



City of San Marcos
Neighborhood Enhancement
630 East Hopkins
San Marcos, Texas 78666

**FUNDING AGREEMENT BETWEEN CITY OF SAN MARCOS AND
SOUTHSIDE COMMUNITY CENTER**
Contract #XX

WHEREAS: The U.S. Treasury has initiated the Coronavirus State and Local Fiscal Recovery Funding (CSLFR) through the American Rescue Plan Act (ARPA) for the purpose of aiding state and local communities in responding to public health and economic impacts created by the coronavirus pandemic.

WHEREAS, The City of San Marcos has determined that individuals that are experiencing circumstances that put them at danger of homelessness or those already experiencing homelessness were impacted by the impacts of the coronavirus pandemic; and

WHEREAS, Southside Community Center is an organization that aims to make a significant difference in the lives of those experiencing homelessness with challenges, needs, and abilities connected to their living conditions; and

WHEREAS, The City of San Marcos has determined that providing funding to support the Southside Community Center would help with minimizing the effects of homelessness by implementing the Comprehensive Needs Assessment Study and Recommendations on Homelessness.

NOW THEREFORE, the Parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described.

This contract agreement (“Agreement” or “Contract Agreement”) is entered into as of the 21rd day of August 2024 by the City of San Marcos, Neighborhood Enhancement Department (herein referred to as “the City of San Marcos”) and **Southside Community Center, 518 S. Guadalupe St, San Marcos, Texas 78666** (hereinafter referred to as the “Subrecipient”) in connection with a certain grant and/or loan to Subrecipient under the State and Local Fiscal Recovery Funds (“SLFRF”). The Subrecipient agrees to the terms and conditions of this Agreement to undertake the following: **Development and implementation of a prevention and rapid rehousing service framework, implementation of a coordinated entry processes for individuals and families at risk of or currently experiencing homelessness, establish intake procedures, implementation of a client management system (HMIS), increase capacity for community-based service delivery and outreach, and successfully the successful launch and monitoring of afore mentioned services** (herein referred to as the “Program”). The Subrecipient shall in a satisfactory manner, to be determined in the sole and exclusive discretion of the City of San Marcos and/or the United States Department of Treasury (“USDT”), perform all obligations and duties as contained in this Agreement and any/all addenda.

This Contract Agreement shall mean this agreement, any and all Exhibits hereto (including but not limited to the Program budget), and any and all documents executed in connection herewith.

Subrecipient:	Southside Community Center
Organization Type:	Non-Profit
Mailing Address:	518 S. Guadalupe St, San Marcos, TX 78666
Award Type & Amount (Grant or Loan):	Grant \$800,000
Final Funding Spend Down Date:	December 31st, 2026

1. Time of Performance

The Subrecipient shall commence performance of its obligations under this Contract Agreement on August 21, 2024 and complete the Program no later than December 31st, 2026, (hereinafter referred to as the “Program Expiration Date”).

2. Method of Payment

Payments made by the City of San Marcos to the Subrecipient will be made in the form of both: (1) an advance payment of up to 15% of the total grant contracted amount; and (2) reimbursement for monies already spent on eligible Program costs, as discussed in further detail in Section 7 of this Contract Agreement. Within 30 days of receipt of the SLFRF Requisition Form (**Exhibit 37**), the City of San Marcos will pay out a total of up to 15% of the total grant contracted amount to the Subrecipient. The City of San Marcos shall make reimbursement payments only after the Subrecipient has submitted to the satisfaction of the City of San Marcos adequate documentation confirming the Subrecipient has spent down the advance payment or has verified plans for the immediate use of the funds. All payments are contingent upon Subrecipient’s continued compliance with the provisions set forth in this Contract Agreement and any/all SLFRF Rules and Regulations 31 CFR Part 35, OMB Uniform Guidance 2 CFR Part 200, USDT Requirements, the City of San Marcos SLFRF Policies and Procedures, any applicable local, state, and federal laws, and any applicable USDT and/or City of San Marcos policy memo, regulation, communication or guideline, as the same may be amended from time to time.

3. Funding

It is expressly understood that in no event will the total funding exceed **\$800,000** unless otherwise mutually agreed upon in writing by amendment to this Contract Agreement. It is expressly understood that funding is contingent upon the City of San Marcos’s receipt of full USDT federal funding and authorization from USDT to use funds in support of the Program. Any reduction in federal funding may result in reduction or elimination of funding for this Contract Agreement.

4. SLFR Regulations

The Subrecipient shall conduct all work funded under this Contract Agreement in compliance with the following:

- SLFRF’s Rules and Regulations 31 CFR Part 35, as amended from time to time, and all other federal regulations cited herein;
- OMB Uniform Guidance 2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- All applicable local, state, and federal laws; and
- Any applicable USDT and/or City of San Marcos Policy Memos, Regulations, Communications, and guidance.

5. Program Description, Program Schedule, and Scope of Work

The Subrecipient is responsible for completing the Program in accordance with the approved Program Name, Program Schedule and Scope of Work as outlined in **Exhibit 1** attached hereto and made a part hereof. In any instance where the Program Description, Program Schedule and/or Scope of Work may be in conflict with other terms of this Contract Agreement, the Contract Agreement will prevail.

If the Subrecipient wishes to amend the Program Description and/or Scope of Work, the Subrecipient shall seek approval from the City of San Marcos in writing prior to undertaking any actions relative to such change. Failure to do so may result in termination of this Contract Agreement at The City of San Marcos's discretion.

6. Program Budget

An approved budget is incorporated and made a part of this Contract Agreement as attached in **Exhibit 4 & 5** ("Program Budget"). The City of San Marcos may require a more detailed Program Budget breakdown from time to time. The Subrecipient shall provide such supplementary Program Budget information as required by and on forms provided by the City of San Marcos upon request.

The Subrecipient shall not obligate, encumber, spend or otherwise utilize SLFRF funds for any activity or purpose not included or not in conformance with the Program Budget unless the Subrecipient has received explicit written approval from the City of San Marcos to undertake such actions, including but not limited to, changes between Program Budget categories as follows:

- For the purposes of this Contract Agreement, Program Budget categories include:
 - Non-Administrative Personnel Costs
 - Non-Administrative Office Space Costs
 - Administrative Personnel Costs
 - Program Delivery Costs
- The Subrecipient must submit Program Budget category changes in the same form as originally proposed in the approved Program Budget, accompanied by a letter of justification. Program Budget changes may occur within a Program Budget category without the need for written approval from The City of San Marcos so long as (i) the specific category has been approved; (ii) there is no change to the total Program Budget category amount; and (iii) the changes to the Program Budget are documented.

The Subrecipient acknowledges that this section has no effect upon the Program Description and or Program Schedule. Any amendment to the Program Description and or Program Schedule must be in writing approved by the City of San Marcos as provided for elsewhere in this Contract Agreement.

7. Fund Disbursement

An initial payment of up to 15% of the total grant contracted amount will be made within 30 days of receipt of the SLFRF Requisition Form (**Exhibit 7**). Following sufficiently documented spend down of the 15% advance payment, the Subrecipient may request reimbursements as needed by submitting the SLFRF requisition form attached hereto as **Exhibit 7** ("Requisition Form") with backup documentation detailing itemized expenditures by activity and cost categories. The City of San Marcos reserves the right to request additional compliance documentation before disbursing funds. Subrecipient must utilize SLFRF Requisition Form for monthly invoices.

Except as otherwise provided in this Agreement, the Subrecipient shall not request disbursement of funds until funds are needed for reimbursement of eligible costs. The amount of each request must be limited to the amount needed and the proposed use of the funds must be documented and in accordance with the Program Budget, and all SLFRF regulations/guidance. Per the Subrecipient, reimbursements must be made within 30 days upon receiving proper documentation and forms, in order to keep the Subrecipient in good standing and in full operation.

In the event the Subrecipient fails to pay contractors, subcontractors, vendors or others with claims against the Program, the City of San Marcos reserves the right to withhold all remaining program funds until payments and/or all conflicts/liens are resolved. The Subrecipient pledges to undertake contracts and subcontracts and manage payments using mechanisms that protect the interests of the Subrecipient and the City of San Marcos, such as retaining portions of contracts until completion and requiring bonds, warranties and insurance as appropriate.

The Subrecipient will obtain competitive pricing quotes or bids for all services, contracts or purchases, in compliance 2 CFR 200.317-326 – Procurement Standards and the Manual.

8. SLFRF Commitment

The City of San Marcos agrees to disburse SLFRF funds subject to the terms and conditions contained in this Contract Agreement. Such disbursements shall not, in the aggregate, exceed that amount designated for total funding listed on page two (2) of this Contract Agreement and as detailed in the Program Budget. In no instance shall the City of San Marcos be liable for any costs incurred in excess of this commitment (hereinafter referred to as the "SLFRF commitment"), nor for any unauthorized or ineligible costs. Expenses that are out of compliance with this Contract Agreement may be determined ineligible and may be subject to repayment and/or recapture by USDT and/or the City of San Marcos.

9. Commencement and Duration

The Subrecipient agrees that the Program shall not commence, nor shall any costs be incurred or obligated, prior to execution of this Contract Agreement unless approved in writing by the City of San Marcos.

The Subrecipient agrees that the Program shall be carried out in accordance with the Project Plan - Milestones outlined in **Exhibit 3** and the Time of Performance identified on page one (1) of this Contract Agreement.

In no event shall funds be obligated or spent after the Program Expiration Date unless approved in writing by the City of San Marcos.

10. Drug-Free Workplace

The Subrecipient shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (Public Law 100-690, Title V, Subtitle D; 41 USC § 701 et seq.) and maintain a drug-free work environment; and the final rule, government-wide requirements for drug-free work place (grants), issued by the Office of Management and Budget and the Department of Defense (32 CFR part 280, subpart F) to implement the provisions of the Drug-Free Work Place Act of 1988 is incorporated by reference and the Subrecipient shall comply with the relevant provisions thereof, including any amendments to the final rule that may hereafter be issued which are made apart of this Contract Agreement.

11. Insurance & Bonding

The Subrecipient shall carry sufficient insurance coverage to protect Contract Agreement assets from loss due to theft, fraud, and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the City of San Marcos. Subrecipient shall provide the City of San Marcos with proof of Commercial General Liability insurance in the amount of one million dollars (\$1,000,000) for each occurrence and One Million Dollars (\$1,000,000) in the aggregate for bodily injury and property damage, naming the City of San Marcos, its departments, employees, and/or agents, as additional insureds.

The Subrecipient shall also comply with the bonding and insurance requirements of 2 CFR 200.310- Insurance and 2 CFR 200.326, -Bonding.

12. The City of San Marcos and USDT Recognition

The Subrecipient agrees to recognize the role of the City of San Marcos and USDT in providing assistance pursuant to this Contract Agreement by referencing the support provided in all publications and media efforts that relate to this Program. All activities, facilities and items utilized pursuant to this Contract Agreement shall be prominently labeled as to this funding source.

13. Program Income

Program income includes, but is not limited to, income from fees for services performed, the use of rental or real or personal property acquired under Federal awards and principal and interest on loans made with Federal award funds. Program income does not include interest earned on advances of Federal funds, rebates, credits, discounts, or interest on rebates, credits, or discounts. The Subrecipients of SLFRF funds should calculate, document, and record the program income. Additional controls that your organization should implement include written policies that explicitly identify appropriate allocation methods, accounting standards and principles, compliance monitoring checks for program income calculations, and records. The Subrecipient shall comply with The Uniform Guidance outlines the requirements that pertain to program income at 2 CFR 200.307. Donations and sponsorships of the Southside Community Center program not directly related to projects funded by SLFRF do not count as program income.

14. Equal Employment Opportunity

During the performance of this Contract Agreement, the Subrecipient must ensure that no otherwise qualified person shall be excluded from participation or employment, denied program benefits, or be subject to discrimination based on race, color, national origin, sex, age, handicap, religion, or religious preference, under any program or activity funded under this Contract Agreement, as required by Title VI of the Civil Rights Act of 1964, the Fair Housing Act (42 USC §§ 3601-29) and all implementing regulations, and the Age Discrimination Act of 1975, and all implementing regulations. The Subrecipient shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include but not be limited to: 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. Subrecipient shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the government setting forth the provisions of this non-discrimination clause. The Subrecipient shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

15. Contractors and Subcontractors

All work supported under this Contract Agreement must be in compliance with the following regulations:

- a. The Copeland Anti-Kickback Act (40 USC, Chapter 3, Section 276c and 18 USC, Part 1, Chapter 41, Section 874; and 29 CFR part 3) requires that workers be paid weekly, that deductions from workers' pay be permissible, and that contractors maintain and submit weekly payrolls. The Contract Work Hours and Safety Standards Act (40 USC, Chapter 5, Sections 326-332; and 29 CFR Part 4, 5, 6 and 8; 29 CFR parts 70 to 240) applies to contracts over \$100,000 and requires that workers receive overtime compensation (time and one-half pay) for hours they have worked in excess of 40 hours in one week. Violations under this Act carry a liquidated damages penalty (\$10 per day per violation).
- b. Executive Order 11246 - Subrecipients hereby agree to place in every contract and subcontract for construction exceeding \$10,000 the Notice of Requirement for Affirmative Action to ensure Equal Employment Opportunity. The Subrecipient furthermore agrees to insert the appropriate Goals and Timetables issued by the Department of Labor in such contracts and subcontracts. The Executive Order also requires contractors with 51 or more employees and contracts of \$50,000 or more to implement affirmative action plans to increase the participation of minorities and women in the workplace if a workforce analysis demonstrates their under-representation, meaning that there are fewer minorities and women than would be expected given the numbers of minorities and women qualified to hold the positions available.
- c. Environmental Laws—All recipients of subgrants in excess of \$150,000 shall comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387).
- d. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the certification required under the Byrd Anti-Lobbying Amendment, certifying that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352, and disclosing any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.
- e. Certain Telecommunications Equipment—Grant funds may not be used to contract, re-contract, procure, or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

- f. Domestic Preference—As appropriate and to the extent consistent with law, the subrecipient should, to the greatest extent practicable, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States, as defined by 2 CFR § 200.322(b).
- g. Debarred and Suspended Contractors - Subrecipients shall not enter into any agreement, written or oral, with any contractor without the prior determination by the City of San Marcos of the contractor's eligibility. A contractor or subcontractor is not eligible to receive funds if the contractor is listed on the Federal Consolidated List of Debarred, Suspended, and Ineligible Contractors.

The Subrecipient will obtain competitive pricing quotes or bids for all contracts or purchases, in compliance with 2 CFR 200.319.

16. Right to Monitor

The City of San Marcos shall have the right to monitor Subrecipient's compliance with all applicable SLFRF Program requirements by whatever means the City of San Marcos deems appropriate. This right shall continue throughout and until the City of San Marcos's grant closeout with USDT or for a 10-year period following the execution of this Contract Agreement, whichever period is longer in duration.

17. Right to Inspect

The City of San Marcos, its agents and designees, shall have the right, from time to time, to inspect the Program site for purposes of ensuring compliance with the terms and conditions of this Contract Agreement and SLFRF's Rules and Regulations.

Subrecipient agrees to permit the City of San Marcos, its agents and designees (i) to have reasonable access to the SLFRF assisted program meetings or events, and (ii) to examine its books and records, including all financial statements and records, from time to time, insofar as the same may apply to Subrecipient's use of the SLFRF funds. Subrecipient further agrees to furnish such other information to the City of San Marcos, as and when requested, for the purpose of determining Subrecipient's compliance with this Contract Agreement and SLFRF's Rules and Regulations.

18. Record Retention and Access to Records

Subrecipient agrees that the City of San Marcos, USDT, the Comptroller General of the United States or any of their authorized representatives, has the right to access the Program and any books, documents, papers or other records of Subrecipient or the Program, which are pertinent to this Contract Agreement in order to make audits, examinations, excerpts or transcripts. Subrecipient will maintain all books and records pertaining to this Contract Agreement throughout and until the City of San Marcos's grant closeout with USDT or for a 4-year period following the execution of this Contract Agreement, whichever period is longer in duration. The City of San Marcos and the Subrecipient will develop a workflow approval document that will serve as the Master Project Document, and monitor a share drive providing all stakeholders with current and correct progress as to each project undertaken.

19. Limitation of Liability

Subrecipient acknowledges that City of San Marcos shall not be liable to Subrecipient for the completion of, or the failure to complete, any activities, which are a part of the Program contemplated by this Contract Agreement. Subrecipient acknowledges that should the City of San Marcos find a material default or noncompliance with this Contract Agreement, as determined by the City of San Marcos in its sole discretion and, as a result thereof, cease disbursement of SLFRF funds, the City of San Marcos shall incur no liability to Subrecipient.

20. Subrecipient Responsibilities and Indemnification for Non-Compliance

Subrecipient is responsible for performing each and every activity comprising the Program in a manner that complies with all aspects of the SLFRF program and the guidance provided. Subrecipient represents that it has accurately and completely described the Program in its Application and, except as otherwise agreed in writing, is responsible for bearing the full cost and expense of execution thereof and of continued compliance with the SLFRF program. In the event USDT disallows any Program cost paid in whole or in part with SLFRF funds, Subrecipient shall indemnify, defend and hold the City of San Marcos harmless against any resulting loss, including reasonable attorney fees.

21. Indemnification Generally

Subrecipient shall defend, hold harmless and indemnify the City of San Marcos, its agents and assigns, from and against any and all claims, losses, expenses, costs, and/or damages (including, without limitation, out-of-pocket expenses, reasonable attorneys' fees and costs, and other related expenses) arising out of, in connection with, or resulting from the performance contemplated by this Agreement, including but not limited to (i) any injury or damage to persons or property that may occur as a result of work performed in connection with its SLFRF Program, (ii) any third party, including without limitation, development professionals and contractors who may be engaged by Subrecipient; and (iii) any third party claiming that a third party beneficiary relationship has been established between the City of San Marcos and such third party, it being the intention of the parties hereto that no such relationships be created or established.

Subrecipient's indemnification of the City of San Marcos shall survive the disbursement of any funds hereunder and the termination of this Contract Agreement.

22. No Delegation of Duties

Subrecipient shall remain fully obligated under the provisions of this Contract Agreement notwithstanding its designation of any third party or parties for the undertaking of all or any part of the Program. Any party or parties so designated shall also be obligated to perform such duties under the same restrictions and requirements as if Subrecipient were performing them.

23. Conflicts of Interest

Subrecipient must maintain a written conflict of interest policy governing the performance of all persons engaged in the award and administration of contracts that comply with 2 CFR 200.112 and 2 CFR 200.318 as applicable. No person, employee, agent, consultant, officer, director or elected official or appointed official of Subrecipient who exercises or has exercised any function or responsibilities with respect to activities assisted with SLFRF funds or who is in a position to participate in a decision-making process or to gain inside information with regard to these activities, may obtain a financial interest or benefit from a SLFRF-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one (1) year thereafter. Subrecipient must provide a copy of its written conflict of interest policy to the City of San Marcos upon its request.

The Subrecipient covenants that its employees have no interest and will not acquire an interest, direct or indirect, in the project area or any parcels therein or any other interest which would conflict in any manner or degree with the performance of services hereunder. The Subrecipient further covenants that in the performance of this Contract Agreement, no person having such interest will be employed.

24. Privacy Protection

Subrecipient must establish and adhere to a written policy for the protection of non-public personal information collected in the course of Subrecipient's activities under this Contract Agreement. The City of San Marcos shall have the right to review this policy and to require additional measures to ensure adequate protection of such private information. Review shall be strictly limited to whether such policy complies with the City of San Marcos requirements. In no event may any statement by the City of San Marcos be construed as an opinion on whether a privacy policy complies with the requirements of any law, regulation, institution, government or court. Nor may any statement by the City of San Marcos be used by Subrecipient for any purpose whatsoever, except as necessary to correct or improve Subrecipient's practices, without the City of San Marcos's prior written consent.

25. Minority/Women's Business Enterprises

The Subrecipient will take all necessary affirmative steps to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. Subrecipient agrees to utilize the Texas Comptroller of Public Accounts CMBL/HUB directory to search for businesses in this category.

26. Religious Organizations

Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the SLFRF program. The Subrecipient shall not, in carrying out this Contract Agreement,

discriminate against a potential client or tenant or vendor on the basis of religion or religious belief. If the Subrecipient engages in explicitly religious activities, including activities that involve overt religious content such as worship, religious instruction, or proselytization, the Subrecipient must perform such activities and offer such services outside of any part of this Program and separately, in time and location, from the activities funded under this Contract Agreement.

27. Reliance Upon Information

The commitment of SLFRF funds under this Contract Agreement has been made in part on the basis of certain financial and other information furnished to the City of San Marcos by Subrecipient. SLFRF Funds may be withdrawn or recaptured by SLFRF at any time if the information furnished by Subrecipient should prove to be untrue or incorrect in any material respect, or if SLFRF should determine that it is inadvisable to fund the Program because of a material and adverse change in the condition of Subrecipient and/or the Program as determined by SLFRF in its sole discretion.

28. Programmatic Changes

Subrecipient will promptly notify the City of San Marcos in writing in the event of changes in key personnel and obtain the prior written approval from The City of San Marcos whenever any of the following actions is anticipated: (i) any revision in the scope or objectives of the eligible program activities, including source and use of funds, set forth in the Scope of Work and/or Application; (ii) any revision in the Program Budget between Program Budget categories for the eligible program activities; (iii) any need to extend the period of availability of SLFRF funds; or (iv) obtaining the services of a third party to perform activities which are central to the purposes of this Contract Agreement, which are material to the management or completion of the Program, or which could be construed by The City of San Marcos as an assignment of Subrecipient's rights and responsibilities under this Contract Agreement. Failure to so notify the City of San Marcos may result in termination of this Contract Agreement.

29. Subrecipient Reporting, Audit, and Record Keeping Requirements

The Subrecipient must retain certain records and must submit to the City of San Marcos quarterly, or at such other intervals as requested, any information, documents or certifications requested by the City of San Marcos which the City of San Marcos deems reasonably necessary to substantiate Subrecipient's continuing compliance with the provisions of all applicable SLFRF program rules, guidelines, criteria, and regulations. Reports must be submitted in such format as prescribed by the City of San Marcos. The City of San Marcos shall retain the right to change reporting requirements from time to time as it deems necessary. The City of San Marcos assigns the Director of Neighborhood Enhancement as the point of contact for the program. A shared secure drive shall be established between the two entities to allow the Director of Neighborhood Enhancement to sign off on particular projects as needed.

Subrecipient must maintain records for inspection by the City of San Marcos. These include, but are not limited to:

- a. Records of all SLFRF program-related account transactions including deposits, disbursements, and balances.
- b. Records supporting requests for payment and disbursement of funds.
- c. Records indicating the source and amount of any repayment, interest and other return on investment of SLFRF funds.
- d. Records of all written agreements and contracts pertaining to SLFRF Program.
- e. Records supporting a competitive bid process of procurement
- f. Audits and resolution of audit findings.
- g. Any program fees or program income collected.
- h. Efforts to recruit MBEs and WBEs.

The following records and reports must be submitted to the City of San Marcos:

- a. Monthly programmatic narrative updates and expense reports with supporting documentation of program expenses.

- b. Close out reports shall be submitted no later than 15 days following the final drawdown of SLFRF funds on forms provided by the City of San Marcos.
- c. Staff payroll and benefit reports and timesheets
- d. Financial documents, terms of agreement, and contracts upon request.
- e. Records of all transactions.
- f. Any other program information as requested by the City of San Marcos from time to time.

To ensure continued compliance, the City of San Marcos and the Subrecipient will meet in a monthly formal session with at least two Subrecipient representatives present to review future projects, bid process, work process, WIP and any other business that is associated with this partnership. During this meeting, the City shall review the financial status of all projects and once reviewed, approve the documentation and process for all outstanding undertakings.

30. Close-Outs

The Subrecipient’s obligation to the City of San Marcos shall not end until all close-out requirements are completed. Activities during this close-out period shall include but are not limited to:

- a. Making final payments;
- b. Disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable) to The City of San Marcos; and
- c. Determining custodianship of records.

Notwithstanding the foregoing, the terms of this Contract Agreement shall remain in effect during any period that the Subrecipient has control over SLFRF funds, including program income.

31. Audit Standards

Subrecipient agrees to comply with the audit standards outlined in Subpart F of 2 CFR Part 200-Audit Requirements, and to prepare an audit within two hundred seventy (270) days after the close of any fiscal year in which Subrecipient expends federal awards of at least \$750,000 (or such other amount as specified by the Director of the Office of Management and Budget). Audits must comply with the provisions of OMB Uniform Guidance 2 CFR Part 200, must be conducted by an independent certified public accountant (“CPA”), and must include a management letter and any responses thereto and CPA-prepared financial statements. Such financial statements must include a balance sheet, operating statements, source and use of funds statement, Schedule of Expenditures of Federal Awards and sufficient supporting schedules and notes as may be necessary for the City of San Marcos to determine the financial status of Subrecipient’s activities. If such audit contains material findings, Subrecipient must provide a copy of the audit, together with any comments and plans for correction, to the City of San Marcos. If such audit contains no material findings, Subrecipient is not required to submit a copy to the City of San Marcos unless otherwise required by the terms of this Contract Agreement; provided, however, that upon request Subrecipient must provide a copy of any and all audits performed during the term of this Contract Agreement to the City of San Marcos, USDT, or any designee thereof. Subrecipient acknowledges that, in the event the City of San Marcos requires an audit, SLFRF administrative funds may not be used to offset the costs associated with the audit. Subrecipient assumes full responsibility for compliance with this paragraph.

32. Financial Management System

Subrecipient will establish and maintain a financial management system pursuant to 2 CFR Part 200, Subpart D that will provide for a) accurate, current, and complete disclosure of the financial results of the functions and services performed under this Contract Agreement; and b) record and identify the source and application of funds for the activities, functions and services performed pursuant to this Contract Agreement. These records will contain information pertaining to federal and state funds received, and assets, liabilities, expenditures, and income; c) effective control over and accountability for all funds, property, and other assets. Subrecipient will safeguard all such assets and will assure that they are used solely for authorized purposes as provided in this Contract Agreement; and d) accounting records that are supported by source documentation.

33. Repayment of Investment, Time Limits for Performance,

In the event that the Program is not completed in compliance with the requirements of this Contract Agreement, whether voluntarily or otherwise, an amount equal to the unused SLFRF funds disbursed for the Program must be repaid to the City of San Marcos. Any Program assisted with SLFRF funds that does not meet the national objective as outlined on page 1 of this Contract Agreement and as outlined in the Scope of Work will require repayment in full of the SLFRF funds for that Program to the City of San Marcos.

34. Uniform Administrative Requirements

Subrecipients funded under the SLFRF program must comply with applicable uniform administrative requirements as described in 2 CFR Part 200.

35. Subrecipient's Covenants and Agreements

Subrecipient covenants and agrees with the City of San Marcos as follows:

- a. All SLFRF funds shall be allocated to units to be occupied by persons or families meeting the income qualifications required by the SLFRF Rules and Regulations;
- b. To complete the program by the program expiration date;
- c. To comply with the City of San Marcos's guidance, OMB Uniform Guidance 2 CFR 200, and the

USDT

regulations pertaining to the SLFRF Program, as amended from time to time.

36. Subrecipient's Representations.

Subrecipient represents to the City of San Marcos as follows:

- a. It has no knowledge of any notices or violations of federal or state statutes or regulations or municipal ordinances or orders, or requirements of any governmental body or authority to whose jurisdiction any of the real estate making up the SLFRF Program is subject;
- b. Its execution, delivery and carrying out of the terms and conditions of the Application and this Contract Agreement have been duly authorized by an officer with the ability to obligate Subrecipient to this Agreement and will not conflict with or result in a breach of its Articles of Incorporation or by-laws, or any vote of members or directors or of the terms or provisions of any existing law, regulation or order of any court or government body or authority or agreement to which it is a party or by which it is bound;
- c. There has been no material adverse change in its financial condition since the filing of its Application;
- d. The representations, warranties and statements of fact of Subrecipient as set forth in the Application and this Contract Agreement are true, accurate and complete in all material respects as of the date hereof;
- e. It has not failed to provide the City of San Marcos with any material information necessary to make the representations, warranties, and statements contained herein; and are not misleading, in light of the circumstances under which they were made;
- f. The Subrecipient has duly authorized the officer executing this Contract Agreement to execute, in its name and on its behalf, this Contract Agreement and all such other documents and instruments as the City of San Marcos may request in connection therewith; and
- g. The Subrecipient has no knowledge of any existing, threatened or pending actions by any person or governmental authority against it which would have a material adverse effect on its ability to acquire and complete any necessary construction or renovations to the proposed activity.

37. Survival of Agreements

All agreements, covenants, representations, and warranties made in the Subrecipient's Application and this Contract Agreement including Exhibits hereto shall survive the making of any loan hereunder and the termination of this Contract Agreement.

38. Events of Default and Pursuit of Remedies

The occurrence of any one or more of the following events shall constitute an Event of Default hereunder:

- a. Any breach or non-compliance by Subrecipient with the conditions, provisions, obligations, duties, agreements, covenants, representations and warranties made and set forth in this Contract Agreement and any/all accompanying closing documents, SLFRF Rules and Regulations, OMB Uniform Guidance 2 CFR Part 200, USDT Requirements, any applicable local, state, and federal laws, and any applicable USDT and/or City of San Marcos policy memo, regulation, communication or guideline as the same may be amended from time to time, as determined by the City of San Marcos in its sole discretion; or
- b. Any representation or warranty made herein or in any/all Subrecipient applications, accompanying closing documents, addenda, exhibits, amendment, binder, and/or other instruments executed in connection with this Contract Agreement is proven to be false or misleading in any respect, whether through commission or omission.

Upon the occurrence of an Event of Default, the City of San Marcos may, at its option, send Subrecipient a Notice of Default stating that Subrecipient has thirty (30) days to cure said default. In the event Subrecipient fails to cure said default within thirty days, the City of San Marcos may, upon ten (10) business days' notice, terminate or suspend this Contract Agreement and declare the entire outstanding balance, plus any interest accruing from the date hereof, to be immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by Subrecipient. Subrecipient agrees to pay all costs and expenses, including reasonable attorney fees, incurred by the City of San Marcos in collection of the moneys due hereunder or in the exercise or defense of its rights and powers under this Contract Agreement. In addition, the City of San Marcos may pursue any other remedies, legal or equitable, available to it in the event of Subrecipient's default, fraud or misrepresentation, whether through commission or omission.

39. Termination

This Contract Agreement shall remain in effect for the period defined on page one (1) of this Contract Agreement.

In accordance with 2 CFR 200.338, the City of San Marcos may suspend or terminate this Contract Agreement if the Subrecipient materially fails to comply with any terms of this Contract Agreement, which include (but are not limited to) the following:

- a. Failure to comply with City of San Marcos guidance and any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and USDT guidelines, policies or directives as may become applicable at any time;
- b. Failure, for any reason, of the Subrecipient to fulfill in a timely and proper manner its obligations under this Contract Agreement;
- c. Ineffective or improper use of funds provided under this Contract Agreement; or
- d. Submission by the Subrecipient to the City of San Marcos of reports that are incorrect or incomplete in any material respect.

In accordance with OMB Uniform Guidance 2 CFR Part 200, Appendix II, this Contract Agreement may also be terminated for convenience by either the City of San Marcos or the Subrecipient, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City of San Marcos determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City of San Marcos may terminate the award in its entirety.

40. No Waiver

The City of San Marcos' failure to act with respect to a breach by the Subrecipient does not waive its right to act with respect to subsequent or similar breaches. The failure of the City of San Marcos to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

Benefit

This Contract Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns; provided, however, that no assignment by Subrecipient of its rights under this Contract Agreement shall be of any effect unless the prior written consent of the City of San Marcos to such assignment has been first obtained.

41. Severability; Survivability

If any provision of this Contract Agreement shall be deemed unenforceable or invalid, such provision shall not affect, impair or invalidate any other provision of this Contract Agreement. Any provision of this Contract Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable. The terms of this Contract Agreement shall survive the closing of any loan or grant contemplated by this Contract Agreement.

42. Governing Law

This Contract Agreement is being executed and delivered in the State of Texas and shall in all respects be governed, construed, applied and enforced in accordance with the laws of said State, irrespective of its conflict of laws provisions.

43. Section Headings and Subheadings

The section headings and subheadings contained in this Contract Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Contract Agreement.

44. Notices

All notices to be given pursuant to this Contract Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing:

City

Stephanie Reyes, City Manager
City of San Marcos
630 East Hopkins
San Marcos Texas 78666
Phone: (512)393-8230
Email: sreyes@sanmarcostx.gov

With a copy to:

Director of Neighborhood Enhancement
Neighborhood Enhancement
City of San Marcos
630 East Hopkins
San Marcos Texas 78666
Phone: (512) 393-8160
Email: gcarr@sanmarcostx.gov

Subrecipient

Deborah Villalpando
Southside Community Center
518 S. Guadalupe St
San Marcos, TX 78666
Phone: (512) 392-6694 ext. 22
Email: deborah@southsidecenter.org
Web: www.southsidecenter.org

45. Changes to the Agreement

The terms of the Contract Agreement may be changed by executing an amendment or new agreement at the sole discretion of the City of San Marcos. Certain terms of the Contract Agreement, such as the Program Budget line items or Program Schedule, may be changed by written approval by the City of San Marcos or as provided herein.

Amendments shall make specific reference to this Contract Agreement, will be executed in writing, and signed by duly authorized representatives of each party. Such amendments shall not invalidate this Contract Agreement, nor relieve or release the City of San Marcos or the Subrecipient from its obligations under this Contract Agreement.

The City of San Marcos may, in its discretion, amend this Contract Agreement to conform with federal, state, or local governmental guidelines, policies, and available funding amounts, or for other reasons. If such amendments result in a change in the funding, Scope of Work, or Program Schedule of the activities to be undertaken as part of this Contract Agreement, such modifications will be incorporated only by written amendment signed by both the City of San Marcos and the Subrecipient.

46. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall be deemed to be one and the same instrument.

47. List of Exhibits

Exhibit 1: Program Description, Program Schedule, and Scope of Work

Exhibit 2: Project Charter

Exhibit 3: Project Plan - Milestones

Exhibit 4: Budget Projections Overview

Exhibit 5: ARPA Funds Budget Worksheet

Exhibit 6: Communication Plan

Exhibit 7: SLFRF Requisition Form

[SIGNATURE PAGE FOLLOWS]

The City of San Marcos and the Subrecipient agree to the conditions in the Contract Agreement and all Exhibits hereto and sign to that effect:

City of San Marcos,

Stephanie Reyes, City Manager

Date: _____

Subrecipient:

Name: Deborah Villalpando
Title: Executive Director

Date: _____

Approved as to form and correctness:

Sam Aguirre, City Attorney

Date: _____