

SEC. 201. Use of the Grant. -- Grant funds shall be used only for those costs which the Government determines to be applicable to this Agreement. Grant funds shall not be used (1) for the general administration of the local government or (2) to replace non-Federal contributions in any federally aided undertaking included in the Program if prior to the filing of an application for assistance under Section 104 of the Act an agreement has been entered into with any Federal agency obligating such non-Federal contribution with respect to such undertaking.

SEC. 202. Restrictions on Disbursements. --

(A) No grant funds shall be disbursed in payment of:

1. Costs incurred with respect to any action after HUD has requested that the City furnish data concerning such action prior to proceeding further therewith, unless and until the City is thereafter advised by HUD that the Government has no objection to the City so proceeding;

2. Costs incurred for a project, activity or for Program Administration prior to the approval by HUD of the respective budget, unless specifically approved by HUD.

(B) No grant funds shall be disbursed to an Operating Agency or Contractor except pursuant to a written contract which incorporates the applicable Supplementary General Conditions and unless the Operating Agency or Contractor is in compliance with HUD requirements relating to accounting and fiscal matters, to the extent they are applicable.

SEC. 203. Safeguarding of Funds. -- The City shall deposit all Grant funds in a depository acceptable to HUD and otherwise safeguard such funds pursuant to such instructions as HUD may from time to time issue. If any interest shall be earned on the funds, the interest shall accrue to the benefit of the Government.

ARTICLE III - Records, Reports and Inspections

SEC. 300. Records. --

(A) Establishment and Maintenance of Records. -- The City shall establish and maintain records in accordance with requirements prescribed by HUD, with respect to all matters covered by this Agreement. Except as otherwise authorized by HUD, the City shall retain such records for a period of three years after completion of the Program.

(B) Documentation of Costs. -- All costs, including any services contributed by the City or others, 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 the charges. All checks, payrolls, invoices, contracts, vouchers, orders, or other accounting documents pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible.

SEC. 301. Reports and Information. -- The City, at such times and in such forms as HUD may require, shall furnish HUD such statements, records, reports, data and information, as HUD may request pertaining to matters covered by this Agreement.

SEC. 302. Audits and Inspections. -- The City will, at any time during normal business hours and as often as HUD and/or the Comptroller General of the United States may deem necessary, make available to HUD and/or representatives of the Comptroller General for examination all of its records with respect to all matters covered by this Agreement and will permit HUD and/or representatives of the Comptroller General to audit, examine and make excerpts or 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 this Agreement.

ARTICLE IV - Suspension or Termination

SEC. 400. Suspension or Termination. -- HUD may suspend or terminate payment of the Grant in whole or in part for cause. Cause shall include the following: (1) ineffective or improper use of Grant funds; (2) failure to comply with either these terms and conditions or the Program; (3) submittal to HUD of reports which are incorrect or incomplete in any material respect; or (4) if for any reason the carrying out of this Agreement is rendered improbable or infeasible. HUD may also withhold payment of any unearned portion of the Grant if the City is unable or unwilling to accept any additional conditions that may be provided by law, by executive order, by regulations, or by other policy announced by HUD at any time. If HUD withholds payment, it shall advise the City and specify the actions that must be taken, in case of suspension, as a condition precedent to the resumption of payments. The City will remit any unexpended balance of the payments on account of the Grant as well as such other portions of such payments previously received as determined by HUD to be due the Government. The action of the Government in accepting any such amount shall not constitute a waiver of any claim which the Government may otherwise have arising out of this Agreement.

ARTICLE V - Controls and Restrictions

SEC. 500. Conflict of Interest; Certain Federal Officials. -- No member of or Delegate to the 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.

SEC. 501. Conflict of Interest; Public Officials and Others. --

(A) General. -- (1) No member of the City's governing body or of the governing body of the locality and (2) no official or employee of the City or

of the locality or any person who exercises any functions or responsibilities in connection with this Agreement (a) may be admitted, directly or indirectly, to any share or part of this Agreement or to any benefit to arise from the same, or (b) shall own or acquire any personal interest in any property, contract, or proposed contract which would conflict with the performance of his duties or responsibilities under this Agreement, except to the extent provided for in this Section. If any such member, official, employee or other person (hereafter referred to collectively as "person") presently, or in the future, acquires, owns, or controls any such share, benefit, or personal interest, he shall immediately disclose such share, benefit, or personal interest to the City. Upon such disclosure, such person shall not continue his participation unless the City and Government shall determine that, in the light of such share, benefit, or personal interest, the participation of such person in any such action would not be contrary to the public interest. The City will promptly advise HUD of the facts and circumstances concerning any disclosure made to it pursuant hereto or any information obtained by it relating to conflicts of interest.

(B) Citizen Participation. -- It is the understanding of the parties that the above provision will be implemented in such a manner so as not to unreasonably impede attainment of widespread citizen participation in the carrying out of this Agreement.

SEC. 502. Opportunities for Residents. -- In all work made possible by or resulting from this Agreement, the City and each employer will take affirmative action to ensure that residents of the model neighborhood area are given maximum opportunities for training and employment and that business concerns located in, or owned in substantial part by, residents of the model neighborhood are to the greatest extent feasible awarded contracts.

SEC. 503. Discrimination Prohibited. --

(A) In all hiring or employment made possible by or resulting from this Agreement, the City and each employer (1) will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, and (2) will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. This requirement shall apply to but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The City agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Government setting forth the provisions of this nondiscrimination clause. The City will, in all solicitations or advertisements for employees placed by or on behalf of the City, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(B) The City hereby agrees that it will incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR Chapter 60, which is paid for in whole or in part with Grant funds, the equal opportunity clause which is a part of the labor standards provisions attached hereto.

The City 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: Provided, That if the City so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The City agrees that it will assist and cooperate actively with HUD and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish HUD and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist HUD in the discharge of its primary responsibility for securing compliance.

The City further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order. In addition, the City agrees that if it fails or refuses to comply with these undertakings, HUD may take any or all of the following actions: suspend or terminate payment of the Grant in whole or in part; refrain from extending any further assistance to the City under the program with respect to which the failure or refusal occurred until satisfactory assurance of future compliance has been received from such City; and refer the case to the Department of Justice for appropriate legal proceedings.

(C) No person in the United States shall, on the ground of race, color, religion, or national origin, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from this Agreement. The City and each employer will comply with all requirements imposed by or pursuant to the regulations of HUD effectuating Title VI of the Civil Rights Act of 1964.

SEC. 505. Copyrights. -- If this Agreement results in a book or other copyrightable material, the author is free to copyright the work, but HUD reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, all copyrighted material and all material which can be copyrighted.

SEC. 506. Patents. -- Any discovery or invention arising out of or developed in the course of work aided by this Agreement shall be promptly and fully reported to HUD for determination by HUD as to whether patent protection

on such invention or discovery shall be sought and how the rights in the invention or discovery, including rights under any patent issued thereon, shall be disposed of and administered, in order to protect the public interest.

SEC. 507. Government Not Obligated to Third Parties. -- The Government will not be obligated or liable hereunder to any party other than the City.

SEC. 508. Provisions Concerning Certain Waivers. -- Subject to applicable Federal law, any right or remedy which the Government may have under this Agreement may be waived by the Government, if, in the judgment of HUD, this Agreement, as so modified, will still conform to the terms and requirements of pertinent laws.

SEC. 509. When Rights and Remedies Not Waived. -- In no event shall any payment by the Government hereunder constitute or be construed to be a waiver by the Government of any breach of covenant or any default which may then exist on the part of the City, and the making of any such payment while any such breach or default shall exist shall in no way impair or prejudice any right or remedy available to the Government with respect to such breach or default.

SEC. 510. Severability of Provisions. -- If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby if such remainder would then continue to conform to the terms and requirements of applicable law.

SEC. 511. Approvals and Notices. --

(A) HUD approval shall be required for any substantial change in the Program, or for any substantial change in the work program of any item included in the Grant Budget, or for the addition or deletion of a project or activity from the Grant Budget.

(B) Whenever under the Agreement HUD approvals, authorizations, waivers, instructions or determinations are required, they shall be effective only when given either (1) in writing and signed by HUD or (2) by general issuances or regulations issued from time to time by HUD.

SEC. 512. Maintenance of Effort. -- Payment by the Government shall be conditioned upon the maintenance during the period of this Agreement by the locality a level of aggregate expenditures for projects or activities similar to those being assisted under this Agreement, which is not less than the level of aggregate expenditures for such projects or activities prior to the execution of this Agreement. The City will promptly notify HUD of any matters which have a material tendency to affect compliance with this requirement.

SEC. 513. Political Activity Prohibited. -- None of the funds, materials, property or services provided directly or indirectly under this Agreement shall

be used in the performance of this Agreement for any partisan political activity, or to further the election or defeat of any candidate for public office.

SEC. 514. Fair Housing. -- In all housing projects and activities and in all relocation activities made possible by or resulting from this Agreement, the City agrees to take affirmative action to further the fair housing policies of the Government.

SEC. 515. Lobbying Prohibited. -- None of the Grant funds shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before the Congress.

SEC. 516. Labor Standards. -- There shall be included in all construction contracts, made possible by or resulting from this Agreement, with private entities the applicable labor standards provisions, if the work being carried on is not otherwise subject to provision of Federal law imposing labor standards on federally assisted construction and in the case of residential projects if the project is designed for the residential use of eight or more families.