

demonstrating justification for such reduction, elimination or extension of the price adjustment.

- D. **Allowable Review Periods:** Price adjustment reviews may only be requested by the CBDO on a quarterly basis. However, the County may at its own discretion, conduct temporary price adjustment reviews at any time. The County Purchasing Agent and/or the County Auditor reserve the right to audit and/or examine any pertinent books, documents, papers, records or invoices relating directly to the contract transaction in question after reasonable notice and during normal business hours.
- E. **Dollar Limit to Price Changes:** The total increase in contract price shall not exceed twenty-five percent (25%) of the original contract price during the contract term.

SECTION 29. REMEDIES

It is expressly understood and agreed by the parties hereto that any right or remedy provided for in this Section 28 or in any other provision of this agreement shall not preclude the exercise of any other right or remedy under this agreement or under any provision of law, nor shall any action taken in the exercise of any right or remedy be deemed a waiver of any other rights or remedies. Failure to exercise any right or remedy hereunder shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

Executed this th day of June, 2011

ATTEST:
Hidalgo County, Urban County Program

UCP Director

Affordable Homes of South Texas, Inc.

CBDO Director

ACKNOWLEDGEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

KNOW ALL BY THESE PRESENTS:

This instrument was acknowledged before me on __ by Robert Calvillo as Director of Affordable Homes of South Texas, Inc., a Texas nonprofit corporation, on behalf of said corporation.

(seal)

NOTARY PUBLIC, State of Texas
NAME: _____
My Commission Expires: _____

ACKNOWLEDGEMENT

STATE OF TEXAS §
§
COUNTY OF HIDALGO §

KNOW ALL BY THESE PRESENTS:

This instrument was acknowledged before me on April by Diana R. Serna as Director of the Hidalgo County Urban County Program.

(seal)

NOTARY PUBLIC, State of Texas
NAME: _____
My Commission Expires: _____

EXHIBIT A

PERFORMANCE STATEMENT

- A. Providing homeownership opportunities for fourteen (14) qualified families with a total yearly income between 51%-120% of the AMI.
- B. CBDO shall undertake the following activities dependant upon individual property needs:
 - 1. Redevelopment of Vacant Properties
 - 2. Establish Financing Mechanisms for the purchase and redevelopment of residential properties
- C. CBDO shall perform annual principal residency verifications on all properties that are within their affordability periods.
- D. CBDO shall provide a minimum of eight (8) hours of pre-purchase counseling for qualified homebuyers.
- E. CBDO shall comply with the definition of the new income group noted under §2301(f)(3)(A)(i) and (ii) of the Housing and Economic Recovery Act as “moderate- and middle-income” (LMMI) not to exceed 120% of the area median income (AMI”).
- F. The project shall be administered in accordance with Exhibit A, Title III – Emergency Assistance for the Redevelopment of Abandoned and Foreclosed Homes in the “Housing and Economic Recovery Act of 2008” (Pub. L. 110-289, approved July 20, 2008)(HERA), as amended by the June 19, 2009 “Bridge” Notice (74 FR 29223), Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203, approved July 21, 2010)(Dodd-Frank Act) and the Community Development Block Grant (CDBG) program (authorized under Housing Community Development Act of 1974, as amended (42 U.S.C. 5301 et seq.) (HCD Act).

EXHIBIT B

BUDGET

UCP agrees to grant CBDO \$1,041,000 utilizing Neighborhood Stabilization Program (NSP3) funds, subject to the conditions of this agreement.

Source of Funds	Budget Amount
NSP3	\$ 1,041,000
NSP1	\$ 1,350,000
US Treasury CDFI	\$ 1,000,000
RGV Multibank	\$ 1,000,000
NCLR Development Fund	<u>\$ 1,000,000</u>
TOTAL	\$ 5,391,000

EXHIBIT C

OTHER FEDERAL REQUIREMENTS

1. Compliance with Federal Laws and Regulations. CBDO agrees to comply with all federal laws and regulations applicable to NSP and to the services and work covered under this Agreement.
2. Applicable Federal Civil Rights Laws and Executive Orders. The work to be performed under this Agreement is on a project assisted under a program providing direct federal financial assistance from HUD. In providing the services and work set forth in this Agreement, CBDO will carry out its work in a manner which will permit full compliance by UCP with the following, and CBDO shall strictly adhere to the following:
 - a. Title VI of the Civil Rights Act of 1964, which provides that no person in the United States shall be excluded on the basis of race, color or national origin, from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
 - b. Section 109 of the Housing and Community Development Acts of 1974 and 1977, as amended, which provide that no person in the United States shall 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 pursuant to said Acts.
 - c. Title VIII of the Civil Rights Act of 1968, which mandates affirmative action toward furthering fair housing (in sale or rental of housing, financing of housing and provision of brokerage services) throughout the United States;
 - d. Executive Order 11063, which provides for equal opportunity in housing and related facilities provided by federal financial assistance;
 - e. Executive Order 11246, which provides that there shall be no discrimination in employment under federally assisted construction.
 - f. Section 3 of the Housing and Urban Development Act of 1968, which provides for training, employment, and contracting Opportunities for business and lower income persons assurance of compliance.
 - (1) The work to be performed under this Agreement 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 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given low-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) The parties to this Agreement will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR Part 135, and all applicable rules and orders of the Department of Housing and Community Development issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.
 - (3) CBDO will send to each labor organization or representative of workers with which it has a collective bargaining contract or other contract or understanding, if any, a notice advertising to the said labor organization or worker's 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.
 - (4) CBDO will include these Section 3 clauses in every contract and subcontract for work in connection with the project and will, at the direction of the State, take appropriate action pursuant to the contract upon a finding that any CBDO or subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR Part 135, and will not let any contract unless CBDO or subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
 - (5) Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the Rehabilitation Contract shall be a condition of the federal financial assistance provided to the project, binding upon CBDO, its successors, and assigns. Failure to fulfill these requirements shall subject CBDO, its contractors and subcontractors, its successors, and assigns to those sanctions specified by the grant or contract through which federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135 which provides that, to the greatest extent feasible, opportunities for training and employment shall be given to lower-income residents of HUD-assisted project areas, and that contracts for work in connection with such projects be awarded to business concerns which are located in, or are owned in substantial part by, persons residing in the area of the Program.
- g. Section 504 of the Rehabilitation Act of 1973 (prohibits discrimination based on physical handicap) (Pub.L. 93-112), as amended, and implementing regulations when published for effect.
- The Age Discrimination Act of 1975, as amended (Pub.L. 94-135), and implementing regulations when published for effect.
- i. The relocation requirements of Title II and the acquisition requirements of Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and the implementing regulations at 24 CFR Part 42.

j. The requirements relating to minority and women's business enterprises set forth in Executive Order No. 11625 of October 13, 1971, 36 Fed. Reg. 1967, as amended by Executive Order No. 12007 of August 22, 1977, 42 Fed. Reg. 42839; and Executive Order No. 12432 of July 14, 1983, 48 Fed. Reg. 32551; and Executive Order No. 12138 of May 18, 1979, 44 Fed. Reg. 23637.

k. The Uniform Federal Accessibility Standards set forth in 24 CFR, Part 40, Appendix A.

The provisions of 24 CFR, Part 24, relating to the employment, engagement of services, awarding of contracts, or funding of any CBDOs or subcontractors during any period of debarment, suspension or placement in ineligibility status.

m. The provisions of 24 CFR, Part 570, relating to compliance with applicable uniform administrative requirements in acceptance and use of funds, as described in Section 570.502 (this document is available at the UCP office).

The provisions of 24 CFR, Part 570, relating to compliance with: 1) OMB Circular A-110 which sets standards for uniform administrative requirements for grants to non-profit organizations; and 2) OMB Circular A-122, which provides a set of cost principles for determining costs of grants and other agreements with non-profit organizations.

3. Nondiscrimination Under Title VI of the Civil Rights Act of 1964. CBDO under this Agreement shall be subject to the requirements of Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and HUD regulations with respect thereto including the regulations under 24 CFR, Part 1. In the sale, lease or other transfer of land acquired, cleared or improved with assistance provided under this Agreement, CBDO shall cause or require a covenant running with the land to be inserted in the deed or lease for such transfer prohibiting discrimination upon the basis of race, color, religion, sex or national origin, in the sale, lease or rental, or in the use of occupancy of such land or any improvements erected or to be erected thereon, and providing that CBDO and the United States are beneficiaries of and entitled to enforce such covenant. CBDO, in providing the services and work it is to provide pursuant to this Agreement, agrees to take such measures as are necessary to enforce such covenant and will not itself so discriminate.

4. Equal Employment Opportunity. In providing the work and services herein specified, CBDO shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. CBDO 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, 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. CBDO shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or the UCP setting forth the provisions of this nondiscrimination clause. CBDO shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

CBDO shall incorporate the foregoing requirements of this Paragraph 4 in all of its contracts for program work, and will require all of its subcontractors for such work to incorporate such requirements in all subcontracts for program work.

CBDO shall also maintain records containing:

- a. Data on the extent to which each racial and ethnic group and single-headed households (by gender of household head) have applied for, participated in, or benefited from, any program or activity funded in whole or in part with NSP or other Federal funds. Such information shall be used only as a basis for further investigation as to compliance with nondiscrimination requirements. No CBDO is required to attain or maintain any particular statistical measure by race, ethnicity, or gender in covered programs.
 - b. Documentation of actions undertaken to meet the requirements of 8 570.607(b) which implements section 3 of the Housing Development Act of 1968, as amended (12 U.S.C. 1701U) relative to the hiring and training of low- and moderate-income persons and the use of local businesses.
 - c. Data indicating the racial/ethnic character of each business entity receiving a contract or subcontract of \$25,000 or more paid, or to be paid, with NSP or other Federal funds, data indicating which of those entities are women's business enterprises as defined in Executive Order 12138, the amount of the contract or subcontract, and documentation of recipient's affirmative steps to assure that minority business and women's business enterprises have an equal opportunity to obtain or compete for contracts and subcontracts as sources of supplies, equipment, construction and services. Such affirmative steps may include, but are not limited to, technical assistance open to all businesses but designed to enhance opportunities for these enterprises and special outreach efforts to inform them of contract opportunities. Such steps shall not include preferring any business in the award of any contract or subcontract solely or in part on the basis of race or gender.
5. Lead-Based Paint Hazards. Assistance provided under this Agreement is subject to the HUD Lead-Based Paint regulations at 24 CFR Part 35, hereby incorporated and made a part of this Agreement by reference. Any funding commitments made by UCP or CBDO shall be made subject to the provisions for the elimination of lead-based paint hazards under subpart B of said regulations.
 6. Flood Disaster Protection. Notwithstanding any other provision of this Agreement, CBDO shall comply with the Flood Disaster Protection Act of 1973, as amended (P.L. 93-234), and the standards issued thereto. No portion of the monies to be paid to CBDO pursuant to this Agreement shall be used for acquisition or construction purposes as defined under Section 3(a) of said Act, for use in an area identified by the Secretary of HUD as having special flood hazards which is located in an area not in compliance with the requirements for participation in the National Flood Insurance Program pursuant to Section 201(d) of said Act; and the use of any of said monies for such acquisition or construction in such identified areas in communities then participating in the National Flood Insurance Program shall be subject to the mandatory purchase of flood insurance requirements of Section 102(a) of said Act.

Any contract or Agreement for the sale, lease, or other transfer of land acquired, cleared or improved with assistance provided under this Agreement shall contain, if such land is located in an area identified by the Secretary of HUD as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, as amended, 42 U.S.C. 4001, et seq., provisions obligating the transferee and its successors or assigns to obtain and maintain, during the ownership of such land, such flood insurance as required with respect to financial assistance for acquisition or construction purposes under Section 102(a) of the Flood Disaster Protection Act of 1973, as amended. Such provisions shall be required notwithstanding the fact that the construction on such land is not itself funded with assistance provided under this Agreement.

7. Interest of 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 arising from same.
8. Conflict of Interest. No officer, employee, or agent of CBDO who exercises any functions or responsibilities with respect to the NSP Program or to the services and work to be performed by CBDO pursuant to this Agreement, during such officer's employee's, or agent's tenure or for one (1) year thereafter, shall have any personal or financial interest or benefit, direct or indirect, in this Agreement or the proceeds thereof. CBDO shall incorporate or cause to be incorporated in every contract required to be in writing a provision prohibiting such interest pursuant to the purposes of this Section.
9. Prohibition Against Payments of Bonuses or Commissions. The assistance provided under this Agreement shall not be used in the payment of any bonus or commission for the purposes of obtaining HUD approval of the application for such assistance, or HUD approval of applications for additional assistance, or any other approval or concurrence of HUD required under this Agreement, Title I of the Housing and Community Development Acts of 1974 or 1977, or HUD regulations with respect thereto; provided, however, that reasonable fees or bona fide technical, consultant, managerial or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as program costs.
10. 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.
11. 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 UCP and 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 the rights under any patent issued thereon, shall be disposed of and administered, in order to protect the public interest.
12. Political Activity.
 - a. Political Reform Act. CBDO shall comply with the applicable provisions of the Political Reform Act of 1974, as amended, relating to conflicts of interest (codified at

Texas Government Code Section 87000, et seq.). CBDO will promptly advise UCP of the facts and circumstances concerning any disclosure made to it or any information obtained by it relating to conflicts of interest.

- b. **Partisan Activity Prohibited.** No funds provided in this Agreement shall be used for any partisan political activity or to further the election or defeat of any candidate for public office; nor shall they be used to provide services, or for the employment or assignment of personnel in a manner supporting or resulting in the identification of programs conducted pursuant to this Agreement with the following: (1) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office; (2) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or (3) any voter registration activity.

Participants employed in the administration of UCP's programs funded by NSP or other Federal funding, and participants whose principle employment is in connection with an activity financed by NSP or other Federal funding or resultant proceeds are subject to limitation on political activities under the Hatch Act (U.S.C. 1502(a), 18 U.S.C. 595). All participants may take part in nonpartisan activities outside working hours.

- c. **Lobbying Prohibited.** None of the funds provided under this Agreement shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before the Congress.

13. Guidelines on Church-Related Activities.

- a. **Construction or Rehabilitation of Facilities.** NSP or other Federal funding recipients shall not use any funds to construct, rehabilitate, maintain, or restore religious structures (including those which may be historic properties) currently used for religious purposes. Block Grant funds shall not be used to construct, rehabilitate, maintain, or restore structures or other real property owned by "pervasively sectarian" organizations. Block Grant funds shall not be used to assist a religious organization in acquiring property. These prohibitions apply whether or not the property is used for religious services or instruction or is used in any other way for religious activities.

14. Property Standards

In accordance with 24 CFR 92.251, housing that is newly constructed with NSP funds must meet all applicable local codes, ordinances, and zoning ordinances at the time of project completion. Newly constructed housing must meet the current edition of the, Model Energy Code published by the Council of American Building Officials. The CBDO must assure that unit design specifications and necessary inspections of each unit is conducted to meet compliance requirements. File documentation must demonstrate compliance.

15. Environmental Requirements

Notwithstanding any provisions of this Agreement, the parties hereto agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental

review and receipt by the Participating Jurisdiction of a release of funds from the U.S. Department of Housing and Urban Development under 24CFR Part 58. The parties further agree that the provision of any funds to the project is conditioned on the Participating Jurisdiction's determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review.

END CONDITIONS OF FEDERAL FUNDING

EXHIBIT D

Certification Regarding Lobbying for Agreements, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of its knowledge and belief, that:

1. 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 agency, a member of Congress, an officer or employee of Congress, or any employee of a member of Congress in connection with the awarding of any federal agreement, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, or modification of any federal agreement, grant, loan, or cooperative agreement.
2. If any funds other than federal 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 agreement, grant loan, or cooperative agreement, the undersigned shall complete and submit standard form -LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subagreements, subgrants, and agreement under grants, loans and cooperative agreements) and that CBDOs certify and disclose accordingly.

This certification is material representation of fact 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. § 132. 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.

Affordable Homes of South Texas, Inc.

Signed:

Director

Date

EXHIBIT E

INSURANCE REQUIREMENTS

1. CBDO Insurance. CBDO, at its sole cost and expense, for the full term of this Agreement (and any extensions thereof), shall obtain and maintain at minimum compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects UCP and any insurance or self-insurance maintained by UCP shall be excess of CBDO's insurance coverage and shall not contribute to it.
2. Subcontractor(s) Insurance. If CBDO utilizes one or more subcontractors in the performance of this Agreement, CBDO shall obtain and maintain independent insurance as to each subcontractor or otherwise provide evidence of insurance coverage for each subcontractor equivalent to that required of CBDO in this Agreement.
3. Types of Insurance and Minimum Limits. The following types of insurance and minimum limits are required for at least the following minimum coverage and limits of liability.
 - a. Worker's Compensation written in accordance with the laws of the State of Texas and providing coverage for any and all employees of CBDO in the minimum statutorily required coverage amounts.
 - b. Automobile Liability Insurance for each of CBDO's vehicles used in the performance of this Agreement, including owned, non-owned (e.g. owned by CBDOs employees or contractors), leased or hired vehicles, in the minimum amount of \$300,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage shall not be required if vehicle used by CBDO is not a material part of performance of this Agreement and CBDO and UCP both certify to this fact.
 - c. Comprehensive or Commercial General Liability Insurance coverage in the minimum amount of \$300,000 combined single limit, including coverage for:
 - (1) Bodily injury.
 - (2) Personal injury.
 - (3) Broad form property damage.
 - (4) Contractual liability.
 - (5) Cross-liability.
4. Other Insurance Provisions.
 - a. If any insurance coverage required in this Agreement is provided on a "Claims Made" rather than "Occurrence" form, CBDO agrees to maintain the required coverage for duration of this Agreement (hereinafter "post agreement coverage") and any extensions thereof. CBDO may maintain the required post agreement coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post agreement coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Agreement. For purposes of

interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this Agreement in order to purchase prior acts or tail coverage for post agreement coverage shall be deemed to be reasonable.

5. Endorsements.

- a. All required Automobile and Comprehensive or Commercial General Liability Insurance shall be endorsed to contain the following clause, with the exception that Endorsement (ii), providing for 30-day notices, is the only endorsement required to be made a part of the Worker's Compensation and Employers' Liability policy coverage.
 - (1) "The County of Hidalgo, its employees, officers, agents and volunteers are hereby added as additional insurers, but only as respects work done by, for, or on behalf of the named insured under Agreement with the County of Hidalgo."
 - (2) "Thirty (30) days prior written notice shall be given to the County of Hidalgo in the event of cancellation, reduction in coverage, or non-renewal of this policy for whatever reason."

6. Proof of Coverage.

- a. CBDO agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide UCP on or before the effective date of this Agreement with Certificate of Insurance for all required coverages. Copies of all the required Endorsements required above shall be attached to the Certificate(s) of Insurance or other evidence of insurance acceptable to the County of Hidalgo, which shall be provided by CBDO's insurance company as evidence of the stipulated coverages. This Proof of Coverage shall then be mailed to the County of Hidalgo at the following address:

HOME Coordinator
County of Hidalgo
Urban County Program
1916 Tesoro Blvd.
Pharr, TX 78577

END INSURANCE REQUIREMENTS