.

III. PROGRAM INCOME

“Program Income” means gross income received by BORROWER that was generated from the use of CDBG funds. Program income includes, but is not limited to the following:

- a. Proceeds from the disposition by sale or long-term lease of real property purchased or improved with CDBG funds;
- b. Proceeds from the disposition of equipment purchased with CDBG funds;
- c. Gross income from the use or rental of real or personal property acquired by BORROWER with CDBG funds, less the costs incidental to the generation of such income;
- d. Gross income from the use or rental of real property owned by BORROWER that was constructed or improved with CDBG funds, less the costs incidental to the generation of such income;

Pursuant to the requirements set forth in § 570.504(c), the GOVERNMENT will require remittance of all program income balances (including investments thereof) held by the BORROWER to the GOVERNMENT.

IV. SUSPENSION AND TERMINATION

This Agreement, in accordance with 24 CFR 85.43 can be terminated if BORROWER fails to comply with any term of the award. This Agreement may be terminated for convenience in accordance with 24 CFR 85.44 upon written notice by the GOVERNMENT.

V. REVERSION OF ASSETS

When the Agreement ends, the BORROWER must transfer to the GOVERNMENT any CDBG funds on hand and accounts receivable attributable to the use of CDBG monies.

Pursuant to 24 CFR 570.503, if property is either acquired or improved with CDBG funds in excess of \$25,000, the use of that property for the approved purpose must continue; in the

case of personal property, generally for if the BORROWER owns it and the property is needed for the CDBG activity, and in the case of real property (acquired or improved with CDBG funds in excess of \$25,000), generally for at least 5 years following the expiration of the BORROWER Agreement.

VI. TRANSFER OF PROPERTY

BORROWER agrees that for the ten-year term of the indebtedness and the due date of the note executed it shall not sell, convey, or otherwise transfer any interest in the property acquired through the financial assistance provided herein, or improvements thereon, before or after completion of the Project, to an entity unwilling or unable to enter into a contract consistent with the terms, conditions, and purposes as set out herein. BORROWER agrees that in no event shall it sell, convey, or otherwise transfer any interest in the real property or improvements thereon without the prior written consent of the Government. These restrictions include the transfer of any interest in the aforesaid property by deed, land sales contract, mortgage, or similar agreements.

VII. UNIFORM ADMINISTRATIVE REQUIREMENTS

The BORROWER shall comply with the applicable provisions in 2 CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR part 200. These provisions include:

A. Financial & Program Management

The BORROWER shall expend and account for all CDBG funds received under this agreement in accordance with 2 CFR part 200, including 2 CFR part 200, subpart D, which covers Standards for Financial and Program Management and agrees to adhere to the accounting principles and procedures required therein, use adequate internal controls, and maintain necessary source documentation for all costs incurred.

B. Cost Principles

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

C. Procurement and Contractor Oversight

The BORROWER shall comply with the procurement standards in 2 CFR §200.318 - §200.326 when procuring property and services under this agreement and shall subsequently follow property management standards as provided by 2 CFR 200.344.

- i. Equipment:** The BORROWER shall comply with current GOVERNMENT policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured

with funds provided herein.

- ii. Debarment Certification: The BORROWER must comply with CDBG regulations regarding debarred or suspended entities at (24 CFR 570.489(l)). CDBG funds may not be provided to excluded or disqualified persons. The BORROWER certifies, in accordance with Executive Order 12549 (Debarment and Suspension February 18, 1986) that to the best of its knowledge and belief, that it, its principals, and its subcontractors:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions or contract by and Federal department or agency for noncompliance with the Federal Labor Standards, Title VI of the Civil Rights Act of 1964 as amended, Executive Order 11246 as amended or any other federal law;
 - b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (a) of this certification; and
 - d. Have not within a three-year period preceding this proposal had one or more public (Federal, State, or local) transactions or contracts terminated for cause or default.
- iii. Contractor Oversight: The BORROWER shall maintain oversight of all activities under this agreement and shall ensure that for any procured contract or agreement, its contractors perform according to the terms and conditions of the procured contracts or agreements, and the terms and conditions of this agreement. The BORROWER shall impose the BORROWER'S obligations under this agreement on its contractors, specifically or by reference, so that such obligations will be binding upon each of its contractors.
- iv. Subcontracts: The BORROWER shall not enter into any subcontracts with any agency or individual in the performance of this Agreement without the written consent of the GOVERNMENT prior to the execution of such agreement. The BORROWER will monitor all subcontracted services on a regular basis to assure compliance with this Agreement. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance. The BORROWER shall cause all of the provisions of this Agreement in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement. The BORROWER shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis. Executed copies of all

subcontracts shall be forwarded to the GOVERNMENT along with documentation concerning the selection process.

VIII. OTHER PROGRAM REQUIREMENTS

A. Nondiscrimination

i. 24 CFR Part 6

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

The BORROWER will adhere to the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-6107) (Age Discrimination Act) and the prohibitions against discrimination on the basis of disability under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) (Section 504). Section 109 of the HCDA makes these requirements applicable to programs or activities funded in whole or in part with CDBG funds. Thus, the BORROWER shall comply with regulations of 24 CFR part 8, which implement Section 504 for HUD programs, and the regulations of 24 CFR part 146, which implement the Age Discrimination Act for HUD programs.

In accordance with 24 CFR 5.105 and section 2-33 of the Code of Ordinances of the Lexington-Fayette Urban County Government, the BORROWER shall ensure that HUD-assisted housing or other services being provided pursuant to this agreement shall be made available without regard to actual or perceived sexual orientation, gender identity or marital status. Neither BORROWER nor any of its agents will inquire about the sexual orientation or gender identity of any applicant for or person receiving HUD-assisted housing or other services

ii. Architectural Barriers Act and the Americans with Disabilities Act

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

iii. Title VI of the Civil Rights Act of 1964 (24 CFR part 1)

The BORROWER shall comply with the requirements of Title VI of the Civil Rights Act of 1964 (P. L. 88-352), as amended. No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity funded by this agreement. The specific nondiscrimination provisions at 24 CFR 1.4 apply to the use of these funds. The BORROWER shall not intimidate, threaten, coerce, or discriminate against any person for the purpose of interfering with any right or privilege secured by Title VI of the Civil Rights Act of 1964 or 24 CFR part 1, or because he has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under 24 CFR part 1. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of 2 CFR part 1, including the conduct of any investigation, hearing, or judicial proceeding arising thereunder.

iv. Affirmative Action

a. Approved Plan

The BORROWER agrees that it shall be committed to carry out pursuant to the GOVERNMENT's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1965. The GOVERNMENT shall provide Affirmative Action guidelines to the BORROWER to assist in the formulation of such program.

- A. In the event any one or more of the provisions contained in this agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall, at the option of the Government, not affect any other provision of this agreement, but this agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein or therein.
- B. All of the grants, covenants, terms, provisions, and conditions herein shall run with the land and shall apply to, bind, and inure to the benefit of the successors and assigns of CASA of Lexington, Inc., and the successors and assigns of the Government.
- C. This agreement constitutes the entire agreement between the parties as to the rehabilitation of the facility located at 3245 Loch Ness Drive, Lexington, Fayette County, Kentucky, and may be modified only by agreement signed by the party against whom enforcement is sought. The terms and conditions herein shall survive the closing and shall not merge upon delivery of the deeds to purchaser.

b. W/MBE

The BORROWER will use its best efforts to afford minority- and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the term "minority and female business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are African-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The BORROWER may rely on written

representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

c. EEO/AA Statement

The BORROWER will, in all solicitations or advertisements for employees placed or on behalf of the BORROWER, state that it is an Equal Opportunity or Affirmative Action employer.

v. Labor and Employment Restrictions

- a. The BORROWER shall comply with the in labor standards in Section 110 of the Housing and Community Development Act of 1974, as amended and ensure that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this agreement shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 3141, et seq.), and 29 CFR part 1, 3, 5, 6, and 7, provided, that this requirement shall apply to the rehabilitation of residential property only if such property contains not less than 8 units.
- b. The BORROWER agrees to comply with the Copeland Anti- Kick Back Act (18 U.S.C. 874) and its implementing regulations of the U.S. Department of Labor at 29 CFR part 3 and part 5. The BORROWER shall maintain documentation that demonstrates compliance with applicable hour and wage requirements. Such documentation shall be made available to the GOVERNMENT for review upon request.
- c. The BORROWER further agrees to comply with the applicable provisions of the Contract Work Hours and Safety Standards Act (40 U.S.C. Section 327-333), and the applicable provisions of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. et seq.).
- d. The BORROWER agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex, age, national origin, or handicap. The BORROWER agrees that it shall state in all solicitation or advertisements for employees placed by or on behalf of any contractor that all qualified applicants will receive equal consideration for employment without regard to race, color, religion, sex, age, national origin, or handicap; BORROWER further agrees that upon transfer of the property identified herein, a covenant prohibiting such discrimination shall be included in the deed of conveyance and which shall run with the land.

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

a. Compliance

Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this Agreement, shall be a condition of the federal financial assistance provided under this Agreement and binding upon the BORROWER and any of the BORROWER'S BORROWERS and subcontractors. Failure to fulfill these requirements shall subject the GOVERNMENT, the BORROWER and any of the

BORROWER'S BORROWERS and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The BORROWER certifies and agrees that no contractual or other disability exists which would prevent compliance with these requirements.

The BORROWER further agrees to comply with these "Section 3" requirements and to include the following language in all subcontractors executed under this Agreement:

"The work to be performed under this contract is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701. Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area and contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located."

The BORROWER further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the CDBG-funded project is located; where feasible, priority should be given to business concerns which provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The BORROWER certifies and agrees that no contractual or other legal incapacity exists which would prevent compliance with these requirements.

b. Notifications

The BORROWER agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising said labor organization or worker's representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

vii. Conduct

1. Hatch Act

The BORROWER agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V United States Code.

2. Conflict of Interest

In the procurement of supplies, equipment, construction, and services pursuant to this agreement, the BORROWER shall comply with the conflict of interest provisions in 2 CFR 200.317 and 200.318. In all cases not governed by 2 CFR 200.317 and 200.318, the BORROWER shall comply with the conflict of interest provisions in 24 CFR 570.611, and covenants that it presently has no financial interest and shall not acquire any financial interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. The BORROWER further covenants that in the performance of this Agreement no person having such a financial interest shall be employed or retained by the BORROWER hereunder.

No member, officer, or employee of the Public Body, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or sub-contract, or the proceeds thereof, for work to be performed in connection with the program assisted under this Agreement.

3. Lobbying

The BORROWER hereby certifies that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement;
- b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;
- c. It will require that the language of paragraph (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants,

and contracts under grants, loans, and cooperative agreements) and that all BORROWERS shall certify and disclose accordingly; and

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

viii. Religious Activities

The BORROWER agrees that funds provided under this Agreement will not be used for religious activities, to promote religious interests, or for the benefit of a religious organization in accordance with the federal regulations specified in 24 CFR 570.200(j).

ix. Drug Free Workplace

The BORROWER shall administer a policy designed to ensure that the facilities providing services under the terms of this agreement are free from the illegal use, possession, or distribution of drugs or alcohol by its employees and beneficiaries.

x. Insurance & Bonding

The BORROWER shall comply with the bonding and insurance requirements of 24 CFR §200.325 and §200.310.

xi. FFATA

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

xii. Environmental Conditions

1. Prohibition on Choice Limiting Activities Prior to Environmental Review

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

2. The BORROWER agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR, Part 800, insofar as they apply to the performance of the contract.
3. This Agreement is subject to the requirements of the Flood Disaster Protection Act of 1973 and the National Environmental Policy Act of 1969. Use of federal assistance provided hereunder for the purpose of acquisition in an area identified as having special flood hazards shall be subject to the Flood Disaster Protection Act of 1973.
4. The BORROWER agrees to comply with the Lead Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), The Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR 35. The BORROWER is responsible for testing and abatement activities as may be required.

EPA's Lead Renovation, Repair and Painting Rule (RRP Rule) requires that firms performing renovation, repair, and painting projects that disturb lead-based paint in homes, child care facilities and pre-schools built before 1978 have their firm certified by EPA (or an EPA authorized state), use certified renovators who are trained by EPA-approved training providers and follow lead-safe work practices. Any contractor hired using federal dollars must be an EPA certified renovator. Clearance of lead clearance must be received before construction will be considered completed. Certified Lead Inspector, Certified Lead Risk Assessor, or Certified Lead Sampling Technician must conduct clearance testing.

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

The BORROWER agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606(b); (b) the requirements of 24 CFR 570.606 (c) governing the Residential Antidisplacement and Relocation Assistance Plan under section 104(d) of the HCD Act; and (c) the requirements in §570.606(d) governing optional relocation policies. The BORROWER shall provide relocation assistance to persons (families, individuals, businesses, non-profit organizations and farms) that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-assisted project. The BORROWER also agrees to comply with applicable GOVERNMENT policies concerning the displacement of persons from their residences.

IX. GENERAL CONDITIONS

- A. The BORROWER agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the Housing and Urban Development regulations concerning Community Development Block Grants). The BORROWER also agrees to comply with all other applicable federal, state, and local laws, regulations, and policies governing the funds provided under this Agreement. The BORROWER further agrees to use funds available under this Agreement to supplement rather than supplant funds otherwise available.
- B. BORROWER agrees to defend, indemnify, and hold harmless GOVERNMENT from any and all losses or claims of whatever kind, that are in any way incidental to, or connected with, or

that arise or alleged to have arisen, directly or indirectly, in whole or in part, from the execution, performance, or breach of this contract by BORROWER, including any environmental problems, including, without limitation, soil and/or water contamination, and remedial investigations and feasibility studies thereof, which exist at or prior to the contract commencement date, regardless of when such losses or claims are made or incurred. This indemnity agreement shall in no way be limited by any financial responsibility, or loss control requirements below, and shall survive the termination of this contract.

For the purposes of this Indemnity Provision:

1. The word “defend” includes, but is not limited to, investigating, handling, responding to, resisting, providing a defense for, and defending claims, at BORROWER’S expense, using attorneys approved in writing by GOVERNMENT, which approval shall not be unreasonably withheld.
2. The word “claims” includes, but is not limited to, claims, demands, liens, suits, notices of violation from Governmental agencies, and other causes of action of whatever kind.
3. The word “losses” includes, but is not limited to: attorney fees and expenses; costs of litigation; court or administrative costs; judgments; fines; penalties; interest; all environmental cleanups and remediation costs of whatever kind; and any liability arising from death, injury, or damage of any kind, to any person, including employees and agents of BORROWER and GOVERNMENT, and damage to, or destruction of, any property, including the property of GOVERNMENT.

C. Events of Breach and Remedies

1. One or more of the following events shall constitute a breach of this agreement:
 - a. Failure to comply with any of the grants, covenants, terms, provisions, or conditions set out in any Article of this agreement;
 - b. In the event BORROWER (a) defaults under any other debt instrument which could permit foreclosure; or (b) be adjudged a bankrupt or insolvent, make an assignment for the benefit of its creditors or be placed in receivership; or (c) refinances the amount equal to the mortgage in favor of the Government; or (d) reorganizes, dissolves, or liquidates the herein described asset or (e) allows liens or other encumbrances to be placed or to remain against the property without the prior consent of the Government.
2. Upon any breach, the Government, its successors, and assigns, shall provide notice of such breach and allow the BORROWER 10-days to cure or attempt to cure the breach. If the Government finds that the breach has not been or cannot be cured within this time frame, the Government may declare the outstanding principal balance of the indebtedness, calculated as of the date of breach, to be due and payable immediately and upon any such declaration the outstanding principal balance shall become and be immediately due and payable and the Government may take any steps necessary to enforce the collection of the same and all charges and costs permitted by law and the lien of the mortgage.

- D. The BORROWER shall provide Workers' Compensation insurance coverage for all its employees involved in the performance of this Agreement.
- E. If this Agreement results in any copyrightable material or inventions, the GOVERNMENT and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for government purposes.
- F. This Agreement, or any part hereof, may be amended from time to time hereafter only in writing executed by the GOVERNMENT and the BORROWER.
- G. The BORROWER shall not assign or transfer any interest in this Agreement without the prior written consent of the GOVERNMENT thereto; provided, however, that claims for money due or to become due to the GOVERNMENT under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the GOVERNMENT.
- H. GOVERNMENT and the BORROWER each binds himself and his partners, successors, executors, administrators, assigns, and legal representatives of such other party, in respect to all covenants, agreements, and obligations of the Agreement.
- I. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered: (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by email (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) when delivered or mailed by certified mail, postage prepaid, or return receipt requested. The addresses for such communications shall be to the respective addresses or of the parties as set forth in the Agreement, or at such other address as such parties shall have furnished in writing.

X. LOAN TRANSACTION

BORROWER and Government agree to comply with the following requirements and conditions regarding the loan transaction:

- A. The closing of this transaction shall take place no later than *December 31, 2019*.
- B. BORROWER agrees to execute and deliver to Government at the closing a note and a mortgage for the sum of **\$407,460** for a term of ten years; during the term of the indebtedness secured by the mortgage, the BORROWER, shall make no payments and the amount due shall be reduced and amortized at zero percent (0%) interest, as though each monthly payment were being repaid, so long as the BORROWER adheres to the conditions set out in this agreement. At the end of the ten-year term, absent any breach, the full amount of the indebtedness will be forgiven.

[INTENTIONALLY LEFT BLANK - SIGNATURE PAGE TO FOLLOW }

IN TESTIMONY WHEREOF, the parties have hereto caused this contract to be executed upon signature by proper officers and representatives.

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

BY: Linda Gorton
LINDA GORTON, MAYOR

STATE OF KENTUCKY
COUNTY OF FAYETTE

The foregoing instrument was subscribed, sworn to, and acknowledged before me by Linda Gorton, Mayor of the Lexington-Fayette Urban County Government, on behalf of the Government, on this, the 26 day of November, 2019

My commission expires: October 26, 2023

[Signature] 633337
NOTARY PUBLIC

CASA

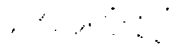
BY: Kay Yates
KAY YATES, CHAIRPERSON, BOARD OF DIRECTORS

STATE OF KENTUCKY
COUNTY OF FAYETTE

The foregoing instrument was subscribed, sworn to, and acknowledged before me by Kay Yates, Chairperson, Board of Directors, CASA, a Kentucky nonprofit corporation, on this the 22 day of November, 2019.

My commission expires: 7/28/22

[Signature] 599641
NOTARY PUBLIC



**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
DIVISION OF GRANTS & SPECIAL PROGRAMS
ANNUAL REPORT
CASA FACILITY ACQUISITION**

YEAR ENDING: _____
AGENCY REPORTING: _____
CONTACT PERSON & PHONE: _____
DATE REPORTED: _____
PROGRAM NAME: _____

UNDUPLICATED PROGRAM PARTICIPANTS

NUMBER OF PERSONS: _____

RACE/NATIONAL ORIGIN OF PERSONS: (Must select one)

(Race/National Origin Category totals should equal number reported above)

- | | |
|-------------------------------------------------|--------------------------------------------------|
| _____ WHITE | _____ AMERICAN INDIAN or ALASKA NATIVE and WHITE |
| _____ BLACK or AFRICAN-AMERICAN | _____ BLACK or AFRICAN-AMERICAN and WHITE |
| _____ ASIAN | _____ ASIAN and WHITE |
| _____ AMERICAN INDIAN or ALASKAN NATIVE | _____ AMERICAN |
| _____ NATIVE HAWAIIAN or OTHER PACIFIC ISLANDER | |

ETHNIC CATEGORIES: HISPANIC OR LATINO _____ NOT HISPANIC OR LATINO _____
(Ethnic Category totals should equal number reported under Race Category)

SEX OF PERSONS: _____ FEMALE _____ MALE

ANY PERSONS WITH A DISABILITY? _____ YES OR _____ NO _____ HOW MANY?

OF THE PERSONS ASSISTED, ENTER THE NUMBER THAT:

NOW HAVE IMPROVED ACCESS TO THIS TYPE OF PUBLIC FACILITY: _____

NARRATIVE

PLEASE DESCRIBE THE NATURE OF THE PROGRAMMING OFFERED AT THE FACILITY.