

**STATE OF INDIANA—OFFICE OF COMMUNITY AND RURAL AFFAIRS  
STATE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
GRANT NUMBER # A192-22- WW-22-104**

**GRANT AGREEMENT**

**Contract #0000000000000000000067957**

This Grant Agreement ("Grant Agreement"), entered into by and between Indiana Office of Community and Rural Affairs (the "State") and **TOWN OF LIZTON** (the "Grantee"), is executed pursuant to the terms and conditions set forth herein. In consideration of those mutual undertakings and covenants, the parties agree as follows:

**1. Purpose of this Grant Agreement; Funding Source.** The purpose of this Grant Agreement is to enable the State to award a Grant of **\$700,000.00** (the "Grant") to the Grantee for eligible costs of the services or project (the "Project") described in **Exhibits A and B** of this Grant Agreement, which are incorporated fully herein.

The funds shall be used exclusively in accordance with the provisions contained in this Grant Agreement and in conformance with United States Department of Housing and Urban Development ("HUD") laws and regulations found in Indiana Code §4-4-9.7-6 as well as 42 U.S.C. §§ 3531-3549 and Title I of the Housing and Community Development Act, 42 U.S.C. §§ 5301-5321 (the "Act") and 24 C.F.R. part 570, establishing and governing the CDBG program establishing the authority to make this Grant, as well as any rules adopted thereunder. The funds received by the Grantee pursuant to this Grant Agreement shall be used only to implement the Project or provide the services in conformance with this Grant Agreement and for no other purpose.

**FUNDING SOURCE:**

If Federal Funds: Program Name per Catalog of Federal Domestic Assistance (CFDA):

CFDA No.:	14.228
TITLE:	State Administered CDBG Program
AWARD NO.:	B22DC180001 - Awarded: 09/06/2022
FEDERAL AGENCY:	U.S. Housing & Urban Development (HUD)
STATE:	Office of Community and Rural Affairs (OCRA)

**2. Representations and Warranties of the Grantee.**

A. The Grantee expressly represents and warrants to the State that it is statutorily eligible to receive these Grant funds and that the information set forth in its Grant Application is true, complete and accurate. The Grantee expressly agrees to promptly repay all funds paid to it under this Grant Agreement should it be determined either that it was ineligible to receive the funds, or it made any material misrepresentation on its grant application.

B. The Grantee certifies by entering into this Grant Agreement that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from entering into this Grant Agreement by any federal or state department or agency. The term "principal" for purposes of this Grant Agreement is defined as an officer, director, owner, partner, key employee or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Grantee.

C. The Grantee certifies that it has verified the state and federal suspension and debarment status for all contractors and subcontractors receiving funds under this Grant Agreement and shall be solely responsible for any recoupment, penalties, or costs that might arise from use of a suspended or debarred subcontractor. The Grantee shall immediately notify the State if any contractor or subcontractor becomes debarred or suspended, and shall, at the State's request, take all steps required by the State to terminate its contractual relationship with the contractor or subcontractor for work to be performed under this Grant Agreement.

### **3. Implementation of and Reporting on the Project.**

A. The Grantee shall implement and complete the Project in accordance with **Exhibit A** and with the plans and specifications contained in its Grant Application, which is on file with the State and is incorporated by reference. Modification of the Project shall require prior written approval of the State.

B. The Grantee shall submit to the State written progress reports until the completion of the Project. These reports shall be submitted on a semi-annual basis and shall contain such detail of progress or performance on the Project as is requested by the State.

**4. Term.** This Grant Agreement shall commence on **September 13, 2022** and shall remain in effect through **March 31, 2025** (the "Expiration Date"), unless sooner terminated as described in this Grant Agreement. The Project funded by this Grant Agreement must be completed by **March 31, 2024** (the "Completion Date"). All claim vouchers for grant disbursements must be received prior to the Completion Date. The closeout process must be initiated within 30 days after the Completion Date or the last grant disbursement, whichever comes first. The Grantee may request in writing that the Completion Date be extended.

### **5. Grant Funding.**

A. The State shall fund this Grant in the amount of **\$700,000.00**. The approved Project Budget is set forth as **Exhibit B** of this Grant Agreement, attached hereto and incorporated herein. The Grantee shall not spend more than the amount for each line item in the Project Budget without the prior written consent of the State, nor shall the Project costs funded by this Grant Agreement and those funded by any local and/or private share be changed or modified without the prior written consent of the State.

B. Administrative, architectural, preliminary engineering design and environmental review costs may be incurred (i.e. execute contracts or other binding documents) by the Grantee prior to the effective date of this Grant Agreement, as referenced in the "Notice of Grant Award". Any expenditure other than those listed above requires prior written consent of the State.

However, authorization by the State to incur costs prior to the effective date of this Grant Agreement does not constitute a representation or guarantee that such costs will be paid or reimbursed by the State. All costs incurred by the Grantee prior to the Grant Agreement's execution and receipt of a "Notice of Release of Funds and Authorization to Incur Costs" are incurred voluntarily and the Grantee, upon its own credit and expenses, assumes the sole risk that costs incurred prior to the Grant Agreement's execution will ultimately be included in the eligible costs of the Project.

Payment of grant funds for costs incurred prior to the execution of this Grant Agreement shall be governed by the provisions of this Grant Agreement, including compliance with all applicable statutes, rules, regulations, policy memoranda and other authority, and subject to the availability of CDBG Program funds.

**C. Environmental Review.** It is understood by the Grantee that an Environmental Review must be completed to the State's satisfaction before State will authorize the incurrence of any cost for any activity. Only activities that are essential to completion of the Environmental Review will be authorized by the State prior to the satisfactory completion of the Environmental Review. The

Environmental Review must also be completed prior to the Grantee incurring cost from the "local match", "private match", or "other funds" line items of the budget.

**D. Program Income.** Any Program Income generated by the Grantee as a result of an activity financed in whole or in part with CDBG funds is subject to the terms and conditions set forth in 24 CFR 570.489(e). Pursuant to 24 CFR 570.489(e)(2), if the total amount of income generated is less than \$35,000 in a single year, these amounts will not be considered program income.

**6. Payment of Claims.**

A. All payments shall be made thirty five (35) days in arrears in conformance with State fiscal policies and procedures. As required by IC §4-13-2-14.8, all payments will be by the direct deposit by electronic funds transfer to the financial institution designated by the Grantee in writing unless a specific waiver has been obtained from the Indiana Auditor of State. No payments will be made in advance of receipt of the goods or services that are the subject of this Grant Agreement except as permitted by Ind. Code § 4-13-2-20 or by the statute authorizing this Grant.

B. Requests for payment will be processed only upon presentation of a Claim Voucher in the form designated by the State. Such Claim Vouchers must be submitted with the budget expenditure report detailing disbursements of state, local and/or private funds by project budget line items.

C. The State may require evidence furnished by the Grantee that substantial progress has been made toward completion of the Project prior to making the first payment under this Grant. All payments are subject to the State's determination that the Grantee's performance to date conforms to the Project as approved, notwithstanding any other provision of this Grant Agreement. The payment of grant funds under this Grant Agreement shall be made in accordance with the following terms and conditions:

- (1) This Grant must be fully executed.
- (2) All the evidentiary materials required by **Exhibit D**, attached hereto and incorporated herein, must be submitted to and approved by the State.
- (3) Any other grant conditions must be met to the State's satisfaction.

D. The State will accept a drawdown request for review and approval provided that the State has no reason, through monitoring procedures or review of attached invoices, to determine that the Grantee is not performing or completing the project in accordance with its responsibilities under this Grant Agreement. Such responsibilities will include, but are not limited to, timely submission of required reports and monitoring responses.

E. Claims must be submitted with accompanying supportive documentation as designated by the State. Claims submitted without supportive documentation will be returned to the Grantee and not processed for payment. Failure to comply with the provisions of this Grant Agreement may result in the denial of a claim for payment.

F. Failure to complete the Project and expend state, local and/or private funds in accordance with this Grant Agreement may be considered a material breach and shall entitle the State to seek any or all legal remedies against the Grantee including, but not limited to, suspension of all grant payments, and/or suspension of the Grantee's participation in State grant programs until such time as all material breaches are cured to the State's satisfaction. Said remedies may also include repayment of all state funds expended that are not in the scope of this Project or the Project Budget.

**7. Project Monitoring by the State.** The State may conduct on-site or off-site monitoring reviews of the Project during the term of this Grant Agreement and for up to ninety (90) days after it expires or is otherwise terminated. The Grantee shall extend its full cooperation and give full access to the Project site and to relevant documentation to the State or its authorized designees for the purpose of determining, among other things:

- A. whether Project activities are consistent with those set forth in **Exhibit A**, the Grant Application, and the terms and conditions of the Grant Agreement;
- B. the actual expenditure of state, local and/or private funds expended to date on the Project is in conformity with the amounts for each Budget line item as set forth in **Exhibit B** and that unpaid costs have been properly accrued;
- C. that Grantee is making timely progress with the Project, and that its project management, financial management and control systems, procurement systems and methods, and overall performance are in conformance with the requirements set forth in this Grant Agreement and are fully and accurately reflected in Project reports submitted to the State.

**8. Compliance with Audit and Reporting Requirements; Maintenance of Records.**

A. The Grantee shall submit to an audit of funds paid through this Grant Agreement and shall make all books, accounting records and other documents available at all reasonable times during the term of this Grant Agreement and for a period of three (3) years after final payment for inspection by the State or its authorized designee. Copies shall be furnished to the State at no cost

B. If the Grantee is a "subrecipient" of federal grant funds under 2 C.F.R. 200.331, Grantee shall arrange for a financial and compliance audit that complies with 2 C.F.R. 200.500 *et seq.* if required by applicable provisions of 2 C.F.R. 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements).

C. If the Grantee is a non-governmental unit, the Grantee shall file the Form E-1 annual financial report required by IC § 5-11-1-4. The E-1 entity annual financial report will be used to determine audit requirements applicable to non-governmental units under IC § 5-11-1-9. Audits required under this section must comply with the State Board of Accounts *Uniform Compliance Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources*, <https://www.in.gov/sboa/files/guidelines-examination-entities-receiving-financial-assistance-government-sources.pdf>. Guidelines for filing the annual report are included in Exhibit C (Guidelines for Non-governmental Entities).

**9. Compliance with Laws.**

A. The Grantee shall comply with all applicable federal, state and local laws, rules, regulations and ordinances, and all provisions required thereby to be included herein are hereby incorporated by reference. The enactment or modification of any applicable state or federal statute or the promulgation of rules or regulations thereunder after execution of this Grant Agreement shall be reviewed by the State and the Grantee to determine whether the provisions of this Grant Agreement require formal modification.

B. The Grantee and its agents shall abide by all ethical requirements that apply to persons who have a business relationship with the State as set forth in IC § 4-2-6, *et seq.*, IC § 4-2-7, *et seq.* and the regulations promulgated thereunder. **If the Grantee has knowledge, or would have acquired knowledge with reasonable inquiry, that a state officer, employee, or special state appointee, as those terms are defined in IC 4-2-6-1, has a financial interest in the Grant, the Grantee shall ensure compliance with the disclosure requirements in IC § 4-2-6-10.5 prior to the execution of this Grant Agreement.** If the Grantee is not familiar with these ethical requirements, the Grantee should refer any questions to the Indiana State Ethics

Commission, or visit the Inspector General's website at <http://www.in.gov/ig/>. If the Grantee or its agents violate any applicable ethical standards, the State may, in its sole discretion, terminate this Grant immediately upon notice to the Grantee. In addition, the Grantee may be subject to penalties under IC §§ 4-2-6, 4-2-7, 35-44.1-1-4, and under any other applicable laws.

C. The Grantee certifies by entering into this Grant Agreement that neither it nor its principal(s) is presently in arrears in payment of taxes, permit fees or other statutory, regulatory or judicially required payments to the State. The Grantee agrees that any payments currently due to the State may be withheld from payments due to the Grantee. Additionally, payments may be withheld, delayed, or denied and/or this Grant suspended until the Grantee is current in its payments and has submitted proof of such payment to the State.

D. The Grantee warrants that it has no current, pending or outstanding criminal, civil, or enforcement actions initiated by the State, and agrees that it will immediately notify the State of any such actions. During the term of such actions, the Grantee agrees that the State may suspend funding for the Project. If a valid dispute exists as to the Grantee's liability or guilt in any action initiated by the State or its agencies, and the State decides to suspend funding to the Grantee, the Grantee may submit, in writing, a request for review to the Indiana Department of Administration (IDOA). A determination by IDOA shall be binding on the parties. Any disbursements that the State may delay, withhold, deny, or apply under this section shall not be subject to penalty or interest.

E. The Grantee warrants that the Grantee and any contractors performing work in connection with the Project shall obtain and maintain all required permits, licenses, registrations, and approvals, and shall comply with all health, safety, and environmental statutes, rules, or regulations in the performance of work activities for the State. Failure to do so may be deemed a material breach of this Grant Agreement and grounds for immediate termination and denial of grant opportunities with the State.

F. The Grantee affirms that, if it is an entity described in IC Title 23, it is properly registered and owes no outstanding reports to the Indiana Secretary of State.

G. As required by IC § 5-22-3-7:

(1) The Grantee and any principals of the Grantee certify that:

(A) the Grantee, except for de minimis and nonsystematic violations, has not violated the terms of:

(i) IC § 24-4.7 [Telephone Solicitation Of Consumers];

(ii) IC § 24-5-12 [Telephone Solicitations]; or

(iii) IC § 24-5-14 [Regulation of Automatic Dialing Machines];

in the previous three hundred sixty-five (365) days, even if IC 24-4.7 is preempted by federal law; and

(B) the Grantee will not violate the terms of IC § 24-4.7 for the duration of this Grant Agreement, even if IC § 24-4.7 is preempted by federal law.

(2) The Grantee and any principals of the Grantee certify that an affiliate or principal of the Grantee and any agent acting on behalf of the Grantee or on behalf of an affiliate or principal of the Grantee, except for de minimis and nonsystematic violations,

(A) has not violated the terms of IC § 24-4.7 in the previous three hundred sixty-five (365) days, even if IC § 24-4.7 is preempted by federal law; and

(B) will not violate the terms of IC § 24-4.7 for the duration of this Grant Agreement even if IC § 24-4.7 is preempted by federal law.

**10. Debarment and Suspension.**

A. The Grantee certifies by entering into this Grant Agreement that it is not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from entering into this Grant by any federal agency or by any department, agency or political subdivision of the State. The term "principal" for purposes of this Grant Agreement means an officer, director, owner, partner, key employee or other person with primary management or supervisory responsibilities, or a person who has a critical influence on or substantive control over the operations of the Grantee.

B. The Grantee certifies that it has verified the suspension and debarment status for all subcontractors receiving funds under this Grant Agreement and shall be solely responsible for any recoupments or penalties that might arise from non-compliance. The Grantee shall immediately notify the State if any subcontractor becomes debarred or suspended, and shall, at the State's request, take all steps required by the State to terminate its contractual relationship with the subcontractor for work to be performed under this Grant Agreement.

**11. Drug-Free Workplace Certification.** As required by Executive Order No. 90-5, April 12, 1990, issued by the Governor of Indiana, the Grantee hereby covenants and agrees to make a good faith effort to provide and maintain a drug-free workplace. Grantee will give written notice to the State within ten (10) days after receiving actual notice that the Grantee, or an employee of the Grantee in the State of Indiana, has been convicted of a criminal drug violation occurring in the workplace. False certification or violation of the certification may result in sanctions including, but not limited to, suspension of grant payments, termination of the Grant and/or debarment of grant opportunities with the State of Indiana for up to three (3) years.

In addition to the provisions of the above paragraphs, if the total amount set forth in this Grant Agreement is in excess of \$25,000.00, the Grantee certifies and agrees that it will provide a drug-free workplace by:

A. Publishing and providing to all of its employees a statement notifying them that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the Grantee's workplace and specifying the actions that will be taken against employees for violations of such prohibition; and

B. Establishing a drug-free awareness program to inform its employees of: (1) the dangers of drug abuse in the workplace; (2) the Grantee's policy of maintaining a drug-free workplace; (3) any available drug counseling, rehabilitation, and employee assistance programs; and (4) the penalties that may be imposed upon an employee for drug abuse violations occurring in the workplace; and

C. Notifying all employees in the statement required by subparagraph (A) above that as a condition of continued employment the employee will: (1) abide by the terms of the statement; and (2) notify the Grantee of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction; and

D. Notifying in writing the State within ten (10) days after receiving notice from an employee under subdivision (C)(2) above, or otherwise receiving actual notice of such conviction; and

E. Within thirty (30) days after receiving notice under subdivision (C)(2) above of a conviction, imposing the following sanctions or remedial measures on any employee who is convicted of drug abuse violations occurring in the workplace: (1) take appropriate personnel action against the employee, up to and including termination; or (2) require such employee to satisfactorily participate in a drug abuse assistance

or rehabilitation program approved for such purposes by a federal, state or local health, law enforcement, or other appropriate agency; and

F. Making a good faith effort to maintain a drug-free workplace through the implementation of subparagraphs (A) through (E) above.

**12. Employment Eligibility Verification.** As required by IC § 22-5-1.7, the Grantee hereby swears or affirms under the penalties of perjury that:

A. The Grantee has enrolled and is participating in the E-Verify program;

B. The Grantee has provided documentation to the State that it has enrolled and is participating in the E-Verify program;

C. The Grantee does not knowingly employ an unauthorized alien.

D. The Grantee shall require its contractors who perform work under this Grant Agreement to certify to Grantee that the contractor does not knowingly employ or contract with an unauthorized alien and that the contractor has enrolled and is participating in the E-Verify program. The Grantee shall maintain this certification throughout the duration of the term of a contract with a contractor.

The State may terminate for default if the Grantee fails to cure a breach of this provision no later than thirty (30) days after being notified by the State.

**13. Funding Cancellation.** As required by Financial Management Circular 3.3 and IC § 5-22-17-5, when the Director of the State Budget Agency makes a written determination that funds are not appropriated or otherwise available to support continuation of performance of this Grant Agreement, it shall be canceled. A determination by the Director of the State Budget Agency that funds are not appropriated or otherwise available to support continuation of performance shall be final and conclusive.

**14. Governing Law.** This Grant Agreement shall be governed, construed, and enforced in accordance with the laws of the State of Indiana, without regard to its conflict of laws rules. Suit, if any, must be brought in the State of Indiana.

**15. Information Technology Accessibility Standards.** Any information technology related products or services purchased, used or maintained through this Grant must be compatible with the principles and goals contained in the Electronic and Information Technology Accessibility Standards adopted by the Architectural and Transportation Barriers Compliance Board under Section 508 of the federal Rehabilitation Act of 1973 (29 U.S.C. §794d), as amended.

**16. Insurance.** The Grantee shall maintain insurance with coverages and in such amount as may be required by the State or as provided in its Grant Application.

**17. Nondiscrimination.** Pursuant to the Indiana Civil Rights Law, specifically IC § 22-9-1-10, and in keeping with the purposes of the federal Civil Rights Act of 1964, the Age Discrimination in Employment Act, and the Americans with Disabilities Act, the Grantee covenants that it shall not discriminate against any employee or applicant for employment relating to this Grant with respect to the hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of the employee or applicant's: race, color, national origin, religion, sex, age, disability, ancestry, status as a veteran, or any other characteristic protected by federal, state, or local law ("Protected Characteristics"). Furthermore, Grantee certifies compliance with applicable federal laws, regulations, and executive orders prohibiting discrimination based on the Protected Characteristics in the provision of services.

The Grantee understands that the State is a recipient of federal funds, and therefore, where applicable, Grantee and any subcontractors shall comply with requisite affirmative action requirements, including reporting, pursuant to 41 CFR Chapter 60, as amended, and Section 202 of Executive Order 11246 as amended by Executive Order 13672.

**18. Notice to Parties.** Whenever any notice, statement or other communication is required under this Grant, it will be sent by E-mail or first class U.S. mail service to the following addresses, unless otherwise specifically advised.

A. Notices to the State shall be sent to:  
Christmas Hudgens  
State CDBG Program Director  
1 N. Capitol Avenue, Suite 600  
Indianapolis, IN 46204  
[CHudgens@ocra.IN.gov](mailto:CHudgens@ocra.IN.gov)

B. Notices to the Grantee shall be sent to:  
Lise Crouch, Town Council President  
Town of Lizton  
106 N. Lebanon  
Lizton, IN 46149  
[lkcrouch@outlook.com](mailto:lkcrouch@outlook.com)

As required by IC § 4-13-2-14.8, payments to the Grantee shall be made via electronic funds transfer in accordance with instructions filed by the Grantee with the Indiana Auditor of State.

**19. Order of Precedence; Incorporation by Reference.** Any inconsistency or ambiguity in this Grant Agreement shall be resolved by giving precedence in the following order: (1) requirements imposed by applicable federal or state law, including those identified in paragraph 24, below, (2) this Grant Agreement, (3) Exhibits prepared by the State, (4) Invitation to Apply for Grant; (5) the Grant Application; (6) Exhibits prepared by Grantee; and (7) The CDBG Handbook. All of the foregoing are incorporated fully herein by reference.

**20. Public Record.** The Grantee acknowledges that the State will not treat this Grant as containing confidential information, and the State will post this Grant on the transparency portal as required by Executive Order 05-07 and IC § 5-14-3.5-2. Use by the public of the information contained in this Grant shall not be considered an act of the State.

**21. Termination for Breach.**

A. Failure to complete the Project and expend State, local and/or private funds in accordance with this Grant Agreement may be considered a material breach, and shall entitle the State to suspend grant payments, and to suspend the Grantee's participation in State grant programs until such time as all material breaches are cured to the State's satisfaction.

B. The expenditure of State or federal funds other than in conformance with the Project or the Budget may be deemed a breach. The Grantee explicitly covenants that it shall promptly repay to the State all funds not spent in conformance with this Grant Agreement.

**22. Termination for Convenience.** Unless prohibited by a statute or regulation relating to the award of the Grant, this Grant Agreement may be terminated, in whole or in part, by the State whenever, for any reason, the State determines that such termination is in the best interest of the State. Termination shall be effected by delivery to the Grantee of a Termination Notice, specifying the extent to which such termination becomes effective. The Grantee shall be compensated for completion of the Project properly done prior to the effective date of termination. The State will not be liable for work on the Project performed after the effective date of termination. In no case shall total payment made to the Grantee exceed the original grant.



**23. Travel.** No expenses for travel will be reimbursed unless specifically authorized by this Grant.

**24. Federal and State Third-Party Contract Provisions.** If part of this Grant involves the payment of federal funds, the Grantee and, if applicable, its contractors shall comply with the federal grant / contract provisions referenced in the CDBG Handbook and incorporated fully herein. All applicable state and federal statutes, rules, regulations, OMB circulars, executive orders, circulars, Exhibits, Attachments or other documents referred to in this Grant Agreement are specifically incorporated herein by reference.

**25. Provision Applicable to Grants with tax-funded State Educational Institutions: "Separateness" of the Parties.** Omitted, not applicable.

**26. Duties and Responsibilities of the Grantee.**

**A. Compliance with Approved Program and Laws.** All activities performed by the Grantee pursuant to this Grant Agreement shall be done in conformance with the Act and all applicable rules, regulations, policy memoranda and other authority thereunder; and the directives of the State. The Grantee agrees that it will comply with all future requirements determined by the State to be necessary, as well as all then current applicable state and federal laws and regulations to which the State and/or the Grantee are subject.

The Grantee agrees to abide by all provisions of the CDBG Handbook, which is fully incorporated herein by reference, except in the event that applicable authority has been modified and the CDBG Handbook does not reflect those modifications. The State will attempt to inform the Grantee of applicable authority through the CDBG Handbook and through updates to that Handbook. However, the Grantee expressly agrees to be solely responsible to insure that the use of the funds received under this Grant Agreement is in compliance with all federal, state and local statutes, rules and other legal authority affecting the use of the grant funds.

The Grantee further acknowledges that where applicable, any Subrecipient is subject to and shall abide by all applicable requirements of the Act as more fully outlined in **Exhibit E**, attached hereto and incorporated fully herein.

In order to be reimbursed from State funds, all services obtained prior to the execution of this Grant Agreement must be competitively procured under federal procurement regulations. Grantee shall also ensure that all contractors and subcontractors for non-professional services shall complete a contract addendum as outlined in **Exhibit F**, which is herein incorporated and made a part of this Grant Agreement.

**B. Lack of Compliance.** If the Grantee fails to comply with any of the applicable laws, rules, regulations, terms and conditions of this Grant Agreement or other requirements, and such failure continues for a period of sixty (60) days following Grantee's receipt of a Notice of Default from the State, the State, in its sole discretion, may require the Grantee to repay any Grant funds already disbursed. Grantee agrees to promptly repay such funds at the request of the State.

**C. Reports, Records & Evaluations.** The Grantee shall submit to the State such records and reports as may be required by the State or HUD, including but not limited to the reports listed in the CDBG Handbook. Grantee's signature to this Grant Agreement signifies its confirmation of receipt of the CDBG Handbook.

The State may carry out monitoring and evaluation activities as deemed appropriate by the State. The Grantee will ensure the cooperation of the Grantee's employees, subrecipients, or subcontractors in such monitoring and evaluation efforts. The Grantee will take all actions necessary to correct or cure any problems or deficiencies identified by the State during its monitoring and evaluations.

The State has provided all applicable information for State or Federal examiners of this Grant Agreement as shown in **Exhibit C**, which is incorporated herein. The Grantee will ensure this information is included in all agreements and records for subrecipients of this Grant.

Special Reporting Requirements. The Grantee shall continue to provide semi-annual or other reports, as may be required by the State, until the Project and all its objectives are complete. In the event that such reports are not submitted within the time frame allotted by the State, the State shall withhold authorization for drawdown on grant funds until such time as the deficiency is corrected.

**27. Indemnification.** Grantee agrees to indemnify, defend and hold harmless the State, its agents, officials and employees from all claims and suits including court costs, attorney's fees and other expenses caused by any act or omission of the Grantee and/or its subcontractors, if any, in the performance of this Grant Agreement. The State shall not provide such indemnification to the Grantee.

**28. Survival.** The covenants, agreements and representations of Grantee in this Grant Agreement shall survive the Expiration Date or earlier termination of this Grant Agreement.

**29. State Boilerplate Affirmation Clause.** I swear or affirm under the penalties of perjury that I have not altered, modified, changed or deleted the State's standard contract clauses (as contained in the 2018 OAG/ IDOA *Professional Services Contract Manual* or the 2018 *SCM Template*) in any way except as follows:

Paragraph 1. Program Specific Language

Paragraph 2. Program Specific Language. Added Paragraph 2C

Paragraph 4. Program Specific Language.

Paragraph 5. Replaced Paragraph 5B with program specific language. Added Paragraph 5C & 5D.

Paragraph 6. Changed Paragraph 6A to program specific language. Added additional language to Paragraph C. Replaced Paragraph 6D with program specific language. Added Paragraph 6F.

Paragraph 19. Added program specific language.

Paragraph 24. Added program specific language.

Paragraph 25. Removed – Not Applicable

Paragraph 26, 27, 28. Added Duties/Responsibilities, Indemnification & Survival.

### Non-Collusion, Acceptance

The undersigned attests, subject to the penalties for perjury, that the undersigned is the Grantee, or that the undersigned is the properly authorized representative, agent, member or officer of the Grantee. Further, to the undersigned's knowledge, neither the undersigned nor any other member, employee, representative, agent or officer of the Grantee, directly or indirectly, has entered into or been offered any sum of money or other consideration for the execution of this Grant Agreement other than that which appears upon the face hereof. **Furthermore, if the undersigned has knowledge that a state officer, employee, or special state appointee, as those terms are defined in IC § 4-2-6-1, has a financial interest in the Grant, the Grantee attests to compliance with the disclosure requirements in IC § 4-2-6-10.5.**

### Agreement to Use Electronic Signatures

I agree, and it is my intent, to sign this Contract by accessing State of Indiana Supplier Portal using the secure password assigned to me and by electronically submitting this Contract to the State of Indiana. I understand that my signing and submitting this Contract in this fashion is the legal equivalent of having placed my handwritten signature on the submitted Contract and this affirmation. I understand and agree that by electronically signing and submitting this Contract in this fashion I am affirming to the truth of the information contained therein. I understand that this Contract will not become binding on the State until it has been approved by the Department of Administration, the State Budget Agency, and the Office of the Attorney General, which approvals will be posted on the Active Contracts Database: <https://secure.in.gov/apps/idoa/contractsearch/>

**In Witness Whereof**, the Grantee and the State have, through their duly authorized representatives, entered into this Grant Agreement. The parties, having read and understood the foregoing terms of this Grant Agreement, do by their respective signatures dated below agree to the terms thereof.

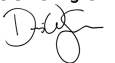
TOWN OF LIZTON

By:   
B8B495C9F7FC496...

Title: Council President

Date: 11/7/2022 | 17:03 EST

Indiana Office of Community and Rural Affairs

By:   
D30046C2D31C44D...

Title: Executive Director

Date: 11/9/2022 | 08:02 EST

Electronically Approved by: Department of Administration  By: _____ (for) Rebecca Holwerda, Commissioner	
Electronically Approved by: State Budget Agency  By: _____ (for) Zachary Q. Jackson, Director	Electronically Approved as to Form and Legality by: Office of the Attorney General  By: _____ (for) Theodore E Rokita, Attorney General

**EXHIBIT A****GRANTEE** – Town of Lizton - Cage Code: 82ET5**PREVIOUSLY AWARDED & ONGOING GRANTS** - None**CURRENT AWARD** - WW-22-104 - \$700,000.00**TOTAL AMOUNT OF AWARDED FUNDS** **\$700,000.00****PROJECT DESCRIPTION****1. IDENTIFY THE NATIONAL OBJECTIVE TO BE ADDRESSED AS A RESULT OF THIS PROJECT:**

Benefit to Low- and Moderate-Income Persons Area Benefit

**2. IDENTIFY THE NUMBER OF INDIVIDUALS BENEFITING AS A RESULT OF THIS PROJECT**

TOTAL BENEFICIARIES: 520

TOTAL LOW/MOD BENEFICIARIES: 270

**3. DESCRIBE THE PROPOSED ACTIVITY DESIGNED TO ADDRESS THE COMMUNITY'S NEEDS AS SPECIFIED IN THE APPLICATION. QUANTIFY IF POSSIBLE.**

The Town of Lizton has been awarded a WDW Grant from the Indiana Office of Community & Rural Affairs for improvements to the Town's wastewater treatment plant and collection system. The cost of the project is \$4,070,263.00 which includes a \$700,000 grant from OCRA CDBG funding and \$3,370,263.00 as a loan thru the State Revolving Loan Program. The project will make improvements to selected portions of the collection system to optimize the removal and reduction of I/L.

**EXHIBIT B****PROJECT BUDGET AND COST SHARING SCHEDULE****Grantee Name:** Town of Lizton **Grant Number:** WW-22-104

ITEM #	ACTIVITY DESCRIPTION	CDBG FUNDS	%	LOCAL FUNDS	%	OTHER FUNDS	%	TOTAL FUNDS	%
21E	Environmental Review	\$2,000.00	100	\$0.00	0	\$0.00	0	\$2,000.00	0.5
03J	Professional Fees	\$0.00	0	\$847,154.00	100	\$0.00	0	\$847,154.00	20
03J	Labor Standards	\$5,000.00	100	\$0.00	0	\$0.00	0	\$5,000.00	0.5
03J	Construction	\$660,000.00	20	\$2,453,109.00	78	\$70,000.00	2	\$3,183,109.00	78
21A	Grant Administration	\$33,000.00	100	\$0.00	0	\$0.00	0	\$33,000.00	1
	<b>TOTAL</b>	<b>\$700,000.00</b>	<b>17</b>	<b>\$3,300,263.00</b>	<b>82</b>	<b>\$70,000.00</b>	<b>1</b>	<b>\$4,070,263.00</b>	<b>100</b>

**Cost Sharing Schedule:** Grantee shall expend federal CDBG funds on a pro-rata basis for Project costs incurred as determined by the percentage distribution shown in each line item of the budget found in this Grant Agreement. The State will disburse grant funds under the percentage distribution, or maximum line item amount specified, whichever may be less. Any unexpended grant funds will be de-obligated at the Expiration Date of this Grant Agreement.

## EXHIBIT C

Guidelines for filing the annual financial report:

- 1) Filing an annual financial report called an Entity Annual Report (E-1) is required by IC 5-11-1-4. This is done through Gateway which is an on-line electronic submission process.
  - a. There is no filing fee to do this.
  - b. This is in addition to the similarly titled Business Entity Report required by the Indiana Secretary of State.
  - c. The E-1 electronical submission site is found at <https://gateway.ifionline.org/login.aspx>
  - d. The Gateway User Guide is found at <https://gateway.ifionline.org/userguides/E1guide>
  - e. The State Board of Accounts may request documentation to support the information presented on the E-1.
  - f. Login credentials for filing the E-1 and-additional information can be obtained using the [notforprofit@sboa.in.gov](mailto:notforprofit@sboa.in.gov) email address.
- 2) A tutorial on completing Form E-1 online is available at [https://www.youtube.com/watch?time\\_continue=87&v=nPpgtPcdUcs](https://www.youtube.com/watch?time_continue=87&v=nPpgtPcdUcs)
- 3) Based on the level of government financial assistance received, an audit may be required by IC 5-11-1-9.

## EXHIBIT D

### OTHER GRANT CONDITIONS, EVIDENTIARY MATERIALS AND REQUIREMENTS FOR RELEASE OF CDBG GRANT FUNDS

#### A. TITLE TO ASSETS ACQUIRED OR IMPROVED WITH CDBG GRANT FUNDS:

The Grantee shall retain title to the CDBG assets acquired, improved or otherwise assisted by CDBG grant funds **unless** the Grantee, with prior written approval of the State, assigns an interest in the CDBG-assisted assets to a subrecipient by means of a lease agreement or subrecipient agreement approved in writing by the State. If Grantee applied for CDBG funds on behalf of a subrecipient, the application will serve as notice to the State that Grantee does not have title to the assets for the Project. The Grantee shall ensure that the Grantee retains either direct or reversionary control of the CDBG-assisted facilities or assets until the State issues a Certificate of Completion for the Project.

#### B. USE OF ASSETS ACQUIRED OR IMPROVED WITH CDBG FUNDS:

Pursuant to 24 CFR 570.489, the Grantee shall ensure that CDBG-assisted assets or facilities are used in a manner that complies with the Grantee's approved Project for a five-year period, or until Grantee is issued a Certificate of Completion by the State. Grantee shall ensure that any subrecipient complies with the use requirements of the CDBG program. In the event the Grantee or its lessee or subrecipient fails to comply with the prescribed use requirements, the State shall request reimbursement of the current fair market value of the property less any portion of value attributable to non-CDBG funds pursuant to 24 CFR 570.503(b)(7)(i) and 24 CFR 570.489.

#### **C. INSURANCE COVERAGE FOR CDBG-ASSISTED FACILITIES AND ASSETS:**

1. For all projects for which the State provides CDBG funds for the acquisition, construction or rehabilitation of improvements to real property and fire safety vehicles, the Grantee shall maintain property damage, comprehensive, and liability insurance in an amount equal to the replacement cost of such property improvements or vehicle(s). Such insurance coverage shall be carried by the Grantee, at the Grantee or subrecipient's (if applicable) expense during the term of this Grant Agreement and until the State issues a Certificate of Completion for the Project.
2. The Grantee shall be named as the loss payee of all such policies of insurance coverage. The Grantee shall maintain proof of such insurance coverage in its files for purpose of audit by the State or its representatives for the five year period following the date of issuance of a Certificate of Completion to the Grantee by the State respective to this Project. The Grantee shall ensure that the minimum level of such coverage is equivalent to the State's financial interest in the CDBG-assisted property

#### **D. ASSIGNMENT OR LIENS AGAINST CDBG-ASSISTED FACILITIES AND ASSETS:**

The Grantee, its lessees and its subrecipient(s) shall not assign, pledge, or otherwise encumber the Grantee's interest in the CDBG-assisted facilities or assets without the prior written consent of the State. Grantee's lessees or subrecipient(s) shall not pledge or mortgage the CDBG-assisted facilities or assets as collateral for loans without the prior written consent of the both the Grantee and the State. Grantee's lessees or subrecipient(s) shall cure and otherwise perfect all liens placed against the CDBG-assisted facilities or assets.

#### **E. DEADLINE AND REQUIREMENTS FOR RELEASE OF CDBG GRANT FUNDS:**

All materials listed below must meet with the approval of the State and must be submitted to the State in time to allow a **"Notice of Release of Funds and Authorization to Incur Costs"** to be issued by the State to the Grantee not later than **5/31/2023**. Failure to complete and submit these documents in a timely manner or by the deadline set forth herein shall result in the issuance of a Termination Notice pursuant to paragraph 19 of this Grant Agreement.

Activities/documentation required to secure a **"Notice of Release of Funds and Authorization to Incur Costs"** are as follows:

1. **Project Financing:** Grantee must submit to the State information sufficient to document that Grantee has secured all necessary funding to fully implement the Project
2. **Procurement of Grant-Related Services:** Grantee shall procure all necessary architectural, engineering, environmental, legal, administrative and other required professional or consultative services using procurement methods prescribed by applicable federal and state procurement statutes and regulations
3. **Environmental Review:** Pursuant to 24 CFR 58 the Grantee shall complete the necessary assessment of environmental impact of the Project and shall complete an Environmental Review Record for the Project. Upon satisfactory completion of the State's environmental review process pursuant to 24 CFR Part 58, State shall issue to Grantee a **"Notice of Removal of Environmental Conditions"**. The Grantee must complete the CDBG Environmental Review process in sufficient time to allow the State to issue a **"Notice of Removal of Environmental Conditions"** not later than **11/30/2022**.
4. **Architectural/Engineering Documents** (as applicable): The Grantee shall ensure that all project-related preliminary and final architectural and engineering services are completed. Such services shall include the completion of architectural and engineering plans and construction specifications necessary to accomplish public bidding requirements of Indiana Code Titles 5 and 36.
5. **Permits:** The Grantee must secure all necessary permits from federal, state and local authorities.
6. **Site Control Evidentiary Documents:** Interests in real property are to be acquired in accordance with the federal Uniform Relocation and Acquisitions Policies Act of 1970, as amended (42 U.S.C. 4601-4655, the "URA") and 24 CFR 570.606:
  - a. "Acquisition Questionnaire" (if applicable) in the form prescribed by the State respective to each parcel of, or interest in, real property;
  - b. Certification by Grantee's legal counsel that applicable title searches and title opinions have been completed and all applicable parcels or interests in real property are unencumbered to the extent that the same may be dedicated to the Grantee's Project by the owner(s) of record
  - c. Documentation that the owner(s) of record of each parcel, easement or other interest has been furnished with the required HUD-1041-CPD brochure entitled

“When A Public Agency Acquires Your Property” prior to the beginning of acquisition negotiations;

- d. Documentation that the owner(s) of record of each parcel, easement or other interest has been afforded, in writing, the opportunity to accompany the appraiser during the appraisal process for their property;
  - e. Documentation as to written professional market estimates of the value of real property interests where the value of such interest is less than \$10,000;
  - f. Documentation of all fee and review appraisals conducted respective to each parcel interest in real property;
  - g. Where applicable, copies of all written waiver of rights under the URA;
  - h. Copies of all options, easement and purchase agreements completed and fully-executed by owner(s) of record; and,
  - i. Documentation of recording of all of Grantee's interests in real property under the Project in the Office of the Recorder of the applicable county
7. **Insurance Documents:** Grantee must provide proof of property damage and comprehensive liability insurance coverage as set forth in Paragraph 3 of this exhibit.
8. **Public Bidding Evidentiary Documents:** Grantee must submit to the State for examination the following bid-related documents no later than **3/31/2023**:
- a. Bid specifications and related documents certified by an Architect or Professional Engineer licensed in Indiana which reflect inclusion of the required federal contracting language, and applicable federal wage decision issued by the US Department of Labor to State and Grantee for Grantee's CDBG Program;
  - b. Publishers' Affidavit(s) for all public bid advertisements conducted in accordance with IC 5-3-1;
  - c. Bid tabulation certified by the Grantee's Architect or Professional Engineer; and,
  - d. Documentation as to proposed construction schedule, as applicable.



9. **Other Evidentiary Documents:** Grantee must submit to the State the following documents prior to issuance a **“Notice of Release of Funds and Authorization to Incur Costs”**:
- a. Copy of Grantee's Fair Housing Ordinance or Resolution by the Grantee's governing body, outlining measures to ensure compliance with federal and state fair housing statutes;
  - b. (2) Written notification of Grantee's designated Labor Standards Officer under this Grant Agreement who will administer compliance with federal labor standards statutes and regulations;
  - c. (3) Written notification of Grantee's designated Civil Rights Officer under this Grant Agreement who will administer compliance with federal and state civil rights statutes and regulations;
  - d. (4) If applicable, the Grantee must submit a copy of all leases, cooperative or subrecipient agreements with participating nonprofit agencies or other units of local government, respective to this Grant Agreement (Refer to **Exhibit E**).
  - e. (5) Written plan by Grantee as to its procedures for monitoring the activities and performance of subrecipients or lessees, where applicable.

#### **F. INDIRECT COST RATE FOR FEDERAL AWARD:**

1. Indirect Cost Rate. According to 2 CFR 200.414(f), the Recipient may charge a de minimis rate of 10% of modified total direct costs (MTDC). As described in 2 CFR 200.403, Factors affecting allowability of costs, costs must be consistently charged as either indirect or direct costs, but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as the Recipient chooses to negotiate a rate, which the Recipient may apply to do at any time.

A proposal to establish a cost allocation plan or an indirect (F&A) cost rate, whether submitted to a Federal cognizant agency for indirect costs or maintained on file by the Recipient, must be certified by the Recipient using the Certificate of Cost Allocation Plan or Certificate of Indirect Costs as set forth in Appendices III through VII, and Appendix IX in 2 CFR part 200. The certificate must be signed on behalf of the Recipient by an individual at a level no lower than vice president or chief financial officer of the Recipient.

### **EXHIBIT E**

#### **SUBRECIPIENT REQUIREMENTS AND REPORTING**

##### **A. REQUIREMENTS FOR LEASE OR SUBRECIPIENT AGREEMENTS**

1. Where Grantee has applied for CDBG funds on behalf of another entity, the Grantee and Grantee's lessee(s) and/or subrecipient(s) shall execute a written Lease Agreement or Subrecipient Agreement in a form approved, in writing, by the State. Such lease or subrecipient

agreement shall include all applicable requirements of the Act and applicable CDBG-related regulations promulgated by HUD, and shall include the following regulatory provisions:

24 CFR 570.483: Criteria for CDBG National Objectives

24 CFR 570.489: CDBG Program Administrative Requirements

24 CFR 570.488 & 570.606: Applicability of Uniform Administrative Requirements

24 CFR 570.503 & 570.502 (b): Agreements with Subrecipients

24 CFR 570.489(e): CDBG Program Income Requirements

24 CFR 570.489: Use of CDBG-Assisted Real Property

24 CFR 570.490: Records to be Maintained

2. The Grantee shall require each lessee or subrecipient to maintain records in accordance with requirements prescribed by the State or the Grantee. Such records shall be maintained until the State notifies Grantee in writing that HUD has closed out the grant to the State.

3. The Grantee shall require all lessees and subrecipients to comply with the record keeping, reporting and auditing requirements prescribed by 2 C.F.R. 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements) for all CDBG-activities.

4. All Grantees with Subrecipients having an interest in CDBG-assisted property must record a signed Office of Community and Rural Affairs Subrecipient Agreement with the County Recorder for the county in which the project is located.

## **B. REPORTING**

The Grantee shall require the lessee or subrecipient to submit the following reports to Grantee:

1. Semi-Annual progress reports for the period January 1 - June 30 is due no later than July 31. For the period of July 1 - December 31, the report is due no later than January 31. Such reports outlining activities undertaken during the quarter toward completion of the Project and the progress in meeting the prescribed CDBG national objective of the Project;
2. Semi-Annual financial statements due by the 15th day following the end of each calendar quarter, such reports detailing all revenues and expenses applicable to the Project during the quarter;
3. A report at the conclusion of the Project which summarizes the successes or failures of the assisted activity, and the level of attainment respective to the CDBG national objective of the Project.

These reports shall be submitted by the lessee or subrecipient until the Grantee is issued a Certificate of Completion for the Project by the State.

All Grantees and subrecipients must jointly submit to the State semiannual subrecipient reports, using the form prescribed by the State. All such subrecipient reports must be submitted by July 31 and January 31 of each year, for the preceding six-month period, until the issuance of a "Certificate of Project Completion" by the State to the Grantee.

## **EXHIBIT F**

### **ECONOMIC OPPORTUNITIES FOR LOW AND VERY LOW INCOME PERSONS UNDER THE HOUSING AND URBAN DEVELOPMENT ACT**

Grantee understands and agrees to comply with Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) and 24 CFR 135.38 ("Section 3") for the Project carried out under this Grant Agreement. Section 3 establishes requirements for creating economic opportunities for low and very low income persons in connection with certain HUD funded projects.

All contractors and subcontractors for non-professional services working on this Project must also comply with Section 3. Grantee agrees to ensure that all contractors and subcontractors for non-professional services shall have the following addendum inserted in to their contract with Grantee:

"Addendum to Contract dated \_\_\_\_\_, 20\_\_\_\_\_, between \_\_\_\_\_(Grantee), and \_\_\_\_\_(Contractor),  
(Collectively, "The Parties").

1. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u ("Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing. Upon request by contractor, the Grantee shall furnish to contractor a verbatim copy of 24 Code of the Federal Register (CFR), Subchapter B – Employment and Business Opportunity, Subparts A through E contractor's use in compliance by contractor and his/her subcontractors with applicable requirements of 24 CFR part 135.

2. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Section 3 regulations.

3. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for

each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

4. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

5. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

6. Noncompliance with HUD's regulations in 24 CFR part 135 may result in remedies, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b)."