

CITY OF REDLANDS
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)
SUB RECIPIENT AGREEMENT

This agreement for CDBG funding ("Agreement") is made and entered into this 4th day of August, 2009 ("Effective Date"), between the City of Redlands, a California municipal corporation (hereinafter referred to as "City") and Step by Step, a Community Reentry Coalition, a non-profit organization (hereinafter referred to as "Sub recipient"). The City and Sub recipient are sometimes individually referred to herein as a "Party" and, together, as the "Parties."

RECITALS

WHEREAS, the Sub recipient operates a program which is an eligible Community Development Block Grant (CDBG) activity as specified in Section 570.206 of the CDBG regulations governing the United States Department of Housing and Urban Development (HUD); and

WHEREAS, the City and the Sub recipient recognize that the Sub recipient's program entitled "Services for Community Reentry after Prison" (the "Program") is beneficial to the well being of low and moderate income residents; and

WHEREAS, the Sub recipient proposes to offer the Program to qualified low and moderate income residents of the City of Redlands;

NOW, THEREFORE, the City and the Sub recipient, for and in consideration of the mutual promises contained herein, agree as follows:

AGREEMENT

Section 1. Scope of Work. The scope of work to be performed for the Program by the Sub recipient is described in Exhibit "A," attached hereto and incorporated herein by this reference. The service area of the Sub recipient's Program is limited to the corporate limits of the City of Redlands. The Sub recipient shall not make any changes in the scope of work without prior written authorization from the City. Upon receipt of a request by the Sub recipient, the City Manager, or the City Manager's authorized designee, may amend the scope of work, provided that such amendment shall not increase the compensation or violate Federal regulations.

Section 2. Compensation. The City shall pay the Sub recipient a "not-to-exceed" amount of \$5,000.00 for fiscal year 2009-2010. The Sub recipient shall provide the City with monthly invoices. The City will review the monthly invoices and expenditures information submitted by the Sub recipient to determine that the services performed, and expenditures made, are consistent with this Agreement and its exhibit. The City shall process the invoices for payment in accordance with its usual manner. Payment will generally be made within thirty (30) calendar days. Should the City determine that the Sub recipient has not performed its obligation as stated in this Agreement in a satisfactory manner, or if the City determines that insufficient supporting information has been submitted, the City shall notify the Sub recipient in writing of its

determination specifying in detail the objections which it has to the Sub recipient's performance or expenses and the additional information needed to process the invoice, as applicable.

Section 3. Period of Reimbursement. It is the intent of the City in entering into this Agreement to acknowledge that the funds expended by the Sub recipient in the performance of its Program, from and after July 1, 2009, shall be eligible for reimbursement pursuant to this Agreement.

Section 4. Records and Reports.

A. The Sub recipient shall keep all appropriate records on Program participants to determine their initial and continuing eligibility for the Program services being provided by the Sub recipient.

B. The Sub recipient shall prepare and submit quarterly reports regarding Program accomplishments to assist the City in meeting its record keeping and reporting requirements, as may be mandated by HUD from time to time.

C. The Sub recipient shall make available to the City all books and records relating to the Program supported by funds paid pursuant to this Agreement, and take all such actions as may be necessary to protect the right of the City to examine and audit all said books and records including but not limited to, work data, documents, proceedings, and activities related to this Agreement for a period of five (5) years from the date of final payment under this Agreement. The Sub recipient shall maintain said records in a manner which will indicate actual time and allowable costs with respect to all work performed hereunder as required by City and Federal regulations.

Section 5. Insurance. The Sub recipient shall neither (1) commence work under this Agreement until it has obtained all insurance's required hereunder in a company or companies acceptable to the City, nor (2) allow any subcontractor to commence work on a subcontract for the Program until all insurance required of the subcontractor has been obtained. The Sub recipient shall take out and maintain at all times during the terms of this Agreement the following policies of insurance:

A. **Worker's Compensation Insurance.** The Sub recipient shall furnish to the City a copy of its policy of insurance as proof that it has taken out full worker's compensation insurance for all persons who it may employ directly or through subcontractors in carrying out the Program, in accordance with the laws of the State of California. In accordance with the provisions of California Labor Code Section 3700, every employer shall secure the payment of compensation to his employees. The Sub recipient shall sign and file with the City a certification as follows:

"I am aware of the provisions in Section 3700 of the Labor Code which requires every employer to be insured against liability for workers compensation or to undertake self insurance in accordance with the provisions of that Code, and I will comply with such provisions of that Code, and I will comply with such provisions before commencing the performance of the Program described in this Agreement."

A. Bodily Injury and Property Damage Liability. Throughout the term of this Agreement, at Sub recipient's sole cost and expense, the Sub recipient shall keep, or cause to be kept, in full force and effect, for the mutual benefit of the City and Sub recipient against claims and liabilities for personal injury, death, or property damage arising from Sub recipient's activities, a policy of liability insurance with coverage at least as broad as Commercial General Liability policy and with a limit of at least one million dollars (\$1,000,000.00) per occurrence.

B. General Insurance Requirements. All insurance required by this Agreement shall be carried only with responsible insurance companies licensed and admitted to do business in the State of California and policies required under subsections B and C of this Section 5 shall name as additional insureds the City, its elected officials, officers, employees, and agents. All policies shall contain language, to the effect that: (1) the insurer waives the right of subrogation against the City and the City's officials, officers, employees, and agents; (2) the policies are primary and non-contributing with any insurance that may be carried by the City; and (3) they cannot be canceled or materially changed except after thirty (30) days' prior notice by the insurer to the City by certified mail. All such policies shall be amended or endorsed to add the City and its officers, agents, representatives and employees as additional named insureds. Sub recipient shall furnish the City with copies of all such policies and endorsements promptly upon receipt of them. A "Certificate of Insurance" showing the additional named insureds and other aforementioned provisions shall not be adequate.

Section 6. Compliance with Federal Laws. The Sub recipient shall comply with all applicable administrative requirements described in the Federal Register Title 24 CFR, Part 570.502. The Sub recipient shall carry out its activities in compliance with all Federal Laws and regulations described in Subpart K of the Regulations, except for environmental responsibilities and responsibility for initiating the review process.

Section 7. Use of Funds for Entertainment Meals or Gifts. The Sub recipient shall not use funds provided pursuant to this Agreement to pay for entertainment, meals or gifts.

Section 8. Non-Discrimination.

A. The Sub recipient shall comply with Executive Order 11246 which requires that during the performance of this Agreement, the Sub recipient shall not discriminate against any employee or applicant for employment because of race, religion, sex, color or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Sub recipient shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Sub recipient setting forth the provisions of this nondiscrimination clause.

B. The Sub-recipient shall comply with Title VI of the Civil Rights Act of 1964 which provides that no person shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program of activity receiving federal financial assistance.

C. No person shall, on the grounds of race, sex, creed, color, religion, marital status, national origin, age, sexual orientation, or physical or mental handicap be excluded from participation in, be refused the benefits of, or otherwise be subject to discrimination in any

activities, programs or employment supported by this Agreement. The Sub-recipient is prohibited from discrimination on the basis of age or with respect to an otherwise qualified handicapped person as provided for under Section 109 of the Housing and Community Development Act of 1974, as amended.

D. The Sub-recipient shall comply with the Age Discrimination Act of 1975 which requires that, during the performance of this Agreement, Sub-recipient shall not discriminate against any employee or applicant for employment because of age. Such action shall include, but not be limited to the following: employment upgrading, demotion, or transfer, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Sub-recipient shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Sub-recipient setting forth the provisions of this age discrimination clause.

E. The Sub recipient shall comply with Section 504 of the Rehabilitation Act of 1973 which requires that no otherwise qualified individual with a disability in the United States, as defined in section 706 (20) of this title, shall, solely by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance or under any program or activity conducted by any Executive agency or by the United States Postal Service.

Section 9. Religious Proselytizing or Political Activity. The Sub recipient shall not perform or permit any religious proselytizing or political activities in connection with its performance under this Agreement. Sub recipient shall not discriminate against any person applying from such public services on the basis of religion and will not limit such services or give preference to persons on the basis of religion; and (1) it will provide no religious instruction or counseling, conduct no religious worship or services, engaging in no religious proselytizing, and exert no other religious influence in the provision such public services; and (2) the portion of a facility used to provide public services assisted in whole or in part under this Agreement shall contain no sectarian or religious symbols.

Section 10. Certification Regarding Lobbying. The Sub recipient certifies, to the best of its knowledge and belief, that:

A. No federal appropriated funds have been paid or will be paid, by or on behalf of the Sub recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an office or employee of Congress in connection with the awarding of any Federal contract, the making 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 any officer or employee of any agency, a member of Congress, and officer or employee of Congress, or any employee of a member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying" in accordance with its instructions.

C. The Sub recipient shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontractors, sub-grants, and contracts under grants, loans, and cooperative agreements), and the Sub recipient shall take all actions necessary to ensure that all Sub recipients shall similarly certify and disclose accordingly.

Section 11. Conflict of Interest. The Sub recipient certifies that no member, officer or employee of the Sub recipient is an officer or employee of the City or member of any of its boards, commissions or committees or has any interest or holdings, which could be affected by any actions taken in execution of this Agreement.

Section 12. Contract Language. In the course of conducting the Program under this Agreement, the Sub recipient, its agents and employees, shall be bound by and comply with all applicable Federal, state and local laws and regulations.

Section 13. Section 3 of the Housing and Community Development Act of 1968. The Sub-recipient shall make every effort to provide training opportunities for low- and moderate-income persons residing within the community where the Program is located and contracts awarded to local businesses therein, to the greatest extent feasible as required under the provisions of Section 3 of the Housing and Urban Development Act of 1968, the regulations set forth in 24CFR135, and all applicable rules and orders issued hereunder prior to the execution of this Agreement. Compliance with the foregoing requirements shall be a condition of the Federal financial assistance provided under this Agreement and binding on the Sub-recipient. Failure to fulfill these requirements shall subject the Sub-recipient, and its successors and assignees, to those sanctions specified through which Federal assistance is provided. The Sub-recipient certifies and agrees that no contractual or other disability exists which would prevent compliance with these requirements. The Sub-recipient shall make every effort to ensure that all projects funded wholly or in part by CDBG funds shall provide equal employment opportunities for minorities and women.

Section 14. Amendment. This Agreement may be amended or modified only by written agreement signed by the Parties, and the failure on the part of any Party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or other provisions by such Party.

Section 15. Changes in Grant Allocation. The City reserves the right to reduce the grant allocation to the Sub recipient when the City's fiscal monitoring indicates that the Sub recipient's rate of expenditures will result in unspent funds at the end of the program year. Changes in the grant allocation will be made after consultation with the Sub recipient.

Section 16. Termination and Suspension. In accordance with Federal law, suspension or termination of this Agreement may occur if the Sub recipient materially fails to comply with any of the terms of this Agreement. This Agreement may be terminated by the City or Sub recipient upon the giving of a written "Notice of Termination" at least thirty (30) days prior to the date of termination specified in said Notice. Suspension or termination may occur if the Sub recipient materially fails to comply with the scope of work described in Exhibit "A." In the event this Agreement is terminated, Sub recipient shall be compensated on a pro rata basis with respect to the percentage of the Program completed as of the date of termination. In no event, however, shall Sub recipient receive more than the maximum specified compensation in this Agreement. Upon expiration or termination of this Agreement, the Sub recipient shall transfer to the City all

CDBG funds on hand at the time of expiration/termination and any accounts receivable attributable to the use of CDBG funds.

Section 17. Joint Funding. For programs in which there are sources of funds received by Sub recipient from the private sector in addition to HUD/CDBG funds, the Sub recipient shall provide proof of such funding to City upon receipt of such funds. The City shall not pay for any services provided by the Sub recipient, which are funded by other sources. All restrictions and/or requirements provided in this Agreement relative to accounting, budgeting, and reporting apply to the total program regardless of funding sources.

A. The United States of America through HUD may in the future place programmatic or fiscal limitations on CDBG funds not presently anticipated. Accordingly, the City reserves the right to amend this Agreement in order to take account of actions affecting HUD program funding. In the event of funding reduction, the City may reduce all or part of the budget and compensation payable to the Sub recipient under this Agreement, and may, at its sole discretion, limit the Sub recipient's authority to commit and spend funds, and may restrict Sub recipient's use of both its uncommitted and its unspent funds. Where HUD has directed or requested the City to implement a reduction in funding, with respect to funding for this Agreement, the City Manager or his or her designee, may act for the City in implementing and effecting such a reduction by amending this Agreement for such purpose.

B. The City Manager or his or her designee, may act for the City in suspending the operation this Agreement for up to sixty (60) days, upon three (3) calendar day's written notice to Sub recipient. In no event, however, shall any revision be made by the City which affects expenditures and legally binding commitments made by Sub recipient before it received notice of such amendment, provided that such amounts have been committed in good faith, are otherwise allowable and are consistent with HUD cash withdrawal guidelines.

Section 18. Indemnification. The Sub recipient shall indemnify, defend and hold harmless the City and the City's Redevelopment Agency, and their respective elected and appointed officials, officers, agents, employees, and consultants, from all liability, from loss, damage or injury to persons or property, including the payment by Sub recipient of any and all legal costs and attorneys' fees, in any manner arising out of or incidental to the performance by the Sub recipient of this Agreement, including, but not limited to, all consequential damages to the maximum extent permitted by law.

Section 19. Assignment. No assignment of the Agreement or of any part or obligation of performance hereunder shall be made, either in whole or in part, by Sub recipient without the prior written consent of the City.

Section 20. Governing Law. The laws of the State of California shall govern the rights, obligations, duties and liabilities of the Parties and shall also govern the interpretation of this Agreement.

Section 21. Attorneys' Fees. If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing Party shall be entitled to its reasonable attorneys' fees, including fees for the use of in-house counsel by a Party, and all costs of the action, which may be set by the Court in the same

action or in a separate action brought for that purpose, in addition to any other relief to which the Parties may be entitled.

Section 22. Entire Agreement. This Agreement represents the entire agreement between the City and Sub recipient and supersedes all prior negotiations, representations or agreements, either written or oral, with respect to the subject matter hereof.

Section 23. Term of Agreement. This Agreement shall commence on its Effective Date and terminate on June 30, 2010, unless extended, amended or otherwise terminated as provided for herein.

Section 24. Notices. Any and all notices, demands, invoices, and written communications between the parties hereto shall be addressed and set forth in this paragraph. The below named individuals, furthermore, shall be those persons primarily responsible for the performance by the parties under this Agreement:

City Representative:

Josefina Aguilar, Project Manager
Redevelopment Agency
City of Redlands
210 E. Citrus Avenue
Redlands, CA 92373

Sub Recipient Representative:

Dr. Allan Griesemer
Chair
Step by Step, a Community Reentry Coalition
168 Bellevue Avenue
Redlands, CA 92373

IN WITNESS THEREOF, The parties have caused their authorized representative to execute this Agreement on August 4, 2009.

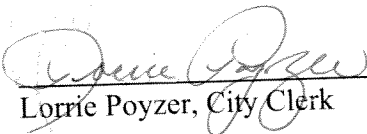
CITY


Pat Gilbreath, Mayor Pro Tempore

SUB RECIPIENT


Dr. Allan D. Griesemer, Chair
Step by Step, a Community Reentry Coalition

ATTEST:


Lorrie Poyzer, City Clerk