

**ASSISTANCE AGREEMENT
BETWEEN
THE STATE OF CONNECTICUT
AND
THE Town OF GRANTEE UNDER THE
SMALL CITIES / COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

This Assistance Agreement (the "**Agreement**") is entered into by and between the **State of Connecticut**, hereinafter referred to as the "**State**", acting herein by its Department of Housing ("**DOH**"), acting herein by Evonne M. Klein, its Commissioner of Housing ("**Commissioner**"), pursuant to section 8-206 of the Connecticut General Statutes ("**CGS**") as amended by section 2 of Public Act 13-234, Title I of the Housing and Community Development Act of 1974, 42 U.S.C. § 5301, et seq., as amended, 24 CFR Part 570 of the regulations of the United States Department of Housing and Urban Development, and the **Town of GRANTEE**, a political subdivision of the State, hereinafter referred to as the "**Municipality**", acting herein by its Mayor, duly authorized.

WITNESSETH THAT:

WHEREAS, the State has applied for and received from the Secretary (the "**Secretary**") of the United States Department of Housing and Urban Development ("**HUD**") Small Cities Community Development Block Grant ("**CDBG**") funds pursuant to Title I of the Housing and Community Development Act of 1974, 42 U.S.C. § 5301, et seq., as amended, and administered by the State through DOH as the Connecticut Small Cities Community Development Block Grant Program (hereinafter, the "**Small Cities Program**"); and

WHEREAS, the Municipality has submitted to the State an application ("**Application**") for a grant to implement and carry out an eligible activity under the Small Cities Program for a **Public Housing Modernization** (the "**Project/program**");

WHEREAS, the Municipality acknowledges that it has previously received a copy or can obtain a copy on the Department of Housing's website of the Small Cities Program Grant Management Manual (the "**Manual**"), which describes the guidelines and requirements of the Small Cities Program;

WHEREAS, the Municipality acknowledges that it has previously received a copy or can obtain a copy on the Department of Housing's website of the most recent Small Cities CDBG Application Handbook (the "**Handbook**"), which provides guidance in completing the Small Cities Program funding application;

WHEREAS, the Municipality will carry out the Project in accordance with the requirements of the Small Cities Program, including 24 CFR Part 570, which are incorporated by reference and made a part hereof; and

WHEREAS, in reliance upon the information submitted by the Municipality in its Application, which is incorporated herein by reference and made a part hereof, the State is willing to make a grant to the Municipality utilizing Small Cities Program funds through periodic disbursements for the intended uses and purposes of the Project, subject to compliance with and satisfaction of the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual obligations, covenants, and promises of the parties herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Municipality and the State agree as follows:

**ARTICLE 1
THE GRANT**

1.1 The State agrees to make a grant to the Municipality in an amount of **Eight Hundred Thousand Dollars/\$800000.00** (the “**Grant**”).

1.2 From time to time the State will disburse to the Municipality such portions of the Grant as shall be required under the Small Cities Program and pursuant to the limitations set out in **Appendix I**, Project Schedule, subject to the following conditions:

- (a) The Municipality shall requisition funds on account of the Grant by filing with the State, on forms prescribed, a written requisition which shall describe in detail the Project cost items for which such funds will be used.
- (b) As part of said requisition, the Municipality will file with the State a written statement demonstrating to the State's satisfaction that the requisitioned funds are then presently needed for Project cost items and will be expended within three (3)fifteen (15) calendar days of their receipt from the State and deposited in the ACH account and that the amounts so requisitioned for such Project cost items are reasonable and that such items are complete, and inspected by appropriate authorities.
- (c) Upon request by the State, the Municipality will demonstrate to the State's satisfaction that the Municipality has complied with any particular provision or provisions of this Agreement.

1.3 Funds made available by the State to the Municipality pursuant to section 1.2 are received from the United States Department of the Treasury and, as such, the State has no control over their timely receipt. The State agrees to take all actions required to secure these funds; however, delays resulting from action or inaction by United States Government in making these funds available to the State are beyond the State's control and no liability shall attach for any such delays.

1.4 The Municipality will comply with all pertinent provisions of local, State, and Federal law in administering and executing the Project. Further, the Municipality will carry out the Project with all practicable dispatch in a sound, economical, and efficient manner in accordance with the Project Financing Plan and Budget as more fully described in Article 2 below, its Application, and with this Agreement.

1.5 The Handbook and Manual, both of which may be revised from time to time by the State, are incorporated herein by reference as if both were fully set forth herein and the Municipality hereby acknowledges that it shall be bound by the provisions contained in the Handbook and Manual. In the event of a conflict between either the Handbook and the Manual and this Agreement, this Agreement shall govern unless the Commissioner provides in writing the resolution of the conflict.

ARTICLE 2
FISCAL MANAGEMENT AND AUDIT

2.1 The Municipality will establish and maintain in a bank or banks, an account that shall hereinafter be referred to as the "**Project Expenditures Account**". Such account shall be a non-interest bearing account.

2.2 Immediately upon the establishment of a Project Expenditures Account, the Municipality will provide current, verifiable bank account information for the Project Expenditures Account to the Office of the State Comptroller ("**OSC**") by submitting a completed Electronic Funds Transfer (EFT) Automated Clearing Housing (ACH) Form, available at <http://www.osc.ct.gov/apd/eftprogram/index.html>, and such additional information as the OSC may require.

2.3 The Municipality will deposit in its Project Expenditures Account all Grant funds received by the Municipality and no other funds.

2.4 The Municipality will not draw or permit to be drawn, or encumber or permit to be encumbered in any way, any funds in any Project Expenditures Account except for the purpose of paying a Project cost item which appears in the Project budget. Said budget is entitled "**Financing Plan and Budget**" and is attached hereto as **Appendix II**, which may be amended by request of the Applicant if such request is approved in writing by the Commissioner or her designee. The Financing Plan and Budget most recently approved by the Commissioner or her designee shall constitute the budget for the Project. Approval by the Commissioner or his/her designee of any revised Financing Plan and Budget shall not constitute or imply a revision of the amount of the Grant.

2.5 No check, draft, or order shall be drawn by the Municipality upon the Project Expenditures Account unless a signed voucher setting forth in detail the purpose for which such check, draft, or order is to be drawn has been filed with the fiscal officer of the Municipality who is responsible for the issuance of such check, draft, or order.

2.6 All paid checks, drafts and orders drawn upon the Project Expenditures Account, and all vouchers relating to such checks, drafts and orders shall be safely stored by the Municipality and shall be made available to the State for inspection while this Agreement is in effect and for a period of six (6) years after the last payment by the State on account of the Grant provided for in Article I hereof or until the Project has been audited to the satisfaction of the State and a Certificate of Completion has been issued.

2.7 Immediately upon the establishment by the Municipality of a Project Expenditures Account, the Municipality will execute an agreement with the State and with the bank or banks in which such account has been established on a form to be prescribed, which agreement will grant to the Commissioner the right to order such bank or banks not to honor checks, drafts, or other orders drawn on such account until further notice from the State and the right to withdraw funds from such account to be used by the State to pay any proper charge of the Project, or to return such funds to the State.

2.8 In the management of funds received under this contract, the Municipality shall comply with the Federal requirements as contained in 2 CFR Part 225 - See 70 FR 168, August 31, 2005 "Cost Principles for State, Local, and Indian Tribal Governments," 2 CFR Part 200, Uniform Administrative Requirements, Cost Principle, and Audit Requirements for Federal Awards and OMB Circular No. A-133, "Audits of States, Local Governments and Non-Profit Organizations". In assuring compliance with the foregoing, it is understood that the Commissioner shall have all of the rights granted to the Federal Government by the OMB Circular and 2 CFR Part 200.

2.9 The Municipality shall provide for an annual audit acceptable to the State, in accordance with the provisions of OMB Circular A-133 and 2 CFR § 200.501 pursuant to the Single Audit Act of 1984, P.L. 98-502, and CGS § 7-396a. Small Cities Program funds may be used to pay for the portion of the audit that applies to use of Small Cities Program funds. Three copies of the audit must be submitted to DOH no later than thirty (30) days after completion of the audit or nine (9) months after the end of the fiscal year, whichever comes first. The State Auditors of Public Accounts shall have access to all records and accounts for the fiscal year(s) in which the award was made. The contractor will comply with federal and state Single Audit standards as applicable.

ARTICLE 3 PROGRAM INCOME

3.1 For the purposes of this Agreement, "Program income" is as defined in 24 CFR Part 570.489(e)¹. Additionally, Program Income is the amount of revenue received in a single program year which is greater than or equal to \$35,000. If the \$35,000 threshold is not reached in a single program year, then such amount which is less than \$35,000 shall be classified as "**Miscellaneous Revenue**". Pursuant to 24 CFR Part 570.489(e)(2)(i), all funds received from revolving loan funds are considered Program income, regardless of amount. It is the policy of DOH that funds provided under the Small Cities Program for housing rehabilitation program activities are considered "revolving loan funds" or "revolving funds", as such term is described in 24 CFR Part 570.489(f). Program Income, which has been derived from eligible activities funded with Small Cities Program funds, may only be used for eligible Small Cities Program activities and in accordance with the provisions of Title I of the Housing and Community Development Act of 1974, as amended, 24 CFR Part 570.489(e), and the Manual.

3.2 Unless the Municipality has an approved Program Income Reuse Plan on file with the State, the Municipality must return all Program Income to the State. A Program Income Reuse Plan must be on file or submitted to the State prior to the use of said funds. The Program Income Reuse Plan must have been approved on both the State and local levels in compliance with all applicable requirements, including, without limitation, the requisite public hearing(s) prior to its being filed with the State. If the Municipality has an approved Program Income Reuse Plan on file with the State, it has the option of retaining the Program Income and expending it in accordance with the Small Cities Program Income Guidelines and in accordance with requirements of the approved Program Income Reuse Plan; however, the Municipality must substantially expend its Program Income by the end of the Program Year, as defined in section 13.14 below. Accordingly, the State will consider a Program Income balance of \$35,000 or less at the end of the Program Year to be substantially expended. A Municipality is prohibited from accumulating excessive amounts of Program Income. Excessive amount shall mean a balance equal to or greater than \$25,001 which shall have been accumulated in a single Program Year. In accordance with the provisions of 24 CFR Part 570.504, the Municipality will be required to disburse its Program Income prior to requesting additional funds or drawdowns. Notwithstanding the foregoing, program income in the form of repayments to, or interest earned on a revolving loan fund as defined in 24 CFR Part 570.500(b) is not required to be expended for activities other than a revolving loan fund prior to requesting additional funds or drawdowns.

3.3 Any Program Income and Miscellaneous Revenue must be reported to the State in compliance with the provisions of the Manual as part of the overall reporting process.

¹ "Program income" is defined as gross income received by a state, a unit of general local government, or a subgrantee of the unit of general local government that was generated from the use of CDBG funds, regardless of when the CDBG funds were appropriated and whether the activity has been closed out, except as provided in paragraph (e)(2) of 24 CFR Part 570.489. When income is generated by an activity that is only partially assisted with CDBG funds, the income must be prorated to reflect the percentage of CDBG funds used (e.g., a single loan supported by CDBG funds and other funds; or a single parcel of land purchased with CDBG funds and other funds). See 24 CFR Part 570.489(e) for the complete definition of Program income.

ARTICLE 4
AUDIT AND INSPECTION

4.1 Audit and Inspection of Plants, Places of Business and Records.

- (a) The State and its agents, including, but not limited to, the Connecticut Auditors of Public Accounts, Attorney General and State's Attorney and their respective agents, may, at reasonable hours, inspect and examine all of the parts of the and Municipality Parties' plants and places of business which, in any way, are related to, or involved in, the performance of this Agreement.
- (b) The Municipality shall maintain, and shall require each of the Municipality Parties to maintain, accurate and complete Records. The Municipality shall make all of its and the Municipality Parties' Records available at all reasonable hours for audit and inspection by the State and its agents.
- (c) The State shall make all requests for any audit or inspection in writing and shall provide the Municipality with at least twenty-four (24) hours' notice prior to the requested audit and inspection date. If the State suspects fraud or other abuse, or in the event of an emergency, the State is not obligated to provide any prior notice.
- (d) All audits and inspections shall be at the State's expense.
- (e) In compliance with the provisions of 24 CFR Part 570.502, the Municipality shall keep and preserve or cause to be kept and preserved all of its and Municipality Parties' Records until three (3) years after the State closes its grant year with HUD. The State shall provide notice to the Contractor that indicates when certain records are no longer required to be kept and preserved. The State may request an audit or inspection at any time during this period. If any Claim or audit is started before the expiration of this period, the Municipality shall retain or cause to be retained all Records until all Claims or audit findings have been resolved.
- (f) The Municipality shall cooperate fully with the State and its agents in connection with an audit or inspection. Following any audit or inspection, the State may conduct and the Municipality shall cooperate with an exit conference.
- (g) The Municipality shall incorporate this entire Section verbatim into any contract or other agreement that it enters into with any Municipality Party.
- (h) At such time as the State shall determine, the Municipality will submit to the State progress and status reports relating to the Project in the form prescribed. Failure to submit such reports by the date required may cause the State to withhold payment of requested funds.

4.2 As used in this Agreement, the term "Municipality Parties" means assistance agreement between the state of connecticut, Municipality's members, directors, officers, shareholders, partners, managers, principal officers, representatives, agents, servants, consultants, employees or any one of them or any other person or entity with whom the Grantee is in privity of oral or written contract and the Municipality intends for such other person or entity to perform under the Agreement in any capacity.

4.3 As used in this Agreement, the term "Records" means all working papers and such other information and materials as may have been accumulated by the Municipality in performing the Agreement, including but not limited to, documents, data, plans, books, computations, drawings, specifications, notes, reports, records, estimates, summaries, memoranda and correspondence, kept or stored in any form.

4.4 As used in this Agreement, the term "Claims" means all actions, suits, claims, demands, investigations and proceedings of any kind, open, pending or threatened, whether mature, unmatured, contingent, known or unknown, at law or in equity, in any forum.

ARTICLE 5
NONDISCRIMINATION

5.1 For purposes of Article 5 of this Agreement, "**Commission**" means the Connecticut Commission on Human Rights and Opportunities, "**Contract**" and "**contract**" mean the Agreement and includes any extension or modification of the contract, "**Contractor**" means the Municipality, including any successors or assigns, "**gender identity or expression**" means a person's gender-related identity, appearance or behavior, whether or not that gender-related identity, appearance or behavior is different from that traditionally associated with the person's physiology or assigned sex at birth, which gender-related identity can be shown by providing evidence including, but not limited to, medical history, care or treatment of the gender-related identity, consistent and uniform assertion of the gender-related identity or any other evidence that the gender-related identity is sincerely held, part of a person's core identity or not being asserted for an improper purpose, "**good faith**" means that degree of diligence which a reasonable person would exercise in the performance of legal duties and obligations. "**Good faith efforts**" shall include, but not be limited to, those reasonable initial efforts necessary to comply with statutory or regulatory requirements and additional or substituted efforts when it is determined that such initial efforts will not be sufficient to comply with such requirements, "**Intellectual disability**" means a significant limitation in intellectual functioning and deficits in adaptive behavior that originated during the developmental period before eighteen years of age, "**marital status**" means being single, married as recognized by the State of Connecticut, widowed, separated or divorced, "**mental disability**" means one or more mental disorders, as defined in the most recent edition of the American Psychiatric Association's "Diagnostic and Statistical Manual of Mental Disorders", or a record of or regarding a person as having one or more such disorders, "**minority business enterprise**" means any small contractor or supplier of materials fifty-one percent or more of the capital stock, if any, or assets of which is owned by a person or persons: (1) who are active in the daily affairs of the enterprise, (2) who have the power to direct the management and policies of the enterprise and (3) who are members of a minority, as such term is defined in subsection (a) of CGS § 32-9n and "**public works contract**" means any agreement between any individual, firm or corporation and the State or any political subdivision of the State other than a municipality for construction, rehabilitation, conversion, extension, demolition or repair of a public building, highway or other changes or improvements in real property, or which is financed in whole or in part by the State, including, but not limited to, matching expenditures, grants, loans, insurance or guarantees. For purposes of this Article 5, the terms "**Contract**" and "**contract**" do not include a contract where each contractor is: (i) a political subdivision of the State, including, but not limited to, a municipality; (ii) a quasi-public agency, as defined in CGS § 1-120; (iii) any other state, including but not limited to any federally recognized Indian tribal governments, as defined in CGS § 1-267; (iv) the federal government; (v) a foreign government; or (vi) an agency of a subdivision, agency, state or government described in the immediately preceding enumerated items (i), (ii), (iii), (iv) or (v).

5.2 (a) The Contractor agrees and warrants that in the performance of the contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved, in any manner prohibited by the laws of the United States or of the State of Connecticut. The Contractor further agrees to take affirmative action to insure that applicants with job related qualifications are employed and that employees are treated when employed without regard to their race, color, religious creed, age, marital status, national origin, ancestry, sex, gender identity or expression, Intellectual disability, mental disability or physical disability, including, but not limited to, blindness, unless it is shown by such Contractor that such disability prevents performance of the work involved.

(b) The Contractor agrees, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, to state that it is an "affirmative action-equal opportunity employer" in accordance with regulations adopted by the Commission.

(c) The Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the Contractor's commitments under this section, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

(d) The Contractor agrees to comply with each provision of CGS §§ 4a-60, 46a-68e and 46a-68f and with each regulation or relevant order issued by said Commission pursuant to CGS §§ 46a-56, 46a-68e, 46a-68f and 46a-86.

(e) The Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor as relate to the provisions of CGS §§ 4a-60 and 46a-56.

(f) Contractor agrees and warrants that in the performance of the contract such Contractor will not discriminate or permit discrimination against any person or group of persons on the grounds of sexual orientation, in any manner prohibited by the laws of the United States or of the State of Connecticut, and that employees are treated when employed without regard to their sexual orientation.

(g) Contractor agrees to provide each labor union or representative of workers with which such Contractor has a collective bargaining agreement or other contract or understanding and each vendor with which such Contractor has a contract or understanding, a notice to be provided by the Commission advising the labor union or workers' representative of the Contractor's commitments under CGS § 4a-60, and to post copies of the notice in conspicuous places available to employees and applicants for employment.

(h) The Contractor agrees to comply with each provision of CGS § 4a-60 and with each regulation or relevant order issued by said Commission pursuant to CGS § 46a-56.

(i) The Contractor agrees to provide the Commission with such information requested by the Commission, and permit access to pertinent books, records and accounts, concerning the employment practices and procedures of the Contractor which relate to the provisions of this section and CGS §§ 4a-60a and 46a-56.

If the contract is a public works contract, the Contractor agrees and warrants that he or she will make good faith efforts to employ Minority business enterprises as subcontractors and suppliers of materials on such public works project.

Determination of the Contractor's good faith efforts shall include but shall not be limited to the following factors: The Contractor's employment and subcontracting policies, patterns and practices; affirmative advertising, recruitment and training; technical assistance activities and such other reasonable activities or efforts as the Commission may prescribe that are designed to ensure the participation of Minority business enterprises in public works projects. The Contractor shall develop and maintain adequate documentation, in a manner prescribed by the Commission, of its good faith efforts.

The Contractor shall include the provisions of subsections (a) through (i) of this section 5.2 in every subcontract or purchase order entered into in order to fulfill any obligation of a contract with the and such provisions shall be binding on a subcontractor, vendor or manufacturer unless exempted by regulations or orders of the Commission. The Contractor shall take such action with respect to any such subcontract or purchase order as the Commission may direct as a means of enforcing such

provisions including sanctions for noncompliance in accordance with CGS §46a-56; provided if such Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Commission, the Contractor may request the State enter into any such litigation or negotiation prior thereto to protect the interests of the State and the State may so enter.

The Contractor agrees to comply with the statutes, regulations, and other legal requirements referred to in this section 5.2 as they exist on the date of this Contract and as they may be adopted or amended from time to time during the term of the Contract and any amendments thereto.

5.3 Executive Orders. This Agreement is subject to the provisions of Executive Order No. Three of Governor Thomas J. Meskill, promulgated June 16, 1971, concerning labor employment practices, Executive Order No. Seventeen of Governor Thomas J. Meskill, promulgated February 15, 1973, concerning the listing of employment openings and Executive Order No. Sixteen of Governor John G. Rowland promulgated August 4, 1999, concerning violence in the workplace, all of which are incorporated into and are made a part of the Agreement as if they had been fully set forth in it. The Agreement may also be subject to Executive Order No. 14 of Governor M. Jodi Rell, promulgated April 17, 2006, concerning procurement of cleaning products and services, and Executive Order No. 49 of Governor Dannel P. Malloy, promulgated May 22, 2015, mandating disclosure of certain gifts to public employees and contributions to certain candidates for office in accordance with their respective terms and conditions. If Executive Orders 14 and 49 are applicable, they are deemed to be incorporated into and are made a part of the Agreement as if they had been fully set forth in it. At the Municipality's request, DOH shall provide a copy of these orders to the Municipality.

5.4 Federal Executive Order 11246. Federally assisted construction contracts subject to Federal Executive Order 11246, as amended, shall be subject to the implementing regulations at 41 CFR Chapter 60 ("E.O. 11246"). The Municipality shall cause or require to be inserted in full in any nonexempt contract and subcontract for construction work, or modification thereof, as defined in said regulations, which is paid for in whole or in part with assistance provided under this contract, the following equal opportunity clause:

"During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, creed or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertisement; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, and to make available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, creed or national origin.

(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer, advising the labor union or workers' representatives of the contractor's commitments under Section 202 of Executive Order No. 11246 of Sept. 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The contractor will comply with all provisions of [Federal] Executive Order 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the [United States] Secretary of Labor.

(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of Sept. 24, 1965 and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further [United States] Government contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The contractor will include the provision of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the [United States] Secretary of Labor issued pursuant to section 204 of Executive Order 11246 of Sept. 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interest of the United States."

Except in contracts exempted in accordance with section 204 of E.O. 11246, the Municipality further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work.

The Municipality agrees that it will assist and cooperate actively with the Commissioner, HUD, and the United States Secretary of Labor, hereinafter referred to as the "**Secretary**", in obtaining the compliance of Contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary; that it will furnish the Commissioner, HUD, and the Secretary such information as they may require for the supervision of such compliance; and that it will otherwise assist the Commissioner or HUD in the discharge of its primary responsibility for securing compliance.

The Municipality further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order No. 11246 of Sept. 24, 1965 with a Contractor debarred from, or who has not demonstrated eligibility for, United States Government contracts and federally assisted construction contracts pursuant to Executive Order No. 11246 of Sept. 24, 1965 and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon Contractors and subcontractors by the Commissioner, HUD, or the Secretary pursuant to Part II, Subpart D of Executive Order No. 11246 of Sept. 24, 1965. In addition, the Municipality agrees that if it fails or refuses to comply with these undertakings, the Commissioner or HUD may take the following actions: cancel, terminate, or suspend in whole or in part the Grant; refrain from extending any further assistance to the Municipality under the Project with respect to which the failure or refusal occurred until satisfactory

assurance of future compliance has been received from the Municipality; and refer the case to the United States Department of Justice for appropriate legal proceedings.

ARTICLE 6 LABOR PROVISIONS

6.1 Except for housing rehabilitation projects on buildings designed to contain fewer than eight (8) units, each construction contract let by the Municipality pursuant to this Project shall comply with the governing federal labor standards and regulations as set forth in 29 CFR, Parts 1, 3, 5 and 7, and any applicable provisions of CGS § 31-53. As such, the Municipality will comply with all State and Federal requirements pursuant to:

- (a) Prevailing Wage Rates;
- (b) Submittal of payrolls and related reports;
- (c) Disputes concerning wage rates and classification of labor;
- (d) Wage claims and adjustments;
- (e) Contract work hours and safety standards act overtime compensation;
- (f) Termination; debarment; subcontractors; and
- (g) Evidence of completion.

6.2 No contract award under this Agreement shall be made to any contractor who is at the time ineligible under the provisions of any applicable regulations of the United States Department of Labor to receive an award of such contract.

6.3 This Agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. § 1701u), as amended (“**Section 3**”), the HUD regulations issued pursuant thereto at 24 CFR Part 135, and any applicable rules and orders of HUD issued thereunder prior to authorization of funding for this Project. The Municipality shall cause or require to be inserted in full in all Section 3 covered contracts and subcontracts for work financed in whole or in part with assistance provided under this contract, the following Section 3 clause set forth in HUD regulation 24 CFR 135.38:

“A. 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. section 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.

B. 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 part 135 regulations.

C. 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.

D. 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.

E. 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.

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

G. 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)."

ARTICLE 7 LAND PROVISIONS

7.1 The Municipality will take all reasonable steps to assure that real property in the Project will not be acquired by it as a part of the Project at excessive prices, and to prevent any speculation in the holding of any such real property.

7.2 The Municipality will cause to be duly recorded in accordance with applicable local law all instruments which should be recorded in order to fully protect all of its rights, title, and interest in and to any real property in the Project area.

7.3 The Municipality will take all necessary steps to remove or abrogate any and all legally enforceable provisions in any and all agreements, leases, conveyances, or other instruments restricting the sale, lease, or occupancy of any real property which the Municipality acquires as a part of the Project on the basis of race, religion, color, age, national origin, sex, gender identity or expression, mental retardation, marital status, mental disability, or physical disability.

7.4 This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and CGS § 4a-60 and HUD and State regulations with respect thereto, including the regulations under 24 CFR Part I. In the sale, lease or other transfer of land acquired, cleared, or improved with assistance provided under this contract, the Municipality shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer, prohibiting discrimination upon the basis of race, color, religious creed, age, marital status, national origin, sex, mental retardation, mental disability, or physical disability in the sale, lease or rental, or in the use or occupancy of such land or any improvements erected or to be erected thereon, and providing that the Municipality, the State, and the United States are beneficiaries of and entitled to enforce such covenant. The Municipality, in undertaking its obligation in carrying out the Project assisted hereunder, agrees to take such measures as are necessary to enforce such covenant and will not itself so discriminate.

7.5 The Municipality will not sell, mortgage, lease, or otherwise dispose of or encumber any of the real property that is held by it as a part of the Project, except in accordance with the approved Proposal.

7.6 From time to time the Municipality will duly pay and discharge or cause to be paid and discharged when the same become due all taxes, assessments, and other governmental charges which are lawfully imposed upon any of the real property held by the Municipality as part of the Project or imposed upon income or profits derived by the Municipality from its temporary operation of the real property so held or from the ultimate disposition, by sale, lease, or retention, of said real property by the Municipality in carrying out the Project. The Municipality will also pay and discharge or cause to be paid and discharged any lawful claims for labor, materials, and supplies which, if unpaid, might by law become a lien or charge upon said real property in the Project Area or which claims might impair or otherwise affect adversely the accomplishment of the Project in accordance with the approved Proposal.

7.7 The Municipality will observe and conform to all valid requirements of any governmental authority relative to the real property, which is held by the Municipality as part of the Project, and all covenants, terms and conditions applicable to the real property so held.

7.8 The Municipality shall execute a use restriction in a form acceptable to the Commissioner, which shall obligate the Municipality, its successors, assigns, lessees or transferees, for the term of the restriction, to use the Project property only for the purposes set forth in its Financing Plan and Budget, its Application, and in conformance with federal regulations.

ARTICLE 8 PROCUREMENT

8.1 In accordance with the procurement requirements of 2 CFR Part 200, the Municipality will give opportunity for free, open, and competitive bidding for each contract to be let by it of more than \$100,000, calling for installation, construction, reconstruction, demolition, removal or site improvement work, or other similar work as a part of the Project. The Municipality will give such publicity to its advertisements or calls for bids for each such contract as will provide adequate competition. The award of each such contract, when made, will be made by the Municipality as soon as practicable to the lowest responsible bidder. In the selection of materials, equipment, or supplies for the Project, the Municipality may, in the interest of standardization or ultimate economy, award a contract to a responsible bidder other than the lowest in price if the advantage of such standardization or ultimate economy is clearly evident and an appropriate provision for such action is included by it in the proposed contract documents, upon which bids are invited.

8.2 In the procurement of consultants or other professional services, the Municipality shall follow the requirements of 2 CFR Part 200 under "competitive negotiation".

8.3 The Municipality and its sub grantees, if any, must take affirmative steps as stated in 2 CFR 200.321(b)(1) through (6) to ensure that small and minority firms and women’s business enterprises are used when possible.

8.4 The Municipality should refer to the Manual for additional information concerning procurement related to this Agreement.

**ARTICLE 9
COMPLIANCE WITH NATIONAL ENVIRONMENTAL POLICY ACT**

9.1 This Agreement is subject to the requirements of the National Environmental Policy Act of 1969 (P.L. 91-190, as amended), and the environmental review procedures for the Community Development Block Grant Program as set forth in 24 CFR Part 58 and § 104 (f) of Title I of the Housing and Community Development Act. As such, the Municipality shall:

- (a) Determine the need for an environmental review;
- (b) Conduct a formal environmental review of the Project’s environmental impact, if necessary, either through an Environmental Assessment or an Environmental Impact Statement;
- (c) Unless the Project is exempt, maintain a written document of the Project’s history;
- (d) Comply with procedures, standards, and guidelines contained in Federal Statutes and regulations; and
- (e) Follow required procedures in submitting a Request for Release of Funds (RROF) to the State and in seeking certifications.

**ARTICLE 10
LEAD-BASED PAINT**

10.1 The construction or rehabilitation of residential structures with assistance provided under this Agreement is subject to the final regulations “Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance,” Final Rule, 24 CFR Part 35 and the Environmental Protection Agency rules at 40 CFR Part 745: Lead-Based Paint Poisoning Prevention in Certain Residential Structures. Any grants or loans made by the Municipality for the rehabilitation of residential structures using the Grant provided under this Agreement shall be subject to said regulations. The Municipality shall be responsible for the notifications, inspections and clearances required thereunder, and shall maintain documentation of its compliance with the regulations.

**ARTICLE 11
RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN**

11.1 At the time that this Agreement is signed, the Municipality shall certify that it has in effect and is following a residential antidisplacement and relocation assistance plan and that it will minimize displacement of persons as a result of the Project. The Municipality shall comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as required under 24 CFR 570.606 and HUD implementing regulations at 24 CFR Part 42. The Municipality shall maintain records in sufficient detail to demonstrate its compliance with this section.

**ARTICLE 12
EVENTS OF DEFAULT; REMEDIES**

12.1 Each of the following shall constitute an “Event of Default” for purposes of this Agreement:

- (a) Except as otherwise provided herein, the failure of Municipality to punctually and properly perform any covenant, obligation or agreement contained in this Agreement or in any other document furnished by the Municipality to DOH in connection with the Project, and such failure shall continue and remain unremedied for a period of thirty (30) days after written notice thereof, provided however, that if such failure has not been remedied in such time, the Commissioner may grant the Municipality such additional time as he/she determines, in his/her sole discretion, in order to remedy such failure so long as the Municipality is diligently and in good faith pursuing such remedy;
- (b) The Municipality has made to the State any material misrepresentation in its Application or in any supplement thereto or amendment thereof, or in this Agreement, any modification hereof or on or with respect to any document furnished pursuant hereto;
- (c) The Municipality has not taken all proper steps necessary to the disposition of any pending litigation which could adversely affect the Project;
- (d) The Municipality has failed to comply with any provision of this Agreement;
- (e) The Municipality has abandoned or terminated the Project; or
- (f) The Municipality has filed, or has had filed against it, a petition of bankruptcy, insolvency or similar law, state or federal, or has filed any petition or answer consenting to or acquiescing in any such action, which petition shall not have been vacated within thirty (30) days; or has been adjudicated bankrupt or insolvent, under any present or future statute, law or regulation, state or federal, and such judgment or decree is not vacated or set aside within thirty (30) days.

12.2 Upon the happening of any one or more of the Events of Default, the Commissioner may, in her discretion, elect to do any or all of the following:

- (a) Terminate this Agreement;
- (b) Cause the State to withhold payment of requisitioned funds;
- (c) Require that all unexpended funds be returned to the State;
- (d) Declare the entire amount of the Grant to be immediately due and payable;
- (e) Pay any proper charge of the Project; or
- (f) Institute any action suit or other proceeding in law, in equity or otherwise which she deems necessary for the protection of the State’s interests.

12.3 In no event shall the making of any payment by the State on account of the Grant provided for herein constitute or be construed as a waiver by the State of any breach of this Agreement or Event of Default which may then exist on the part of the Municipality, nor shall it impair or prejudice the exercise of any right or remedy available to the State with respect to such breach or default.

12.4 Neither failure nor delay on the part of the State in exercising any right under this Agreement shall operate as a waiver of such right, nor shall any single or partial exercise of any such right preclude any further exercise thereof or the exercise of any other right. No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the Commissioner or his/her designee, and the same shall be effective only in the specific instance for which it is given.

12.5 The Municipality shall promptly give written notice to the State upon becoming aware of any Event of Default under this Agreement.

12.6 In addition to the rights and remedies granted to the State hereunder, the State shall have all other rights and remedies granted to it by law in the event of breach or Event of Default by the Municipality under the terms of this Agreement.

The remainder of this page was left blank intentionally

ARTICLE 13
MISCELLANEOUS PROVISIONS

13.1 The Municipality shall remain fully obligated under the provisions of this Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Project with respect to which assistance is being provided under this Agreement to the Municipality. Any grantee that is not the Municipality shall comply with all lawful requirements of the Municipality necessary to insure to the Municipality that the Project is carried out in accordance with the Municipality's Assurances and Certifications, including those with respect to the assumption of environmental responsibilities of the Municipality.

13.2 No member or Delegate to Congress of the United States, and no Resident Commissioner, shall be admitted to any share or part of this Agreement or to any benefit to arise from the same.

13.3 If any court shall hold a provision or provisions of this Agreement to be invalid, the remainder of this Agreement shall not be thereby affected if the Project can be effectively accomplished pursuant to the terms of such remainder.

13.4 The Municipality will adopt and enforce appropriate measures to assure that no member of its governing body and none of its officers or employees shall, prior to the completion of the Project, acquire or maintain any interest in any contract or proposed contract with the undertaking of the Project. The Commissioner may waive the requirements of this section upon the written request of the Municipality.

13.5 Nothing contained in this Agreement shall create or justify any claim against the State, its agencies or officers, by any person or entity whatsoever that is not party to this Agreement.

13.6 At its own expense the Municipality will protect, defend, indemnify and save harmless the State, its officers, agencies and employees from any suit or claim by any person or entity whatsoever not a party to this Agreement which arises from the Project or from this Agreement. This section shall survive termination of the Agreement and shall not be limited by reason of any insurance coverage.

13.7 The Municipality certifies that it will comply with the Fair Housing Act, 42 U.S.C. § 3601, et seq.

13.8 The Municipality hereby certifies that it will adopt and enforce a policy to prohibit the use of excessive force by law enforcement agencies within their jurisdiction against individuals engaged in nonviolent civil rights demonstration.

13.9 By execution of this Agreement, the Municipality hereby certifies that for all sub-grants, contracts and subcontracts exceeding \$100,000 of Small Cities Program funds:

- (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (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 Federal contract, grant, loan, or cooperative agreement, the Municipality shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- (c) The Municipality shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.
- (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 under the authority of 31 U.S.C. § 1352. 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.

13.10 The Municipality agrees that it will abide by the Local Assurances it made as part of its Application that are attached hereto as **Appendix III**.

13.11 The Municipality shall insure recognition of the role of HUD and DOH in providing funding under this Agreement, including erecting appropriate signs which shall conform to appropriate federal and State specifications. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Municipality shall include a reference to the support provided herein in all publications made possible with funds made available under this Agreement. Groundbreakings and similar events shall be scheduled in cooperation with DOH in order to provide the greatest opportunity for State participation in the event.

13.12 This Agreement shall become effective upon approval by the Attorney General, if such approval is required. This Agreement shall not bind the State until a fully executed copy has been delivered to the Municipality. If this Agreement is not required to be approved by the Attorney General the effective date shall be that date that the last party executed this Agreement.

13.13 This Agreement may be executed in counterparts, each of which shall be deemed an original.

13.14 "Program Year or "Fiscal Year" shall mean the year beginning July 1 and ending on June 30 of the following year.

13.15 Except to the extent preempted by applicable federal law, the laws of the State of Connecticut shall govern all aspects of this Agreement, including execution, interpretation, performance, and enforcement. The parties deem the Agreement to have been made in the City of Hartford, State of Connecticut. Both parties agree that it is fair and reasonable for the validity and construction of the Agreement to be, and it shall be, governed by the laws and court decisions of the State of Connecticut, without giving effect to its principles of conflicts of laws. To the extent that any immunities provided by Federal law or the laws of the State of Connecticut do not bar an action against the State, and to the extent that these courts are courts of competent jurisdiction, for the purpose of venue, the complaint shall be made returnable to the Judicial District of Hartford only or shall be brought in the United States District Court for the District of Connecticut only, and shall not be transferred to any other court, provided, however, that nothing here constitutes a waiver or compromise of the sovereign immunity of the State of Connecticut. The Municipality waives any objection which it may now have or will have to the laying of venue of any claims in any forum and further irrevocably submits to such jurisdiction in any suit, action or proceeding.

13.16 The parties acknowledge and agree that nothing in the Agreement shall be construed as a modification, compromise or waiver by the State of any rights or defenses of any immunities provided

by Federal law or the laws of the State of Connecticut to the State or any of its officers and employees, which they may have had, now have or will have with respect to all matters arising out of the Agreement. To the extent that this section conflicts with any other section, this section shall govern.

13.17 Indemnification.

(a) The Municipality shall indemnify, defend, and hold harmless the State, and officers, representatives, agents, servants, officials, employees, successors and assigns from and against any and all (1) Claims arising, directly or indirectly, in connection with this Agreement, including the acts of commission or omission (collectively, the "**Acts**") of Municipality and (2) liabilities, damages, losses, costs and expenses, including but not limited to, attorneys' and other professionals' fees, arising, directly or indirectly, in connection with Claims, Acts or this Agreement. Municipality shall use counsel reasonably acceptable to the State in carrying out its obligations under this section. The Municipality's obligations under this section to indemnify, defend and hold harmless against Claims includes Claims concerning confidentiality of any part of or all of Municipality's bid, proposal or any records, any intellectual property rights, other proprietary rights of any person or entity, copyrighted or uncopyrighted compositions, secret processes, patented or unpatented inventions, articles or appliances furnished or used in the performance of this Agreement.

(b) Municipality shall not be responsible for indemnifying or holding the State harmless from any liability arising due to the negligence of the State or any third party acting under the direct control or supervision of the State.

(c) The Municipality shall reimburse the State for any and all damages to the real or personal property of the State caused by the Acts of the Municipality. The State shall give the Municipality reasonable notice of any such Claims.

(d) The Municipality's duties under this section shall remain fully in effect and binding in accordance with the terms and conditions of this Agreement, without being lessened or compromised in any way, even where the Municipality is alleged or is found to have merely contributed in part to the Acts giving rise to the Claims and/or where the State is alleged or is found to have contributed to the Acts giving rise to the Claims.

(e) The Municipality shall carry and maintain at all times during the term of this Agreement, and during the time that any provisions survive the term of this Agreement, sufficient general liability insurance to satisfy its obligations under this Agreement. The Municipality shall name the State as an additional insured on the policy and shall provide a copy of the policy to the Commissioner prior to the effective date of this Agreement. The State shall be entitled to recover under the insurance policy even if a body of competent jurisdiction determines that the State is contributorily negligent.

(f) This section shall survive the expiration of this Agreement and shall not be limited by reason of any insurance coverage.

(g) For the purposes of this Agreement, the term "**Claim**" shall mean any action, suit, claim, demand, investigation and proceeding of any kind, open, pending or threatened, whether mature, unmaturing, contingent, known or unknown, at law or in equity, in any forum.

ARTICLE 14
PROTECTION OF CONFIDENTIAL INFORMATION

14.1 Protection of Confidential Information.

- (a) The Municipality have a duty to and shall, at its own expense, protect from a Confidential Information Security Incident any and all Confidential Information that it comes to possess or control, wherever and however stored or maintained, in a commercially reasonable manner in accordance with current industry standards.

- (b) The Municipality shall develop, implement and maintain a comprehensive data-security program for the protection of Confidential Information. The safeguards contained in such program shall be consistent with and comply with the safeguards for the protection of Confidential Information, and information of a similar character, as set forth in all applicable federal and State law and in the written policy of the State concerning the confidentiality of Confidential Information. Such data-security program shall include, but not be limited to, the following:
 - i. A security policy for employees related to the storage, access and transportation of data containing Confidential Information;
 - ii. Reasonable restrictions on access to records containing Confidential Information, including access to any locked storage where such records are kept;
 - iii. A process for reviewing policies and security measures at least annually;
 - iv. Creating secure access controls to Confidential Information, including but not limited to passwords; and
 - v. Encrypting Confidential Information that is stored on laptops, portable devices or being transmitted electronically.

- (c) The Municipality shall notify the State Department of Administrative Services (“**DAS**”), DOH and the Connecticut Office of the Attorney General as soon as practical, but no later than the next business day, after they become aware of or suspect that any Confidential Information which the Municipality has come to possess or control has been subject to a Confidential Information Security Incident. If a Confidential Information Security Incident has occurred which, in the sole opinion of DOH after consultation with the Attorney General, constitutes a breach of security as defined in CGS § 36a-701b, or otherwise (collectively, “**Breach**”), the Municipality shall, within three (3) business days after the notification, present a credit monitoring and protection plan to the Commissioner of DAS, DOH and the Connecticut Office of the Attorney General, for review and approval. Such credit monitoring and protection plan shall be made available by the Municipality at its own cost and expense to all individuals and entities affected by the Confidential Information Security Incident. Such credit monitoring and protection plans shall include, but is not limited to reimbursement for the cost of placing and lifting one (1) security freeze per credit file pursuant to CGS § 36a-701a. Such credit monitoring and protection plans shall be approved by the State in accordance with this Section and shall cover a length of time commensurate with the circumstances of the Breach. The Municipality’s costs and expenses for the credit monitoring and protection plan shall not be recoverable from DAS, DOH or any State of Connecticut entity or any affected individuals and shall be outside of any liability cap or limitation contained in this Agreement.

- (d) The Municipality shall incorporate the requirements of this Section in all subcontracts requiring each party to safeguard Confidential Information in the same manner as provided for in this Section.

Nothing in this Section shall supersede in any manner the Municipality's obligations pursuant to HIPAA, if applicable, or the provisions of this Agreement concerning the obligations of the Municipality to DOH or DAS.

14.2 The above section uses the terms "Confidential Information" and "Confidential Information Breach":

(a) **"Confidential Information"** shall mean any sensitive security information or personally identifiable information about an individual that may be used, alone or in conjunction with any other information, to identify a specific individual including, but not limited to, such individual's name, date of birth, mother's maiden name, motor vehicle operator's license number, telephone number, Social Security number, employee identification number, employer or taxpayer identification number, alien registration number, government passport number, health insurance identification number, demand deposit account number, savings account number, credit card number, debit card number or unique biometric data such as facial images, fingerprint, voice print, retina or iris image, or other unique physical representation. Without limiting the foregoing, Confidential Information shall also include any information that the State classifies as "personal," "confidential," "restricted," or "highly restricted," including, but not limited to medical or disability information. Confidential Information shall not include information that may be lawfully obtained from publicly available sources or from federal, state, or local government records that are lawfully made available to the general public

(b) **"Confidential Information Security Incident"** shall mean, generally, an instance where an unauthorized person or entity is suspected of having accessed Confidential Information in any manner, including but not limited to the following occurrences: (1) any Confidential Information that is not encrypted or protected is misplaced, lost, stolen or in any way compromised; (2) one or more third parties have had access to or taken control or possession of any Confidential Information that is not encrypted or protected without prior written authorization from the State; (3) the unauthorized acquisition of encrypted or protected Confidential Information together with the confidential process or key that is capable of compromising the integrity of the Confidential Information; (4) if such Confidential Information is maintained in a manner that allows for or causes a substantial risk of identity theft or fraud to an individual, the Municipality, contractor, DOH, DAS or the State; or (5) the accessing or disclosure of Confidential Information by any person for unauthorized purposes, regardless of whether the Confidential Information is encrypted.

ARTICLE 15 DISPUTE RESOLUTION & USE OF CONSULTANTS

15.1 If a Municipality elects to utilize the services of a consultant to administer all or any portion of the Small Cities Program (each a **"CDBG Consultant"**), the Municipality shall adequately supervise the work of any CDBG Consultant to ensure that the Municipality complies with the provisions of the Small Cities Program. The Municipality hereby acknowledges that pursuant to this Agreement, the Municipality, as the grantee of CDBG funds, is responsible to the State for the Municipality's compliance with the requirements of the Small Cities Program, regardless of whether the Municipality uses a CDBG Consultant. The Municipality shall be actively involved with any program or project

undertaken with CDBG funds, including, but not limited to, any Housing Rehabilitation program, and perform duties as necessary and shall have the final decision in local matters involving this grant.

15.2 If the Municipality is utilizing the services of a CDBG Consultant to administer all or a portion of the Small Cities Program for the Municipality, and the Municipality is not providing oversight services related to construction, the Municipality shall require that the CDBG Consultant provide such oversight services related to any construction and shall include such requirement in any agreement between the Municipality and the CDBG Consultant.

15.3 DOH recognizes that in the course of administering the Small Cities Program, especially in the case of a housing rehabilitation program, a dispute may arise between the parties involved – the subgrantee homeowner (each a “**homeowner**”), the Municipality or the Municipality’s consultant, as the case may be, and the contractor. The Municipality shall take any and all steps necessary to ensure that any such disputes are addressed promptly by the parties involved.

15.4 In order to ensure that any such disputes are addressed promptly, the Municipality shall include, and shall require that the contractor include, dispute resolution provisions in any and all agreements between: a) a homeowner and the Municipality, b) a homeowner and the contractor and 3) the Municipality and the CDBG Consultant. Additionally, the Municipality shall require that the homeowner, the contractor and the Municipality or its CDBG Consultant, as applicable, sign off on the “final inspection and acceptance” of all work completed on the homeowner’s project utilizing CDBG funds. The Municipality is responsible for and shall ensure that proper work permits are secured before work begins, the town building inspector(s), as applicable, sign off on various tasks performed by the contractor as required by the agreements between the Municipality and the homeowner and the homeowner and the contractor. The Municipality is responsible to make sure that all the warranty related information is provided to the homeowner at the completion of the project or upon execution of the Certificate of Completion by the parties involved.

15.5 The State recognizes that disputes may arise during the contract period or warranty period between either a homeowner or the Municipality and the contractor hired to work on a project. In those cases where a mutually satisfactory resolution cannot be reached between the parties, at a minimum, the following procedure should be followed as initial steps towards resolution:

- a) A written statement of the dispute/complaint by the homeowner or contractor, as applicable, shall be filed with the Municipality’s Small Cities Program Administrator (the “Program Administrator”) and the CDBG Consultant, if the Municipality is utilizing the services of a CDBG Consultant.
- b) The Municipality shall mediate any workmanship-related complaints filed by homeowners. If the Municipality is using a CDBG Consultant to manage the Small Cities Program, the Municipality shall require such CDBG consultant to address any complaints in a timely manner.
- c) The Program Administrator or designee and/or the CDBG Consultant, as applicable, shall meet with the homeowner and contractor and attempt to negotiate a solution to the dispute.
- d) The Municipality will assist the homeowner in addressing the complaint and make a determination about the responsibility to fix any items in dispute.
- e) If the contractor is determined by the Municipality as responsible to fix the disputed items, the Municipality shall issue a written statement to the contractor informing contractor of its determination and contractor’s responsibility to address the items.

- f) If a contractor is nonresponsive, the Municipality or the CDBG Consultant, as applicable, may contact the contractor's bonding company to fix the items or take any other action it deems appropriate.
- g) If the CDBG Consultant is found to be responsible for the errors and omissions in bids and specifications prepared by the CDBG Consultant including, but not limited to, lack of inspection, the Municipality shall hold the CDBG consultant financially responsible to address the complaint and remedy the issue.
- h) Other solutions may include, but are not limited to, requiring the contractor to fix the items within a specified period of time, contacting the Connecticut Department of Consumer Protection, if applicable and appropriate, and/or contacting the contractor's bonding company to file a complaint against the contractor or take action to enforce the bond, etc.

15.6 The Municipality shall ensure that the procedure set forth in Section 15.5 is made a part of the contract between a) each homeowner and the contractor, b) and the Municipality and the CDBG Consultant, if any, and the Municipality and each homeowner.

15.7 Additional grant funds or Program Income funds should NOT be used to repair the items that were already part of the scope of work to be completed by the contractor, without the express written permission of DOH in its sole discretion.

15.8 It is the Municipality's responsibility to address any complaints in a timely manner and document the resolution in the homeowner grant file. Upon request of DOH, the Municipality shall report the resolution of any dispute to DOH.

15.9 Neither the State nor DOH shall be a party to the dispute resolution.

Remainder of page intentionally left blank, signature page follows.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the effective date, as detailed in section 13.12.

TOWN OF GRANTEE

By: _____
John Q. Citizen
Its Mayor

Date: _____

STATE OF CONNECTICUT
DEPARTMENT OF HOUSING

By: _____
Evonne M. Klein
Its Commissioner

Date: _____

APPROVED AS TO FORM:

NOT REQUIRED PURSUANT TO TERMS
OF MOU BETWEEN DOH AND OAG

Associate Attorney General

Date _____