

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
SUBRECIPIENT AGREEMENT**

**THIS AGREEMENT**, made and entered into on this 25 day of February, 2026, 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 **ARBOR YOUTH SERVICES, INC.**, a Kentucky non-stock non-profit corporation pursuant to KRS Chapter 273, and whose post office address is 540 West Third Street, Lexington, Kentucky 40508 (hereinafter referred to as "SUBRECIPIENT");

**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) pursuant to which HUD has agreed to make a grant to the Government under Federal Award Number B-19-MC-21-0004, awarded on October 18, 2019, B-20-MC-21-0004 awarded on December 31, 2020 and B-23-MC-21-0004 awarded August 29, 2023 ;

**WHEREAS**, the GOVERNMENT'S 2019, 2020 and 2023 Consolidated Plan/Annual Action Plan, provides for the allocation of \$155,464 in funds to the SUBRECIPIENT with Unique Entity Identifier FKDEQFFSJJ46 for installation of a full fire sprinkler system in Arbor Youth Services (AYS) Overnight TAY Emergency Shelter to increase bed capacity to nine (9) additional emergency beds for transition-age youth experiencing homelessness located at 540 West Third Street, Lexington, KY 40508;

**WHEREAS**, the GOVERNMENT'S responsibility for ensuring compliance with all grant requirements necessitates a written agreement with the SUBRECIPIENT;

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

**I. STATEMENT OF WORK**

A. Activities

The SUBRECIPIENT will install a full fire sprinkler system in AYS Overnight TAY Emergency Shelter to increase bed capacity to nine (9) additional emergency beds for transition-age youth experiencing homelessness. The fire sprinkler installation shall be in accordance with state and local building codes and services provided therein shall be operated in a manner satisfactory to the GOVERNMENT and in compliance with all local, state, and federal laws and regulations.

B. National Objectives

The SUBRECIPIENT certifies that the activities carried out with funds provided under

this Agreement will benefit low- and moderate-income persons.

### C. Performance Monitoring

The GOVERNMENT shall monitor the performance of the SUBRECIPIENT as necessary and in accordance with regulations on SUBRECIPIENT Monitoring and Management, 2 CFR 200.330 – 2 CFR 200.332, to ensure SUBRECIPIENT compliance with all 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 SUBRECIPIENT after being notified by the GOVERNMENT, the GOVERNMENT may impose additional conditions on the SUBRECIPIENT 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.

## II. TIME OF PERFORMANCE

The SUBRECIPIENT agrees to install full fire sprinkler system in AYS Overnight TAY Emergency Shelter to increase bed capacity to nine (9) additional emergency beds for transition-age youth experiencing homelessness located at 540 West Third Street, Lexington, KY 40508 no later than April 30, 2026. The SUBRECIPIENT agrees to operate emergency shelter for transition-age youth experiencing homelessness for a ten-year period through June 30, 2036.

## III. USE OF FUNDS

Community Development Block Grant funds in the amount of \$155,464 shall be used for Federal funds may not be used for any other construction/rehabilitation/remodeling activity without the written approval of the LFUCG Division of Grants and Special Programs. Federal funds may not be used for any other construction/rehabilitation/remodeling activity without the written approval of the LFUCG Division of Grants and Special Programs.

It is expressly agreed and understood that the herein described Community Development Block Grant funds in the amount of \$155,464 shall not be used as match for any other federal funds received by the SUBRECIPIENT without the written consent of the GOVERNMENT.

## IV. PAYMENT

It is expressly agreed and understood that the total amount to be paid by the GOVERNMENT under this Agreement shall not exceed \$155,464. The SUBRECIPIENT shall invoice the GOVERNMENT for the reimbursement of actual expenditures incurred. SUBRECIPIENT'S invoice must be for the eligible expenses specified in Paragraph III herein. SUBRECIPIENT'S invoice must include copies of invoices for services and goods purchased to install full fire sprinkler system in AYS Overnight TAY Emergency Shelter at 540 West Third Street, Lexington, KY 40508. The GOVERNMENT will reimburse SUBRECIPIENT an amount not to exceed 90% of invoice total. Total amount is payable upon completion of

## V. NOTICES

All notices hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified mail, postage prepaid, return receipt requested, or e-mailed to the parties at their respective addresses.

## VI. GENERAL CONDITIONS

### A. General Compliance

The SUBRECIPIENT 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) including subpart K of these regulations, except that (1) the Subrecipient does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and (2) the Subrecipient does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR 52. The SUBRECIPIENT also agrees to comply with all other applicable federal, state, and local laws, regulations, and policies governing the funds provided under this Agreement. The SUBRECIPIENT further agrees to use funds available under this Agreement to supplement rather than supplant funds otherwise available.

### B. Hold Harmless

SUBRECIPIENT 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 Agreement by SUBRECIPIENT, 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:

- a. The word "defend" includes, but is not limited to, investigating, handling, responding to, resisting, providing a defense for, and defending claims, at SUBRECIPIENT'S expense, using attorneys approved in writing by GOVERNMENT, which approval shall not be unreasonably withheld.
- b. 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.
- c. 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 SUBRECIPIENT and GOVERNMENT, and damage to, or destruction of, any property, including the property of GOVERNMENT.

C. Amendments

This Agreement, or any part hereof, may be amended from time to time hereafter only in writing executed by the GOVERNMENT and the SUBRECIPIENT. Such amendments shall not invalidate this Agreement, nor relieve or release the GOVERNMENT or Subrecipient from its obligations under this Agreement.

D. Suspension or Termination

1. This Agreement is subject to the termination provisions at 2 CFR 200.340. Termination for Convenience: GOVERNMENT, through the Mayor or the Mayor's designee, may terminate this Agreement for convenience at any time by providing SUBRECIPIENT with at least thirty (30) days advance written notice of termination.
2. SUBRECIPIENT shall be entitled to payment for all services rendered prior to termination, calculated on a reasonable basis, pursuant to the terms of this Agreement. Termination for Cause: GOVERNMENT, through the Mayor or the Mayor's designee, may terminate this agreement for cause by providing SUBRECIPIENT written notice of default under the Agreement.
3. If SUBRECIPIENT fails to fully cure such default within thirty (30) days following receipt of written notice of default, the Agreement shall be deemed terminated. In that event, SUBRECIPIENT shall only be entitled to payment in an amount representing just and equitable compensation for satisfactory services rendered, subject to appropriate sanctions and penalties for default, as determined by GOVERNMENT.
4. Pursuant to 2 CFR 200.340, Subrecipient agrees by accepting this award that continued funding for the award is contingent upon the availability of appropriated funds, Subrecipient satisfactory performance, compliance with the Terms and Conditions of the award, and to the extent authorized by law, a decision by the agency that the award continues to effectuate program goals or agency priorities.

GOVERNMENT and the SUBRECIPIENT 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.

## VII. UNIFORM ADMINISTRATIVE REQUIREMENTS

A. Financial & Program Management

1. Accounting Standards

The SUBRECIPIENT 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.

2. Cost Principles

Costs incurred, whether charged on a direct or an indirect basis, must be in conformance with 2 CFR Part 200, Subpart E. All items of cost listed at 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.

B. Documentation and Record-Keeping

1. Records to be Maintained

The SUBRECIPIENT 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:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG Program;
- c. Records required to determine the eligibility of activities;
- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG Program;
- f. Financial records as required by 24 CFR Part 570.502, and 2 CFR 200; and
- g. Other records necessary to document compliance with Subpart K of 24 CFR 570.

2. Retention

The SUBRECIPIENT 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.

3. Client Data

The SUBRECIPIENT 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 service provided. Such information shall be made available to government monitors or their designees for review upon request.

4. Disclosure

The SUBRECIPIENT 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.

5. Project Close-outs

The SUBRECIPIENT'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. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the SUBRECIPIENT has control over CDBG funds, including program income.

6. Audits, Inspections and Monitoring

1. Single Audit

The SUBRECIPIENT must be audited as required by 2 CFR Part 200, Subpart F when it is expected that the SUBRECIPIENT's federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR 200.501 Audit Requirements.

SUBRECIPIENT 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 SUBRECIPIENT'S fiscal year. Concurrently with the submission of the audit report to the Federal Audit Clearinghouse, SUBRECIPIENT 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 SUBRECIPIENT within 30 days after receipt by the SUBRECIPIENT. Failure of the SUBRECIPIENT 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 SUBRECIPIENT 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 SUBRECIPIENT must submit to monitoring of its activities by the GOVERNMENT as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of this Agreement.

C. Access to Records

The SUBRECIPIENT shall furnish and cause each of its own subrecipients or 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 including 2 CFR Part 200.

D. Reporting

For the period July 1, 2026, through June 30, 2036, the Grantee shall submit annual reports providing information on the number of clients served and a narrative description of the programming provided. Report shall include the race and ethnicity of clients served. Grantee shall also submit annual reports to the Government providing the following information about the employees of the grantee's organization: race, age, sex, and disability. All annual reports are due by July 31<sup>st</sup> of each year for which a report is required.

E. Procurement

1. Compliance

The SUBRECIPIENT 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. All program assets (unexpended program income, property, equipment, etc.) shall revert to the Grantee upon termination of this Agreement.

2. Federal Standards

The SUBRECIPIENT shall procure all materials, property, or services in accordance with the requirements of 2 CFR 200.

F. Debarment Certification

The Subrecipient must comply with CDBG regulations regarding debarred or suspended entities at (24 CFR 570.489(1)). CDBG funds may not be provided to excluded or disqualified persons.

G. Lead-based Paint

The SUBRECIPIENT 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.

H. Federal Prevailing Wage Rate

The SUBRECIPIENT acknowledges that all laborers and mechanics, etc., employed in the construction of any project costing \$2,000 or greater and assisted with CDBG funds, whether employed by SUBRECIPIENT, contractors, or subcontractors, shall be paid wages complying with the Davis-Bacon Act (40 U.S.C. 3141-3144). The SUBRECIPIENT 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.). The SUBRECIPIENT shall submit all original certified payroll reports of all laborers and mechanics employed by SUBRECIPIENT, contractors, or subcontractors employed in this federally-funded contract to the Division of Grants and Special Programs on a weekly basis. First submission shall include copy(ies) of agreement between the SUBRECIPIENT and contractors/subcontractors. All agreements between SUBRECIPIENT and contractors/subcontractors shall include the applicable federal wage decision.

I. Immigration Status Verification

The SUBRECIPIENT does not have to verify the immigration status beneficiaries due to the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, which exempts nonprofit charitable organizations from verifying an applicant's immigration status for federal benefits at 8 U.S.C. § 1642(d). This includes all federal benefits, including any provided through CDBG or other CPD programs.

**VIII. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT**

The SUBRECIPIENT 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 SUBRECIPIENT 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 SUBRECIPIENT also agrees to comply with applicable GOVERNMENT policies concerning the displacement of persons from their residences.

## **IX. OTHER PROGRAM REQUIREMENTS**

### **A. Nondiscrimination**

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

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

### **B. Architectural Barriers Act and the Americans with Disabilities Act**

The SUBRECIPIENT shall ensure that its activities are consistent with requirements of Architectural Barriers Act and the Americans with Disabilities Act. The Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed, or altered with funds

allocated or reallocated under this part after December 11, 1995, and that meets the definition of "residential structure" as defined in 24 CFR 40.2 or the definition of "building" as defined in 41 CFR 101-19.602(a) is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. 4151-4157) and shall comply with the Uniform Federal Accessibility Standards (appendix A to 24 CFR Part 40 for residential structures, and appendix A to 41 CFR Parts 101-19, subpart 101-19.6, for general type buildings).

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

The SUBRECIPIENT 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 SUBRECIPIENT shall not intimidate, threaten, coerce, or discriminate against any person for the purpose of interfering with any right or privilege secured by Title VI of the Civil Rights Act of 1964 or 24 CFR Part 1, or because he has made a complaint, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing under 24 CFR Part 1. The identity of complainants shall be kept confidential except to the extent necessary to carry out the purposes of 2 CFR Part 1, including the conduct of any investigation, hearing, or judicial proceeding arising thereunder.

D. Nondiscrimination Practices

a. Fair Access

The SUBRECIPIENT shall ensure all employees and any beneficiaries of grant funding are treated without regard to race, color, creed, religion, sex, age, handicap, disability, ancestry, national origin, marital status, familial status, and sexual orientation.

b. Compliance

The SUBRECIPIENT shall comply with all federal and state antidiscrimination laws as a condition of grant funding.

c. W/MBE

In furtherance of the non-discrimination requirements of federal antidiscrimination law, and to the extent permitted by law, SUBRECIPIENT 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. SUBRECIPIENT may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

d. EEO Statement

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

E. Subcontract Provisions

The SUBRECIPIENT will include the provisions of Paragraphs IX in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own subrecipients or subcontractors.

F. Labor and Employment Restrictions

1. Prohibited Activity

The SUBRECIPIENT is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities, sectarian or religious activities; lobbying, political patronage, and nepotism activities.

2. Labor Standards

The SUBRECIPIENT 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.

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

G. 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 Part 75, 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 SUBRECIPIENT and any of the SUBRECIPIENT'S subrecipients and subcontractors. Failure to fulfill these requirements shall subject the GOVERNMENT, the SUBRECIPIENT and any of the SUBRECIPIENT'S subrecipients and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The SUBRECIPIENT certifies and agrees that no contractual or other disability exists which would prevent compliance with these requirements.

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

b. Notifications

The SUBRECIPIENT 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.

H. Conduct

1. Assignability

The SUBRECIPIENT 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.

2. Subcontracts

a. Approvals

The SUBRECIPIENT 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.

b. Monitoring

The SUBRECIPIENT 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.

c. Content

The SUBRECIPIENT 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.

d. Selection Process

The SUBRECIPIENT 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 Grantee along with documentation concerning the selection process.

3. Hatch Act

The SUBRECIPIENT 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.

4. Conflict of Interest

The SUBRECIPIENT agrees to abide by the provisions of 24 CFR 570.611 with respect to conflicts of interest, 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 SUBRECIPIENT further covenants that in the performance of this Agreement no person having such a financial interest shall be employed or retained by the SUBRECIPIENT hereunder.

5. Lobbying

The SUBRECIPIENT 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 subrecipients shall certify and disclose accordingly; and

d. Lobbying Certification - Paragraph 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.

6. Copyright

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.

7. Religious Activities

The SUBRECIPIENT 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).

8. Drug Free Workplace

The SUBRECIPIENT 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.

9. Insurance & Bonding

The SUBRECIPIENT shall comply with the bonding and insurance requirements of 24 CFR 200.325 and 24 CFR200.310.

10. FFATA

The SUBRECIPIENT shall comply with the requirements of 2 CFR Part 25 Universal Identifier and System for Award Management (SAM). The SUBRECIPIENT must have an active registration in SAM in accordance with 2 CFR Part 25, appendix A, and must have a Unique Entity Identifier (UEI), which replaced the Data Universal Numbering System (DUNS) number. The SUBRECIPIENT 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.

11. Environmental Conditions

1. Prohibition on Choice Limiting Activities Prior to Environmental Review

The SUBRECIPIENT must comply with the limitations in 24 CFR 58.22 even though the SUBRECIPIENT is not delegated the requirement under Section 104(g) of the HCD Act for environmental review, decision-making, and action (see 24 CFR Part 58) and is not delegated the 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 SUBRECIPIENT 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 Agreement

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 SUBRECIPIENT 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 SUBRECIPIENT 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 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.

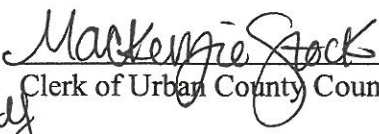
**[ INTENTIONALLY LEFT BLANK - SIGNATURE PAGE TO FOLLOW ]**

IN WITNESS WHEREOF, the parties executed this Agreement the day, month, and year above written.

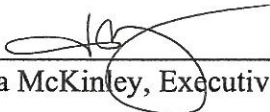
**LEXINGTON-FAYETTE URBAN COUNTY  
GOVERNMENT**

BY:   
Linda Gorton, Mayor

**ATTEST:**

  
Clerk of Urban County Council  
*Deputy*

**ARBOR YOUTH SERVICES, INC.**

BY:   
Joshua McKinley, Executive Director