

EXHIBIT B TO CONSTRUCTION AND REHABILITATION CONTRACT
[funded in part by CDBG funds]

In its performance of the Work and of the terms and conditions of the Contract of which this Exhibit is a part, Contractor shall comply with the applicable provisions and requirements of the following:

1. EQUAL OPPORTUNITY AND NONDISCRIMINATION- The Contractor agrees to comply with equal opportunity requirements applicable to federally funded activities and in particular with such requirements applicable to work funded in whole or in part by the United States Department of Housing and Urban Development ("HUD"), to the end that no person in the United States shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination on the grounds of race, color, national origin, religion, or sex under any program or activity receiving federal financial assistance. Specifically, the Contractor agrees to comply with the requirements of:

- a. TITLE VI, CIVIL RIGHTS ACT OF 1964, as amended (42 USC 2000d) and implementing regulations at 24 CFR part 1, which provides that no person in the United States shall on the ground of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
- b. TITLE VIII, CIVIL RIGHTS ACT OF 1968 (42 USC 3601-20) and implementing regulations at 24 CFR 100, which provide for fair housing throughout the United States and require that no person in the United States be excluded from participation in, be denied the benefits of, or be subjected to discrimination on the grounds of race, color, national origin, religion, familial status or sex under any housing program or activity receiving federal financial assistance.
- c. SECTION 109, HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1977, as amended, which provides that no person in the United States shall on the ground of race, color, religion, national origin or sex be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under that title.
- d. AGE DISCRIMINATION ACT OF 1975 (42 USC 6101-6107), as amended, and implementing regulations at 24 CFR 146, to the end that no person shall on the basis of age be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity receiving federal financial assistance.
- e. SECTION 504 OF THE REHABILITATION ACT OF 1973 (29 USC 794), as amended, and implementing regulations at 24 CFR 8, to the end that no otherwise qualified handicapped individual in the United States shall, solely by reason of his or her handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
- f. EXECUTIVE ORDER 11063, as amended by Executive Order 12259, which requires equal opportunity in housing and related facilities provided with federal financial assistance.
- g. EXECUTIVE ORDER 11246, as amended by Executive Orders 11375 and 12086, which prohibits discrimination on the ground of race, creed, color, sex, or national origin in employment under federally assisted construction contracts.
- h. SECTION 3 OF THE HOUSING & URBAN DEVELOPMENT ACT OF 1968 (12 USC 1701(u)) and implementing regulations at 24 CFR:

(1) The work to be performed under this Contract is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC 1707(u). Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project.

(2) In connection with its compliance with Section 3, the Contractor shall insert in full in all contracts and subcontracts for work on the project related to this Contract the Section 3 Clause which follows.

"The work to be performed under this Contract is on a project assisted under a program providing direct federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 USC 1707(u). Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project."

(3) The parties will comply with the provisions of Section 3 and the implementing regulations at 24 CFR and all applicable rules and orders of HUD issued thereunder prior to the execution of this contract. The parties certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

(4) The Contractor will send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice advising the labor organization or workers' representative of its commitments under this Section 3 Clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

(5) The Contractor will include this Section 3 Clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations under 24 CFR. The Contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

(6) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR, and all applicable rules and orders of HUD issued thereunder prior to execution of this Contract shall be a condition of the federal financial assistance provided to the project, binding upon any applicant or recipient of such assistance, its successors and assigns. Failure to fulfill these requirements shall subject the Contractor, its subcontractors, its successors and assigns to those sanctions specified by the grant or loan agreement or contract through which federal financial assistance is provided and to such sanctions as are specified in 24 CFR.

i. EXECUTIVE ORDER 11625, the National Program for Minority Business Enterprise.

2. LEAD-BASED PAINT POTSONING PREVENTION ACT (42 USC 4821, et seq.) and implementing regulations at 24 CFR 570.608 and all applicable rules and orders issued thereunder which prohibit the use of lead-based paint in residential structures undergoing federally assisted construction or rehabilitation and require the elimination of lead-based paint hazards. Every contract or subcontract including Painting Pursuant to which such federally assisted construction or rehabilitation is Performed shall include appropriate provisions prohibiting the use of lead-based paint.

3. THE CLEAN AIR ACT, (42 USC 1857, et seq.), THE FEDERAL WATER POLLUTION CONTROL ACT (33 USC 1251, et seq.), and THE NATIONAL ENVIRONMENTAL POLICY ACT OF 1969 (NEPA) (42 USC 4321, et seq.) and implementing regulations at 24 CFR 58, when applicable, including any requirements which may be imposed on the Owners by governmental agencies as a result of action under NEPA.

4. FLOOD DISASTER ACT OF 1973 (42 USC 4001-4128) and implementing regulations at 24 CFR 92.358, which impose prohibitions upon rehabilitation of a federally assisted project located in an area identified as having special flood hazards.

5. FAIR LA13OR STANDARDS ACT, and implementing regulations at 24 CFR 570.503 and related local requirements issued from time to time by the City of South Bend, and CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 USC 327, et seq.), and implementing regulations at 29 CFR Part 5. For all contracts financed in whole or in part with federal assistance for construction work in excess of \$2,500, all laborers and mechanics employed by the Contractor shall receive overtime compensation in accordance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act and its implementing regulations. The Contractor shall cause or require to be inserted in all subcontracts subject to the provision of such act a clause requiring compliance therewith. No subcontract shall be made to any subcontractor who is at the time ineligible under the provisions of any applicable regulations of the Department of Labor to receive an award of such subcontract. The Contractor shall maintain payrolls and records during the course of the Work and shall preserve them for three years after completion of the Work for all laborers and mechanics, including apprentices and trainees, working at the Job Site on the Work. Such records shall contain the name and address of each employee, the employee's correct classification, rate of pay, daily and weekly number of hours worked, deductions made and actual wages paid. The Contractor shall submit weekly a copy of all payrolls to the City of South Bend and the Owner and shall be responsible for submission of copies of payrolls of all subcontractors, all in the form and with the information required by the Department of Labor. The Contractor shall make all records required under this Contract available for inspection by authorized representatives of the Owner, the Department of Labor, the State of Indiana, and the City of South Bend.

6. ADDITIONAL REQUIREMENTS: In its performance under this Contract, the Contractor agrees to comply with all applicable requirements imposed by funding sources for the Work, as such requirements are communicated to Contractor by the Owner from time to time, including but not limited to the following:

a. PROHIBITIONS:

(i) Political Activity Prohibited. None of the funds, materials, property or services provided directly or indirectly under this Contract shall be used for any candidate for public office or for political activities.

(ii) Lobbying Prohibited. None of the funds provided under this Contract shall be used for publicity or propaganda purposes designed to defeat or support legislation pending before Congress.

(iii) Certification regarding lobbying: The undersigned representative of the Contractor certifies, to the best of his or her knowledge and belief, that:

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 participating organization in the HOME program from which funds have been allocated for the Work ("Participant"), or to influence 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 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.

If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned representative of the Contractor shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

The undersigned representative of the Contractor shall require that the language of this certification be included in the award documents for all contracts at all tiers (including subcontracts, subgrants, agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this

transaction imposed by 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.

(iv) Certification regarding debarment, suspension, ineligibility and voluntary exclusion - lower tier covered transactions. A person who is debarred or suspended shall be excluded from Federal financial and nonfinancial assistance and benefits under Federal programs and activities. The undersigned representative of the Contractor certifies, to the best of his or her knowledge and belief, that:

(a) Neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this contract; and

(b) It will include the following clause without modification, in all proposals, agreements, contracts, or other lower tier covered transactions:

"Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction: (1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency. (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal."

(v) Certification regarding Conflicts of Interest: The Contractor certifies that no person who presently exercises any functions or responsibilities in connection with the Community Development Program and no one with whom they have family or business ties has any personal financial benefit, direct or indirect, in this Contract. The Contractor shall include this language in every written subcontract relating to this Contract.

(vi) Assistance for Religious Activities and/or Organizations Prohibited: None of the funds, materials, property or services provided directly or indirectly under this Contract may be used to promote religious activities or to assist religious organizations in promoting secular activities unless specifically authorized under 24 CFR 570.200(j).

7. DOCUMENTATION OF COSTS. All costs shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers or other official documentation evidencing in proper detail the nature and propriety of charges. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to this Contract shall be clearly identified and readily accessible.

8. ACCESS FOR INSPECTION AND AUDIT PURPOSES. At any time during normal business hours and as often as the Owner, the City of South Bend as agent for HUD, and/or the Comptroller General of the United States may deem necessary, there shall be made available to the Owner, the City of South Bend, HUD and/or representatives of the Comptroller General for examination all of the Contractor's records with respect to all matters covered by this Contract. Further, the Agency shall permit the Owner, the City of South Bend as agent for HUD, and/or the Comptroller General to audit, examine and make excerpts of transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by his Contract.

9. TERMINATION: By giving written notice specifying the effective date, the Owner may terminate this Contract in whole or in part if the award to the Owner which is a source of the funds to be paid under this Contract is suspended or terminated, in which event unearned payments under this Contract shall be suspended or terminated; provided, however, that if the award is reduced and in the absence of any contrary funding source directive, the Contract may be amended by agreement of the parties. In addition, unearned payments under this Contract may be suspended or terminated upon refusal to accept any additional conditions that may be imposed by HUD at any time.

10. COPELAND "ANTI-KICKBACK" ACT (18 USC 874 and 40 USC 276c) All contracts and subgrants in excess of \$2,000 for construction or repair awarded by recipients and subrecipients shall include a provision for compliance with the Copeland "Anti Kickback" Act (18 USC 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building

or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to HUD.

11. DAVIS-BACON ACT, as amended (40 USC 276a to a-7) When required by Federal program legislation, all construction contracts awarded by the recipients and subrecipients of more than \$2,000 shall include a provision for compliance with the Davis-Bacon Act (40 USC 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to HUD.

12. DRUG-FREE WORKPLACE REQUIREMENTS. The Drug-Free Workplace Act of 1988 (42 USC 701) requires grantees (including individuals) of federal agencies, as a prior condition of being awarded a grant, to certify that they will provide drug-free workplaces. Each potential recipient must certify that it will comply with drug-free workplace requirements in accordance with HUD's rules at 24 CFR part 24, Subpart F.

13. CONFORMANCE WITH FEDERAL RULES AND REGULATIONS: The Contractor agrees to abide by all applicable federal rules and regulations, as amended from time to time, including but not limited to those federal rules and regulations referred to in this Contract.