

## Exhibit A

### Kīlauea Recovery Grant Program Program, Fiscal, and Audit Reporting Requirements Chapter 2, Article 47 of the Hawai'i County Code 1983 (2016 Edition, as amended)

#### CONDITIONS FOR GRANTS

- Before receiving any grant, nonprofit organizations to whom a grant has been awarded shall agree to comply with the conditions set forth in Chapter 2, Article 47, Section 2-138 of the Hawai'i County Code 1983 (2016 Edition, as amended).
- The grant award shall be used for expenses that are reasonably and directly related to the relief, recovery, mitigation, or remediation of the claim for disaster relief.
- The grant award shall not be used to design or construct buildings, structures, fixtures, real property, or any parts thereof, that did not lawfully exist, or that were not properly permitted, prior to the 2018 Kīlauea eruption.
- The grant award may be used for capital improvement purposes, including but not limited to, design and construction of buildings, structures, fixtures, real property, or any parts thereof, so long as the purpose of the capital improvement is to restore, repair, rebuild, replace, or rehabilitate a building, structure, fixture, real property, road, highway, or any parts thereof, that were destroyed, shown to be at risk, or otherwise damaged by the 2018 Kīlauea eruption. Any such capital improvement may occur on public or private property.
- Before receiving any grant, nonprofit organizations to whom a grant has been awarded shall certify to the finance director that any building, structure, fixture, real property, or the like, for which any disaster relief is sought, lawfully existed and was otherwise properly permitted and in compliance with applicable State and County laws, prior to the 2018 Kīlauea eruption; but where any building, structure, fixture, real property, or the like, is not properly permitted, after an inspection of the building, structure, fixture, real property, or the like, a grant may be awarded upon the issuance of a temporary certificate of occupancy from the director of public works.
- The nonprofit organization to whom a grant has been awarded for capital improvement purposes shall obtain all necessary permits prior to commencing any capital improvement work.
- The grant award may be used for capital improvement purposes where the awarded nonprofit organization has a real property interest less than fee simple, whose lease is for at least fifteen years with the property owner.
- The nonprofit organization to whom a grant has been awarded shall not use the disaster relief funds for anything other than those uses as duly approved by the director.
- In the event that the nonprofit organization is unable or unwilling to use the disaster relief funds as were duly approved by the director in accordance with this article, the director shall direct the return of the full grant amount or balance of the unexpended disaster relief funds.
- The director shall have the authority to require that the awarded nonprofit organization

use the disaster relief funds by a particular date, which may be extended upon the request of the nonprofit organization and the approval of the director in writing.

#### PREVAILING WAGE REQUIREMENTS

- The source of funding for this program is from the State Legislature and as such Section 104-2 of the Hawai'i Revised Statutes related to wages, hours, and other requirements for "public work" applies. Any construction work proposed for payment through this program is considered public work and must be undertaken with prevailing wages.

#### RECORDS, REPORTING, AND FISCAL ACCOUNTING REQUIREMENTS

- The nonprofit organization shall follow generally accepted accounting procedures and practices and shall maintain books, records, documents, and other evidence that sufficiently and properly account for the expenditure of the disaster relief funds. The books, records, and documents shall be subject at all reasonable times to inspection, reviews, or audits by the director and the legislative auditor, or by their designated representatives.
- The director may request periodic written reports on the use of the disaster relief funds.
- The nonprofit organization shall submit a written report to the director within sixty days after the final expenditure of the amount of disaster relief funds that was awarded. The report shall include, but not be limited to, a detailed description focusing on specific, measurable outcomes of how the disaster relief funds were used and a breakdown of other funding sources and their expenditures.
- In addition to any other remedy provided by law, if the nonprofit organization fails to submit the written report due within sixty days from the date of the final expenditure of the amount of disaster relief funds that was awarded, the director shall require the nonprofit organization to return all grant funds awarded and deem the nonprofit organization ineligible to receive future grant awards for at least the following fiscal year, and for all subsequent fiscal years until such time as the written report is submitted to, and accepted by, the director.
- Should the director determine that the written report is deficient in any way, the nonprofit organization shall be notified of the deficiencies and shall provide additional information to mitigate the deficiencies within thirty days of notice. Noncompliance shall constitute a violation of this section.

#### INDEMNIFICATION

- All contracts executed under this article shall contain a provision that the awarded grantee shall save, indemnify, defend, and hold harmless the County against any claims arising from the award or use of disaster relief funds.