Multi-family (1) not to exceed 12 units

Single family (2)

AGREEMENT BETWEEN
LAKE COUNTY, FLORIDA
AND
CITY OF LEESBURG
FOR THE
NEIGHBORHOOD STABILIZATION PROGRAM 3

RFP #11-0223

THIS AGREEMENT, is entered into by and between Lake County, Florida, a political subdivision of the State of Florida, the Grantee under the Neighborhood Stabilization Program, (hereinafter called "Grantee") and the City of Leesburg, a municipal corporation organized under the laws of the State of Florida (hereinafter called "Non-Profit").

WHEREAS, the Grantee has applied for and has been awarded funds from the United States Department of Housing and Urban Development (HUD) for a Neighborhood Stabilization Program, which is referred to herein as "NSP3" or as "NSP"; and

WHEREAS, the Grantee has engaged the Non-Profit to assist the Grantee in using a portion of the NSP3 award in accordance with applicable notices, regulations and guidance from HUD.

NOW, THEREFORE, IN CONSIDERATION of the mutual terms, understandings, conditions, promises, covenants, and payment hereinafter set forth, and intending to be legally bound, the parties hereby agree as follows:

Article 1. Scope of Services.

1.1 Generally. Non-Profit will be responsible for carrying out NSP3 activities in a manner satisfactory to the Grantee and consistent with all standards required as a condition of providing these funds.

1.2 Non-Profit Responsibilities.

A. Non-Profit will carry out this program in accordance with the policies, procedures and other provisions of the Single-Family and Multi-Family Rental Program Manual, attached hereto and incorporated herein by reference as **Exhibit A**, hereinafter the "Program Manual", provided to Non-Profit by Grantee. Non-Profit hereby agrees to accept and follow any written amendments to the Program Manual by Grantee that are made as a direct result of additional guidance or regulations provided by HUD, as well as any written amendments that the Grantee views as necessary to address or improve the processes of the NSP program. Non-Profit further agrees to abide by all federal guidelines and regulations set forth in **Exhibit B,** attached hereto and incorporated herein by reference, hereinafter the "Federal Requirements."

B. This program activity will include the acquisition and development of residential property that is foreclosed upon, abandoned, or vacant in accordance with the definitions and requirements of the NSP3 program, to the extent that these activities are incorporated in the Scope of Services and in the NSP3 Program Budget as shown in **Exhibit C**, attached hereto and incorporated herein by reference, hereinafter the "Program Budget." If the principal structure(s) of an acquired property is to be demolished, Non-Profit must obtain prior approval from Grantee

after demonstrating in writing to Grantee that demolition and new construction is more economically feasible than rehabilitation. The cost of demolition can be an eligible cost if pre-approved by Grantee.

C. Non-Profit is responsible for providing the deliverables described in the Program Budget shown in **Exhibit C** within the time periods and for the approximate average budget amounts described therein. The total use of NSP3 funds provided under this Agreement may not exceed the total amount of NSP3 funds indicated elsewhere in this Agreement.

D. Non-Profit's expenditures for program delivery will be limited as follows, unless changes to the limits are agreed to in writing by the Grantee and Non-Profit for a particular property:

1. Minimum number of homes to be acquired, developed and rented: **two (2) single family homes and (1) one multi-family complex not to exceed twelve (12) apartment units total, hereinafter referred to as "homes."** within Dec

2. Eligible properties: Non-Profit will acquire, and carry out the permitted activities on only those properties that are located in the designated NSP3 Target Areas, identified in **Exhibit D**, attached hereto and incorporated herein by reference, hereinafter the "Target Areas," that are eligible under NSP3 for rehabilitation or redevelopment as affordable residential properties. Properties acquired must be abandoned or foreclosed upon, vacant lots, or vacant residential structures, as defined in the Program Manual. Residential structures will be rehabilitated unless the structure is economically infeasible to rehabilitate.

3. Number of homes to be developed for households with incomes at or below 50% of area median family income (MFI), to meet Grantee's 25% set-aside requirement: All homes and multi-family units shall be developed for households with incomes at or below 50% of MFI.

4. Prior approval of acquisitions by Grantee: Non-Profit may not execute a purchase agreement for a property to be acquired and developed without first obtaining written approval by Grantee. To request this approval, Non-Profit will provide Grantee with a property description, proof of abandoned, foreclosed, or vacant status as applicable, preliminary plans and specifications for rehabilitation or construction work, a preliminary development cost, an estimate of sales price, and an estimate of net sales proceeds including line item estimates of sales and marketing costs, closing costs and financing to be provided to the buyer. The preliminary cost estimate will be provided in a form similar to the development cost estimates shown in the Program Manual. Grantee will base its approval upon an assessment of NSP3 compliance, financial feasibility, conformity to expenditure limits described herein, and the potential marketability of the property. In addition, properties must be located in the Target Areas as described herein. provide all docs.

5. Approval and funding of demolition costs: Primary structures on acquired properties may not be demolished unless prior written approval is given by the Grantee. If Grantee does not give written approval of demolition, Non-Profit must fund the cost of demolition (if any) from the Non-Profit's own resources.

6. Maximum NSP3 expenditure per single family dwelling unit:

(i) Acquisition Costs: Non-Profit may spend no more than $80,000 to **acquire** any home under the NSP3 Program, unless Grantee gives written approval for an additional amount in accordance with the Program Manual. The purchase price shall be at least a one percent (1%) discount of the listed or market value. Of the total purchase price of any home, Grantee shall reimburse Non-Profit fifty percent (50%) of the acquisition cost not to exceed $40,000. Non-Profit shall use its own resources to fund the remaining portion of the purchase price.

(ii) Rehabilitation Costs: After acquisition, Non-Profit may spend no more than $20,000 to **rehabilitate** any home, unless Grantee gives written approval for an additional amount in accordance with the Program Manual. Of the total rehabilitation cost (Rehab Cost) for any home, Grantee shall reimburse Non-Profit fifty percent (50%) of the Rehab Cost not to exceed $10,000. Non-Profit shall use its own resources to fund the remaining portion of the Rehab Costs. All Rehab Costs shall be pre-approved in writing by the Grantee, including change orders.

(iii) Soft Costs: Grantee shall reimburse Non-Profit for the actual soft costs incurred during the acquisition and rehabilitation phases of each home not to exceed $2,500 per home. Soft costs are defined as appraisals, surveys, title opinions, and environmental assessments.

(vi). Total Grantee Investment: The total Grantee investment will not exceed $52,500 per home. The total investment shall include the Grantee's portion of the acquisition, rehabilitation, and soft costs.

7. Maximum NSP3 expenditure per multifamily project:

(i) Acquisition Costs: Non-Profit may spend no more than $100,000 to **acquire** any multifamily project under the NSP3 Program, unless Grantee gives written approval for an additional amount in accordance with the Program Manual. The purchase price shall be at least a one percent (1%) discount of the listed or market value. Of the total purchase price of the multifamily project, Grantee shall reimburse Non-Profit fifty percent (50%) of the acquisition cost not to exceed $50,000. Non-Profit shall use its own resources to fund the remaining portion of the purchase price.

(ii) Rehabilitation Costs: After acquisition, Non-Profit may spend no more than $400,000 to **rehabilitate** the multifamily project, unless Grantee gives written approval for an additional amount in accordance with the Program Manual. Of the total rehabilitation cost (Rehab Cost) for the multifamily project, Grantee shall reimburse Non-Profit fifty percent (50%) of the Rehab Cost not to exceed $200,000. Non-Profit shall use its own resources to fund the remaining portion of the Rehab Costs. All Rehab Costs shall be pre-approved in writing by the Grantee, including change orders.

(iii) Soft Costs: Grantee shall reimburse Non-Profit for the actual soft costs incurred during the acquisition and rehabilitation phases of each

multifamily project not to exceed $5,000. Soft costs are defined as appraisals, surveys, title opinions, and environmental assessments.

(vi). Total Grantee Investment: The total Grantee investment will not exceed $255,000 per the multifamily project. The total investment shall include the Grantee's portion of the acquisition, rehabilitation, and soft costs

8. Other limits on expenditures: Other acquisition, rehabilitation/ construction and soft costs are not subject to per-home cost limits, but must be reasonable and ordinary costs of development and, in the aggregate, must conform to the per-home cost limits and average costs described elsewhere herein. No NSP3 funds may be spent for purchases of equipment or furnishings.

9. Accounting for expenditures: Non-Profit will account for total NSP3 expenditures and rents per home by means of assigning an accounting code for NSP3-funded or reimbursed expenses for each property.

10. Maximum/minimum rental: During the affordability period, Non-Profit must ensure that the rents they charge for their NSP-assisted rental units do not exceed the applicable HOME rent limits for Very Low Income. HUD updates and publishes HOME rent limits each year. Lake County will provide the updated rent limits to the Non-Profit annually. Rental limits is included in **Exhibit E**, attached hereto and incorporated herein by reference.

11. Repayment of net proceeds of sale to Grantee: Grantee will ensure long term affordability through the use of a Deed Restricted Covenant which will be recorded against the property. If Non-Profit, who has been assisted through this program, transfers title to the property before the affordability period expires, the assistance provided by the Grantee will be subject to recapture. The Grantee will annually monitor rental developments that are assisted with NSP funds during the affordability period to ensure that the specified units are affordable and that the property(s) continue to meet minimum housing quality standards. Rental units created or developed through the use of NSP funds will have a minimum fifteen (15) year affordability period.

E. NSP3-assisted rental unit must be rented only to income-qualified households in the categories as described herein and in **Exhibit A** and in at least the minimum numbers of units described.

F. Environmental reviews: Non-Profit is responsible for completing Tier 2/Phase 2, site-specific environmental reviews in accordance with the Program Manual, if necessary.

1.3 **Grantee Responsibilities.** Grantee is responsible for the following tasks and deliverables.

A. Approving each property purchase as described herein and in the Program Manual.

B. Grantee is responsible for completing Tier 1/Phase 1, site-specific environmental reviews and shall follow all procedures outlined in the Program Manual for purchase approval.

C. Management of all draws of NSP3 funds from HUD and payment of valid and properly documented draw requests from Non-Profit.

D. Reporting to HUD via the Disaster Reporting Government Reporting (DRGR) system, using, in part, data provided by Non-Profit.

E. Monitoring all program activities of Non-Profit to assure compliance with the terms of this Agreement and all NSP3 requirements.

F. Processing requests for disbursements of NSP3 funds, including necessary construction inspections, in a timely manner. Grantee will clearly and promptly describe any deficiencies identified by Grantee that prevent a disbursement or portion of a disbursement from being approved. Upon the request of Non-Profit, Grantee must promptly itemize and describe such deficiencies in writing.

G. Ensuring that information required by the Recovery Act is reported in the Disaster Recovery Grant Reporting (DRGR) system or on www.FederalReporting.gov in a timely manner. Grantee must comply with the NSP3 performance reporting requirements and with any additional reporting requirements announced by HUD at any time during the duration of this agreement.

1.4 Income Eligibility Requirements. In accordance with section 2301(f)(3)(A) of the Housing and Economic Recovery Act of 2008 (HERA), Public Law 110-289, the Non-Profit will use all NSP3 funds to assist individuals and families whose incomes do not exceed 120% of area median family income (MFI). The Grantee is responsible for ensuring that twenty-five percent (25%) of the total grant is used for the purchase and redevelopment of abandoned or foreclosed homes or residential properties to house individuals and families whose incomes do not exceed fifty percent (50%) of area MFI, as required by HERA. The Non-Profit will use NSP3 funding for individuals and families at or below fifty percent (50%) of area MFI if required by provisions elsewhere in this agreement.

1.5 Performance Monitoring. The Grantee will monitor the performance of the Non-Profit based on goals and performance standards as stated above along with all other applicable federal, state and local laws, regulations, and policies governing the funds provided under this contract. Substandard performance as determined by the Grantee will constitute noncompliance with this Agreement. If corrective action is not taken by the Non-Profit within a reasonable period of time after being notified by the Grantee, contract suspension or termination procedures will be initiated. Non-Profit agrees to provide HUD, the HUD Office of Inspector General, the General Accounting Office, the Grantee, or the Grantee's internal auditor(s) access to all records related to performance of activities in this agreement.

1.6 Progress Reports and Other Reports. Non-Profit hereby agrees to provide monthly all necessary progress reports and other reports required by Grantee on forms to be provided by Grantee.

Article 2. Time for Performance.

2.1 Start and Completion Dates. Services of the Non-Profit shall start on the date the last party hereto executes this Agreement and shall end on March 10, 2014 with all NSP3 funds allocated having been expended, unless Grantee at its sole discretion approvals a later completion date. Non-Profit must obligate at least half of the amount stated herein by March 10, 2013. Notwithstanding the foregoing, with respect to additional activities and funding, the term of this agreement will be extended if Grantee allocates additional funds to Non-Profit for the activities described herein, or causes another entity (such as a nonprofit housing fund) to allocate additional funds. As a condition of Non-Profit receiving such additional allocation of funds, Non-Profit and staff of Grantee must jointly create and agree to a new Program Budget and replace the existing **Exhibit C**.

2.2 Additional Time. The term of this Agreement and the provisions herein shall be extended to cover any additional time period during which the Non-Profit is responsible for NSP3 reporting or compliance measures or remains in control of NSP3 funds or other NSP3 assets, including program income.

2.3 NSP3 Funds Obligation Deadline. To obligate funds as required under this Agreement, the Non-Profit must follow these procedures:

A. Funds for property acquisition are obligated by entering into a valid and NSP3-compliant purchase agreement.

B. Funds for construction or rehabilitation are obligated by completing a detailed set of plans and specifications (or work write-up) and completing a detailed construction/rehabilitation cost estimate based upon those specifications. Such cost estimate may include a contingency for construction change orders of up to ten percent (10%) for rehabilitation.

C. For a property that has met the requirements above, the total obligation amount will include the per-unit or prorated estimates of soft costs, Non-Profit fee and selling costs based on the cost assumptions contained herein.

D. Non-Profit must report fund obligations on a monthly basis or when requests for reimbursements are made, whichever occurs sooner.

2 Single Family Homes @ 52,500 and 1 multi-@ 265,000

Article 3. Budget

3.1 Program Budget. The total amount of NSP3 funding allocated to Non-Profit is **$360,000.** This amount represents an allocation of the Grantee's total NSP3 funding contingent upon Non-Profit's performance hereunder.

3.2 Additional Budget Details. A detailed project budget and cash flow projections are included in **Exhibit C**. In addition, the Grantee may require more detailed or different budget breakdowns than the one contained herein, and the Non-Profit shall provide such supplementary budget information in a timely fashion in the form and content prescribed by the Grantee.

3.3 Recapture and Reallocation of Non-Profit's Allocation of NSP3 Funds. If Non-Profit fails to expend NSP3 funds as indicated with regard to the goals and delivery schedule shown in **Exhibit C**, Grantee at its sole discretion may recapture a portion or all of the Non-Profit's total NSP3 funding allocation. The portion recaptured will be equal to Grantee's estimate of the amount of NSP3 funds that would remain unspent by the spending deadlines described herein, based on Non-Profit's activities to date and capacity to complete the work. In addition, the amount of Non-Profit's NSP3 funding allocation that is not obligated or expended by the deadlines contained herein will be recaptured immediately unless Grantee grants a brief extension of the deadline in writing based on a showing of extenuating circumstances and compelling evidence provided by the Non-Profit that obligations will be completed during the extended period.

Article 4. Payment

4.1 Maximum Amount. It is expressly agreed and understood that the total amount of NSP3 funds to be paid by the Grantee to the Non-Profit under this Agreement shall not exceed the amount described in Section 3.1 herein plus additional amounts allocated, if any. Requests for the payment of eligible

expenses shall be associated with the budget line items shown in **Exhibit C** and in accordance with performance and the Program Manual.

Article 5. Special Terms and Conditions

5.1 Qualifications. Firms or individuals will be registered with the State of Florida and have obtained at least the minimum thresholds of education and professional experience required by the statutes to perform the services contained herein. The Non-Profit shall either be registered or have applied for registration with the Florida Department of State in accordance with the provisions of Chapter 607 or Chapter 617, Florida Statutes.

5.2 Termination. In addition to any other termination provisions contained herein, this Agreement may be terminated by the Grantee upon thirty (30) days advance written notice to the other party; but if any work or service/Task hereunder is in progress but not completed as of the date of termination, then this Agreement may be extended upon written approval of the Grantee until said work or service(s)/Task(s) is completed and accepted.

A. Termination for Cause. Termination by Grantee for cause, default, or negligence on the part of Non-Profit shall be excluded from the foregoing provision. Termination costs, if any, shall not apply. Advance notice is not required in the event of termination for cause.

B. Termination Due to Unavailability of Funds in Succeeding Fiscal Years. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year, this Agreement shall be canceled and the Non-Profit shall be reimbursed for services satisfactorily performed and the reasonable value of any non-recurring costs incurred but not amortized in the price of the supplies or services/Tasks delivered under this Agreement.

5.3 Assignment of Agreement This Agreement shall not be assigned except with the written consent of the Grantee. No such consent shall be construed as making the Grantee a party to the assignment or subjecting the Grantee to liability of any kind to any assignee. No assignment shall under any circumstances relieve the Non-Profit of liability and obligations under this Agreement and all transactions with the Grantee must be through the Non-Profit. Additionally, unless otherwise stipulated herein, the Non-Profit shall notify and obtain prior written consent from the Grantee prior to being acquired or subject to a hostile takeover. Any acquisition or hostile takeover without the prior consent of the Grantee may result in termination of this Agreement for default.

5.4 Insurance. Non-Profit shall purchase and maintain, at its expense, from a company or companies authorized to do business in the State of Florida and which are acceptable to Grantee, policies of insurance containing the following types of coverage and minimum limits of liability protecting from claims which may arise out of or result from the performance or nonperformance of services under this Agreement by the Non-Profit or by anyone directly or indirectly employed by Non-Profit, or by anyone for whose acts Non-Profit may be liable. Failure to obtain and maintain such insurance as set out below will be considered a breach of contract and may result in termination of the contract for default. Non-Profit shall not commence work under the Agreement until Grantee has received an acceptable certificate or certificates of insurance evidencing the required insurance, which is as follows:

(i) General Liability insurance on forms no more restrictive than the latest edition of the Commercial General Liability policy (CG 00 01) of the Insurance Services Office or equivalent without restrictive endorsements, with the following minimum limits and coverage:

Each Occurrence/General Aggregate	$1,000,000/$2,000,000
Products-Completed Operations	$2,000,000
Personal & Adv. Injury	$1,000,000
Fire Damage	$50,000
Medical Expense	$5,000
Contractual Liability	Included

(ii) Automobile liability insurance, including owned, non-owned and hired autos with the following minimum limits and coverage:

Combined Single Limit	$1,000,000

(iii) Workers' compensation insurance in accordance with Chapter 440, Florida Statutes, and/or any other applicable law requiring workers' compensation (Federal, maritime, etc). If not required by law to maintain workers' compensation insurance, the Non-Profit must provide a notarized statement that if he or she is injured, he or she will not hold the Grantee responsible for any payment or compensation for that injury.

(iv) Employer's liability insurance with the following minimum limits and coverage:

Each Accident	$1,000,000
Disease-Each Employee	$1,000,000
Disease-Policy Limit	$1,000,000

(v) Professional liability and/or specialty insurance (medical malpractice, engineers, architect, consultant, environmental, pollution, errors and omissions, etc.) as applicable, with minimum limits of $1,000,000 and annual aggregate of $2,000,000.

(vi) **Lake County, A Political Subdivision Of The State Of Florida, And The Board Of County Commissioners**, shall be named as additional insured as their interest may appear on all applicable liability insurance policies.

(vii) Certificates of insurance shall provide for a minimum of thirty (30) days prior written notice to the COUNTY of any material change or cancellation of the required insurance. It is the Non-Profit's specific responsibility to ensure that any such notice is provided within the stated timeframe.

(viii) Certificates of insurance shall identify the RFP number, contract, project, etc., in the Description of Operations section of the Certificate.

(ix) The Certificate holder shall be: LAKE COUNTY, A POLITICAL SUBDIVISION OF THE STATE OF FLORIDA, AND THE BOARD OF COUNTY COMMISSIONERS, P.O. BOX 7800, TAVARES, FL 32778-7800

(x) Certificates of insurance shall evidence a waiver of subrogation in favor of the Grantee, that coverage shall be primary and noncontributory, and that each evidenced policy includes a Cross Liability or Severability of Interests provision, with no requirement of premium payment by the Grantee.

(xi) Non-Profit shall be responsible for subcontractors and their insurance. Subcontractors are to provide certificates of insurance to the Non-Profit evidencing coverage and terms in accordance with the Non-Profit's requirements.

(xii) All self-insured retentions shall appear on the certificate(s) and shall be subject to approval by the Grantee. At the option of the Grantee, the insurer shall reduce or eliminate such self-insured retentions, or the Non-Profit or subcontractor shall be required to procure a bond guaranteeing payment of losses and related claims expenses.

(xiii) The Grantee shall be exempt from and in no way liable for any sums of money which may represent a deductible or self-insured retention in any insurance policy. The payment of such deductible or self-insured retention shall be the sole responsibility of the Non-Profit and/or subcontractor providing such insurance.

(xiv) Neither approval by the Grantee of any insurance supplied by the Non-Profit, nor a failure to disapprove that insurance, shall relieve the Non-Profit of full responsibility of liability damages, and accidents as set forth herein.

(xv) If it is not possible for the Non-Profit to certify compliance, on the certificate of insurance, with all of the above requirements, then the Non-Profit is required to provide a copy of the actual policy endorsement(s) providing the required coverage and notification provisions.

5.5 **Indemnity.** The Non-Profit shall, to the extent permitted by Section 768.28, Florida Statutes, indemnify and hold the Grantee and its agents, officers, commissioners or employees harmless for any damages resulting from failure of the Non-Profit to take out and maintain the above insurance. To the extent permitted by Section 768.28, Florida Statutes, the Non-Profit agrees for good and valuable consideration in the amount of ten dollars ($10.00) to indemnify, and hold the Board of County Commissioners, Lake County, Florida, and its officers, commissions, and employees free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities to the extent resulting from the negligent act, error or omission of the Non-Profit, its agents, employees or representative, in the performance of Non-Profit's duties set forth in this Agreement.

5.6 **Ownership of Deliverables.** Upon completion of and payment for a task Non-Profit agrees all Tasks and/or deliverables under this Agreement, and other data generated or developed by Non-Profit under this Agreement or furnished by Grantee to Non-Profit shall be and/or remain the property of Grantee. Non-Profit shall perform any acts that may be deemed necessary or desirable by Grantee to more fully transfer ownership of all Tasks and/or deliverables to Grantee, at Grantee's expense. Additionally, Non-Profit hereby represents and warrants that it has full right and authority to perform its obligations specified in this Agreement. Non-Profit and Grantee recognize that Non-Profit's work product submitted in performance of this Agreement is intended only for the project described in this Agreement. Grantee's alteration of Non-Profit's work product or its use by Grantee for any other purpose shall be at Grantee's sole risk.

5.7 **Return of Materials.** Upon the request of the Grantee, but in any event upon termination of this Agreement, Non-Profit shall surrender to the Grantee all memoranda, notes, records, drawings, manuals, computer software, and other documents or materials pertaining to the services hereunder, that were furnished to the Non-Profit by the Grantee pursuant to this Agreement. Non-Profit may keep copies of all work product for its records.

5.8 Retaining Other Consultant. Nothing herein shall be deemed to preclude the Grantee from retaining the services of other persons or entities undertaking the same or similar services as those undertaken by the Non-Profit or from independently developing or acquiring materials or programs that are similar to, or competitive with, the services provided under this Agreement.

5.9 Codes and Regulations. All work completed under this Agreement shall conform to all applicable federal, state and local statutes, codes, regulations and ordinances.

5.10 Public Entity Crimes. A person or affiliate who has been placed on the convicted vendor list following a conviction of a public entity crime may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity in excess of the threshold amount provided in Florida Statutes, section 287.017 for Category Two for a period of thirty-six (36) months from the date of being placed on the convicted vendor list.

5.11 Prohibition Against Contingent Fees. Non-Profit warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for Non-Profit, to solicit or secure this Agreement and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the Non-Profit, any fee, commission, percentage, gift or other consideration contingent upon or resulting from the award or making of this Agreement.

5.12 Conflict of Interest. Non-Profit agrees that it will not engage in any action that would create a conflict of interest in the performance of its obligations pursuant to this Agreement, or which would violate or cause others to violate the provisions of Part III, Chapter 112, Florida Statutes, relating to ethics in government. Further, Non-Profit hereby certifies that no officer, agent, or employee of Grantee has any material interest either directly or indirectly in the business of Non-Profit conducted here and that no such person shall have any such interest at any time during the term of this Agreement unless approved by the Grantee.

5.13 Public Records/Copyrights.

A. All electronic files, audio and/or video recordings, and all papers pertaining to any activity performed by the provider for or on behalf of the Grantee shall be the property of the Grantee and will be turned over to the COUNTY upon request. In accordance with Florida "Public Records" law, Chapter 119, Florida Statutes, each file and all papers pertaining to any activities performed for or on behalf of the Grantee are public records available for inspection by any person even if the file or paper resides in the Non-Profit's office or facility. The Non-Profit shall maintain the files and papers for not less than three (3) complete calendar years after the project has been completed or terminated, or in accordance with the federal requirements, whichever is longer. Prior to the close out of the Agreement, the Non-Profit shall appoint a records custodian to handle any records request and provide the custodian's name and telephone number(s) to the user Grantee department.

B. Any copyright derived from any agreement derived from this Agreement shall belong to the author. The author and the Non-Profit shall expressly assign to the Grantee nonexclusive, royalty free rights to use any and all information provided by the Non-Profit in any deliverable and/or report for the Grantee's use which may include publishing in Grantee documents and distribution as the Grantee deems to be in the Grantee's best interests. If anything included in any deliverable limits the rights of the Grantee to use the information, the deliverable shall be considered defective and not acceptable and the Non-Profit will not be eligible for any compensation.

5.14 Right to Audit. The Grantee reserves the right to require Non-Profit to submit to an audit by any auditor of the Grantee's choosing. Non-Profit shall provide access to all of its records which relate directly or indirectly to this Agreement at its place of business during regular business hours. Unless required by another provision of this Agreement to maintain records for a longer period, Non-Profit shall retain all records pertaining to this Agreement and upon request make them available to the Grantee for three (3) years following expiration of the Agreement. Non-Profit agrees to provide such assistance as may be necessary to facilitate the review or audit by the Grantee to ensure compliance with applicable accounting and financial standards. Additionally, Non-Profit agrees to include the requirements of this provision in all contracts with subcontractors and material suppliers in connection with the work performed hereunder.

If an audit inspection or examination pursuant to this section discloses overpricing or overcharges of any nature by the Non-Profit to the Grantee in excess of one percent (1%) of the total contract billings, in addition to making adjustments for the overcharges, the reasonable actual cost of the Grantee's audit shall be reimbursed to the Grantee by the Non-Profit. Any adjustments and/or payments which must be made as a result of any such audit or inspection of the Non-Profit's invoices and/or records shall be made within a reasonable amount of time, but in no event shall the time exceed ninety (90) days, from presentation of the Grantee's audit findings to the Non-Profit.

5.15 Notices. Notices required by this Agreement shall be in writing and delivered via mail (postage prepaid), commercial courier, personal delivery, or sent by facsimile or other electronic means. Any notice sent as aforesaid shall be effective on the date of sending. All notices and other written communications under this Agreement shall be addressed to the individuals in the capacities indicated below, unless otherwise modified by subsequent written notice.

Communication and details concerning this contract shall be directed to the following contract representatives:

GRANTEE

Cheryl Howell
Housing Manager
Dept. of Community Svcs.
P.O. Box 7800
Tavares, Florida 32778

NON-PROFIT

Kenneth Thomas, Director
Housing & Economic Development
P.O. Box 490630
Leesburg, Florida 34749

cc: County Attorney's Office
P.O. Box 7800
Tavares, Florida 32778

5.16 Entire Agreement. This agreement between the Grantee and the Non-Profit for the use of funds eligible for receipt supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written between the Grantee and the Non-Profit with respect to this Agreement.

5.17 Conflicting Provisions. In the event there exists any conflict, discrepancy, or inconsistency among any of the documents that make up this Agreement, conflicts shall be resolved in favor of the provision that ensures the County receives the Federal NSP3 funding. If the conflicting provisions have

no bearing on the NSP3 funding, then conflicts shall be resolved in favor of the provision most favorable to the County.

5.18 No Obligation to Purchase. Notwithstanding any other provision of this Agreement, Non-Profit shall have no obligation to purchase any property, and no transfer of title to the Non-Profit may occur, unless and until:

A. Grantee has provided the Non-Profit with a written determination, on the basis of a federally required environmental review and an approved request for release of federal funds, that purchase of the property by the Non-Profit may proceed, subject to any other contingencies in this Agreement, or may proceed only if certain conditions to address issues in the environmental review shall be satisfied before or after the purchase of the property. Grantee shall use its best efforts to conclude the environmental review of the property expeditiously; and

B. The Non-Profit has obtained an appraisal that meets the requirements of the federal Neighborhood Stabilization Program and indicates that the contract price is at least 1% below the market value of the property.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement on the respective dates under each signature: Grantee, through its Board of County Commissioners, signing by and through its Chairman, authorized to execute same by Board Action on the _____ day of _____, 2012, and by Non-Profit through its duly authorized representative.

ATTEST:

Beckym Richardson
City Clerk

CITY OF LEESBURG

John H. Christian
Print Name: John H. Christian
Title: Mayor Pro Tem

This 9 day of July, 2012.

Approved as to form and legality:

Fred A. Morrison
City Attorney

COUNTY

ATTEST:

Neil Kelly, Clerk of the
Board of County Commissioners
of Lake County, Florida

Leslie Campione
Chairman

This 20 day of July, 2012.

Approved as to form and legality:

Sanford A. Minkoff
County Attorney

EXHIBIT A: PROGRAM MANUAL

Exhibit B: Federal Requirements

I. GENERAL REQUIREMENTS

A. General Compliance. The Non-Profit agrees to comply with all NSP3 requirements, including those found in the NSP3 Grant Agreement, the HERA Act of 2008 and/or the Recovery Act of 2009, and the requirements applicable to entitlement communities under CDBG regulations. The Non-Profit also agrees to comply with all other applicable Federal, state and local laws, regulations, and policies governing the funds provided under this contract. The Non-Profit further acknowledges its responsibility for adherence to all applicable terms and conditions of this grant award by sub-recipient entities and contractors, including obtaining a DUNS number (or updating the existing DUNS record), and registering with the Central Contractor Registration. The Non-Profit further agrees to use funds available under this Agreement to supplement rather than supplant funds otherwise available.

B. Independent Contractor. Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Non-Profit shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The Grantee shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Non-Profit is an independent contractor.

C. Workers' Compensation. The Non-Profit shall provide Workers' Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

D. Suspension or Termination. In addition to any other termination provisions contained herein, in accordance with 24 CFR 85.43 or 84.62, the Grantee may suspend or terminate this Agreement if the Non-Profit materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the statutes, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD policies or directives as may become applicable at any time;

2. Failure, for any reason, of the Non-Profit to fulfill in a timely and proper manner its obligations under this Agreement;

3. Ineffective or improper use of funds provided under this Agreement; or

4. Submission by the Non-Profit to the Grantee reports that are incorrect or incomplete in any material respect.

This Agreement may also be terminated for convenience by the Grantee, 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 Grantee determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the Grantee may terminate the award in its entirety. Such a termination shall only be carried out with the explicit written approval from HUD.

E. Additional Insurance and Bonding Requirements. Prior to taking title to any NSP3-assisted property, Non-Profit will obtain a property and casualty or builder's risk insurance policy that

insures the property for losses up to the amount of estimated replacement costs, which may not be less than the estimated amount of investment in the property as described in the Project Budget. If the Project Budget is increased, the amount of coverage must be increased accordingly. If Non-Profit cannot obtain insurance coverage in the total amount of investment in the property after making best efforts, Grantee at its sole discretion may give written approval of a lesser amount of coverage. Non-Profit shall designate Grantee an additional insured on all such policies and such policies shall provide for thirty (30) days written notice of cancellation to Grantee. Further, Non-Profit shall provide Grantee with additional insured endorsement page from each policy in a form acceptable to Grantee. Grantee reserves the right to approve or reject any deductible amounts in the required coverage, Non-Profit shall provide at least ten (10) days prior notice to the Grantee before any termination or reduction in coverage.

Non-Profit alone shall be responsible for investigation and payment of claims not covered by insurance. Grantee shall not in any way be responsible for payment of any claims determined to be Non-Profit's responsibilities under this Agreement.

II. ADMINISTRATIVE REQUIREMENTS

A. Financial Management

1. Accounting Standards. Non-Profit, as a developer, is not subject to the provisions of 24 CFR Part 84 and 24 CFR Part 85, which apply only to governmental entities and nonprofit sub-recipients carrying out NSP3 programs. Under this agreement, Non-Profit will use adequate internal controls, and maintain necessary source documentation for all costs incurred and adhere to any other accounting requirements included in this Agreement or the Program Manual.

2. Cost Principles. OMB Circulars A-87, "Cost Principles for State, Local and Indian Tribal Governments," A-122, "Cost Principles for Non-Profit Organizations," A-133, or A-21, "Cost Principles for Educational Institutions," apply to this Non-Profit agreement.

B. Documentation and Record Keeping

1. Client Data. The Non-Profit shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service or benefit provided. Such information shall be made available upon request to Grantee monitors or their designees for review.

2. Records to be Maintained. The Non-Profit shall maintain all records required by Federal regulations specified in 24 CFR 570.506. Such records shall include but not be limited to:

a. Records providing a full description of each activity undertaken;

b. Records demonstrating that each activity undertaken benefits low-, moderate-, or middle-income persons;

c. Records required to determine the eligibility of activities and the eligibility of all properties assisted;

d. Records required to document the purchase and sale amounts of each property, discounts, and the sources and uses of funds for each activity;

e. Records documenting compliance with the fair housing and equal opportunity requirements of the NSP3 program, including but not limited to the racial, ethnic, and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the program;

f. Records documenting efforts to ensure that the initial successor in interest in a foreclosed upon dwelling or residential real property has complied with the tenant protection requirements;

g. Financial records; and

h. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

3. Retention. The Non-Profit shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for a period of five (5) years. The retention period begins on the date that the Grantee submits its first quarterly performance report to HUD via DRGR. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever occurs later.

4. Disclosure. The Non-Profit understands that client information collected under this contract is private and the use or disclosure of such information, when not directly connected with the administration of the Grantee's or Non-Profit's responsibilities with respect to services provided under this contract, is prohibited by law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian.

5. Close-outs. The Non-Profit's obligation to the Grantee shall not end until the US Department of Housing and Urban Development completes all close-out requirements for the NSP3 grant. Activities during this close-out period shall include, but are not limited to: making final payments; disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the Grantee; and determining the custodianship of records. However, the terms of this Agreement shall remain in effect during any period that the Non-Profit has control over NSP3 funds, including program income.

6. Audits & Inspections. All Non-Profit records with respect to any matters covered by this Agreement shall be made available to the Grantee, Grantee agency, HUD, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Non-Profit within thirty (30) days after receipt by the Non-Profit. Failure of the Non-Profit to comply with the above audit requirements will constitute a violation of this contract and may result in the withholding of future payments or termination of this agreement.

C. Reporting and Payment Procedures

1. Indirect Costs. Direct and indirect costs of staff cannot be charged by Non-Profit. Non-Profit will be reimbursed for internal costs through a Non-Profit fee as specified in this Agreement.

2. Payment Procedures. The Grantee will pay to the Non-Profit funds available under this Agreement based upon information submitted by the Non-Profit and consistent with any approved budget and Grantee policy concerning payments. Payments will be made for eligible NSP3 related expenses actually incurred by the Non-Profit, and will not exceed actual cash requirements. Payments will be adjusted by the Grantee in accordance with advance fund and program income balances available in Non-Profit accounts. In addition, the Grantee reserves the right to liquidate funds available under this contract for costs incurred by the Grantee on behalf of the Non-Profit.

HUD, through the Disaster Recovery Grant Reporting (DRGR) system, generally provides access to grant funds within three (3) working days of an electronically submitted request by the Grantee. To ensure expeditious implementation of activities, Grantee agrees to draw funds from the line of credit and make payment to the Non-Profit within ten (10) working days of receipt of the Non-Profit's complete and properly submitted requests for payment for activities under this agreement, if feasible. Non-Profit agrees to submit requests for payment in a timely manner in the form and at the times directed by the Grantee.

3. Progress Reports. The Non-Profit shall submit regular Progress Reports to the Grantee in the form, content, and frequency as required by the Grantee.

D. Procurement

Non-Profit is not required to competitively procure materials, property, or services except as required in the Program Manual.

E. Use of and Reversion of Assets

The use and disposition of real property and equipment under this Agreement shall be in compliance with the requirements of 24 CFR Part 84 [or Part 85] and 24 CFR 570.503, 570.504, and 570.505, as applicable, which include but are not limited to the following:

1. The Non-Profit shall transfer to the Grantee any NSP3 funds on hand and any accounts receivable attributable to the use of funds under this Agreement at the time of the sale of the property, unless otherwise specified in the agreement with the Grantee.

2. Real property under the Non-Profit's control that was acquired or improved, in whole or in part, with funds under this Agreement shall be used in accordance with this Agreement If the Non-Profit fails to use NSP3-assisted real property in a manner that meets NSP3, affordability and benefit requirements within and for the prescribed period of time, the Non-Profit shall comply with the applicable sections under 24 CFR 570.503, 570.504, and 570.505.

III. RELOCATION, REAL PROPERTY ACQUISITION AND ONE-FOR-ONE HOUSING REPLACEMENT

The Non-Profit agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24; 24 CFR Part 42 – Displacement, Relocation Assistance and Real Property Acquisition for HUD and HUD Assisted Programs; and 24 CFR 570.606 – Displacement, relocation acquisition, and replacement of housing. The Non-Profit shall provide appropriate relocation assistance (URA or section 104(d)) to eligible displaced persons as defined by applicable HUD and/or URA regulations that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for an NSP3-assisted project. The Non-Profit also agrees to comply with applicable Grantee or local ordinances, resolutions and policies concerning the displacement of persons.

The Non-Profit will use NSP3 funds to demolish major structures or convert units from non-residential uses only with the prior written permission of Grantee. Permission for demolition of minor structures such as porches, sheds and garages shall be deemed to have been granted when Grantee approves the plans and specifications (which may also be called work write-ups) for a particular property that Non-Profit is assisting with NSP3 funds.

IV. TENANT PROTECTION REQUIREMENTS

The Non-Profit agrees to comply with the Recovery Act provisions concerning tenant protections applicable to NSP3 acquisitions of foreclosed property. The Non-Profit must document its efforts to ensure that the initial successor in interest (ISII) in a foreclosed upon dwelling or residential real property (typically, the ISII in property acquired through foreclosure is the lender or trustee for holders of obligations secured by mortgage liens) has provided bona fide tenants with the notice and other protections outlined in the Recovery Act. The Non-Profit will not use NSP3 funds to finance the acquisition of property from any ISII that failed to comply with applicable requirements unless the Non-Profit assumes the obligations of such ISII with respect to bona fide tenants. If the Non-Profit elects to assume such obligations, it may only do so if the tenant is still occupying the property and will provide any tenant displaced as a result of the NSP3 funded acquisition with the assistance outlined in 24 CFR 570.606. If the Non-Profit knows that the ISII did not comply with the NSP3 tenant protection requirements and vacated the property contrary to the NSP3 requirements, NSP3 funds cannot be used to acquire such properties.

V. PERSONNEL & PARTICIPANT CONDITIONS

A. Civil Rights

1. Compliance. The Non-Profit agrees to comply with applicable state and local civil rights ordinances and with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, section 104(b) and section 109 of Title I of the Housing and Community Development Act of 1974 as amended (the HCDA), section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination. The Non-Profit agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in

24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in section 109 of the HCDA are still applicable.

3. Section 504, Rehabilitation Act. The Non-Profit agrees to comply with all Federal regulations issued pursuant to section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), which prohibits discrimination against the individuals with disabilities or handicaps in any Federally assisted program. The Grantee shall provide the Non-Profit with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Agreement.

B. Affirmative Action

1. Approved Plan. The Non-Profit agrees that it shall be committed to carry out, pursuant to the Grantee's specifications, an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. The Grantee shall provide Affirmative Action guidelines to the Non-Profit to assist in the formulation of such program. The Non-Profit shall submit a plan for an Affirmative Action Program for approval prior to the award of funds.

2. Women- and Minority-Owned Businesses (W/MBE). The Non-Profit will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group Non-Profits or women. The Non-Profit may rely on written representations by businesses regarding their status as minority and women-owned business enterprises in lieu of an independent investigation.

3. Access to Records. The Non-Profit shall furnish and cause each of its own contractors or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records and accounts by the Grantee, HUD or its agent, or other authorized Federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

4. Equal Employment Opportunity and Affirmative Action (EEO/AA) Statement. The Non-Profit will, in all solicitations or advertisements for employees placed by or on behalf of the Non-Profit, state that it is an Equal Opportunity or Affirmative Action employer.

5. Subcontract Provisions. The Non-Profit will include the provisions contained in the Civil Rights section and the Affirmative Action section in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own contractors or subcontractors.

C. Employment Restrictions

1. Prohibited Activity. The Non-Profit is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

2. Labor Standards. The Non-Profit agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act, as amended, the provisions of Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) and all other applicable Federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of this Agreement. The Non-Profit agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 et seq.) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The Non-Profit shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

The Non-Profit agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of $2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the Grantee pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Non-Profit of its obligation, if any, to require payment of the higher wage. The Non-Profit shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

3. "Section 3" Clause

a. Compliance. Compliance with the provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this contract, shall be a condition of the Federal financial assistance provided under this contract and binding upon the Grantee, the Non-Profit and any of the Non-Profit's grantees and subcontractors. Failure to fulfill these requirements shall subject the Grantee, the Non-Profit and any of the Non-Profit's grantees and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Non-Profit certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

The Non-Profit further agrees to comply with the Section 3 requirements and to include the following language in all subcontracts executed under this Agreement:

"The work to be performed under this Agreement is a project assisted under a program providing direct Federal financial assistance from HUD and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701). Section 3 requires that to the greatest extent feasible opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located."

The Non-Profit further agrees to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the NSP3-funded project is located; where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the NSP3-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The Non-Profit certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

b. Notifications. The Non-Profit agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other contract or understanding, if any, a notice advising 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.

c. Subcontracts. The Non-Profit will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Grantee's agency. The Non-Profit will not subcontract with any entity where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135 and will not let any subcontract unless the entity has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

D. Conduct

1. Assignability. The Non-Profit shall not assign or transfer any interest in this Agreement without the prior written consent of the Grantee thereto and HUD; provided, however, that claims for money due or to become due to the Non-Profit from the Grantee under this contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Grantee.

2. Subcontracts.

a. Approvals. The Non-Profit shall not enter into any subcontracts over $100,000 with any agency or individual in the performance of this contract without the written consent of the Grantee prior to the execution of such agreement.

b. Monitoring. The Non-Profit will monitor all subcontracted services on a regular basis to assure contract compliance. Results of monitoring efforts shall be summarized in written reports and supported with documented evidence of follow-up actions taken to correct areas of noncompliance.

c. Content. The Non-Profit shall cause all of the provisions of this contract in its entirety to be included in and made a part of any subcontract executed in the performance of this Agreement.

d. Selection Process. The Non-Profit shall undertake to insure that all subcontracts let in the performance of this Agreement shall be awarded on a fair and open competition basis in accordance with applicable procurement requirements. Executed copies of all subcontracts shall be forwarded to the Grantee along with documentation concerning the selection process.

3. Hatch Act. The Non-Profit agrees that no funds provided, nor personnel employed under this Agreement, shall be in any way or to any extent engaged in the conduct of political activities in violation of Chapter 15 of Title V of the United States Code.

4. Conflict of Interest. The Non-Profit agrees to abide by the provisions of 24 CFR 84.42 and 570.611, which include (but are not limited to) the following:

a. The Non-Profit shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.

b. No employee, officer or agent of the Non-Profit shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.

c. No covered persons who exercise or have exercised any functions or responsibilities with respect to NSP3-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the NSP3-assisted activity, or with respect to the proceeds from the NSP3-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the Grantee, the Non-Profit, or any designated public agency.

5. Lobbying. The Non-Profit hereby certifies that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, 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 the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension,

continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence 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 contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

c. It will require that the language of paragraph (d) of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all Non-Profits shall certify and disclose accordingly:

d. Lobbying Certification. This certification is a material representation of fact upon 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 section 1352, title 31, U.S.C. 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.

6. Copyright. If this contract results in any copyrightable material or inventions, HUD reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

7. Religious Activities. The Non-Profit agrees that it will comply with 24 CFR 570.200(j) so that funds are not used to support inherently religious activities.

VI. ENVIRONMENTAL CONDITIONS

A. Air and Water

The Non-Profit agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

1. Clean Air Act, 42 U.S.C. , 7401, et seq.;

2. Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, et seq., as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder;

3. Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

B. Flood Disaster Protection

In accordance with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001), the Non-Profit shall assure that for activities located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

C. Lead-Based Paint

The Non-Profit agrees that any construction or rehabilitation of residential structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.487 or 24 CFR 570.608, and 24 CFR Part 35, Subpart B. Such regulations pertain to all NSP3-assisted housing and require that all owners, prospective owners, and tenants of properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning and the advisability and availability of blood lead level screening for children under seven. The notice should also point out that if lead-based paint is found on the property, abatement measures may be undertaken. The regulations further require that, depending on the amount of Federal funds applied to a property, paint testing, risk assessment, treatment and/or abatement may be conducted.

D. Historic Preservation

The Non-Profit agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this agreement.

In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, state, or local historic property list.

VII. ENVIRONMENTAL REVIEW

All NSP3 assistance is subject to the National Environmental Policy Act of 1969 and related federal environmental authorities and regulations at 24 CFR part 50 or 58.

VIII. REHABILITATION STANDARDS

The Non-Profit will carry out all NSP3-assisted rehabilitation of an abandoned or foreclosed-upon home or residential property in compliance with the Grantee's rehabilitation standards and in accordance with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability, in order to sell, rent, or redevelop such homes and properties.

IX. ELIGIBILITY AND ALLOWABLE COSTS

The Non-Profit will ensure and document that its NSP3 activities meet eligible use, allowable cost, and eligible activity requirements of NSP3.

X. PURCHASE DISCOUNT

The Non-Profit will acquire property with NSP3 funds at a minimum discount of one percent for each foreclosed residential property. This requirement applies to all properties purchased with NSP3 funds, and the discount must be taken from the current market appraised value.

XI. EMINENT DOMAIN

The Non-Profit will not undertake any involuntary acquisition of property with NSP3 funds without prior written consent of the Lead Applicant and written opinion of counsel that such acquisition is lawful.

XII. SEVERABILITY

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

XIII. SECTION HEADINGS AND SUBHEADINGS

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

XIV. WAIVER

The Grantee's failure to act with respect to a breach by the Non-Profit does not waive its right to act with respect to subsequent or similar breaches. The failure of the Grantee to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.

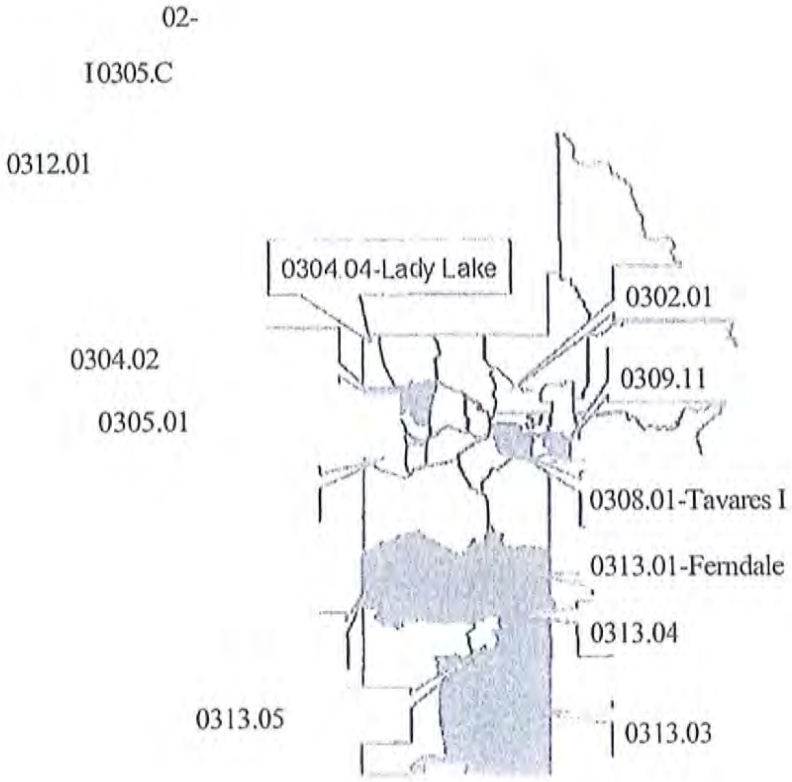
Exhibit C: Program Budget

Sequential months in 2010 and 2011		2010										2011			
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar-Sept	TOTALS
HOME DEVELOPMENT ACTIVITIES												
Acquisition agreements (housing units)												
Acquisition closings (housing units)												
Construction specs/rent's completed (units)												
Rehabs/new construction completions (units)												
Housing units sold (assumes 1 per month after April 2011)												
INCOME TARGETING AND SETASIDE EXPENDITURES												
Homes sold to households at <50% AMI												
Homes sold to households at <120% AMI												
PROJECTED AVERAGE SF UNIT COSTS	NSP Funded	Other Funding	Total	NOTES								
Purchase price of property acquired												
Acquisition, inspections, legal, title and recording costs												
1st Appraisal												
Rehabilitation/construction												
General Contractor fee												
Real estate taxes during holding period												
Property and liability insurance during holding period												
Marketing budget per unit												
2nd closing - prorations, legal, title and recording costs												
Commission for sale of home to homebuyer												
Final developer fee, after sale												
Total Costs												
PROJECTED NSP FUNDS EXPENDED	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar-Nov	TOTALS
Acquisition costs	$0	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
Construction costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Marketing, sales and closing carried costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
TOTAL PROJECTED NSP EXPENDITURES	$0	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
CUMULATIVE PROJECTED NSP EXPENDITURES	$0	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!	
ESTIMATED PORTION SPENT ON 25% SETASIDE												$0

Exhibit D: NSP3 Target Areas

Areas of Greatest Needs

Please refer to the attached Map below as a graphic description of the Areas of Greatest Needs utilizing HUD's Foreclosure and Abandonment Risk Scoring System. We have displayed only those areas of the County with a Risk Score of 8, 9 and 10. Risk Scores are displayed as follows: 8 is Green, 9 is Yellow, and 10 is Blue. Therefore, only those areas displayed in Red are excluded from our first priority (Greatest Need Areas) for program expenditures as a result of their individual Risk Score being 7 or less.



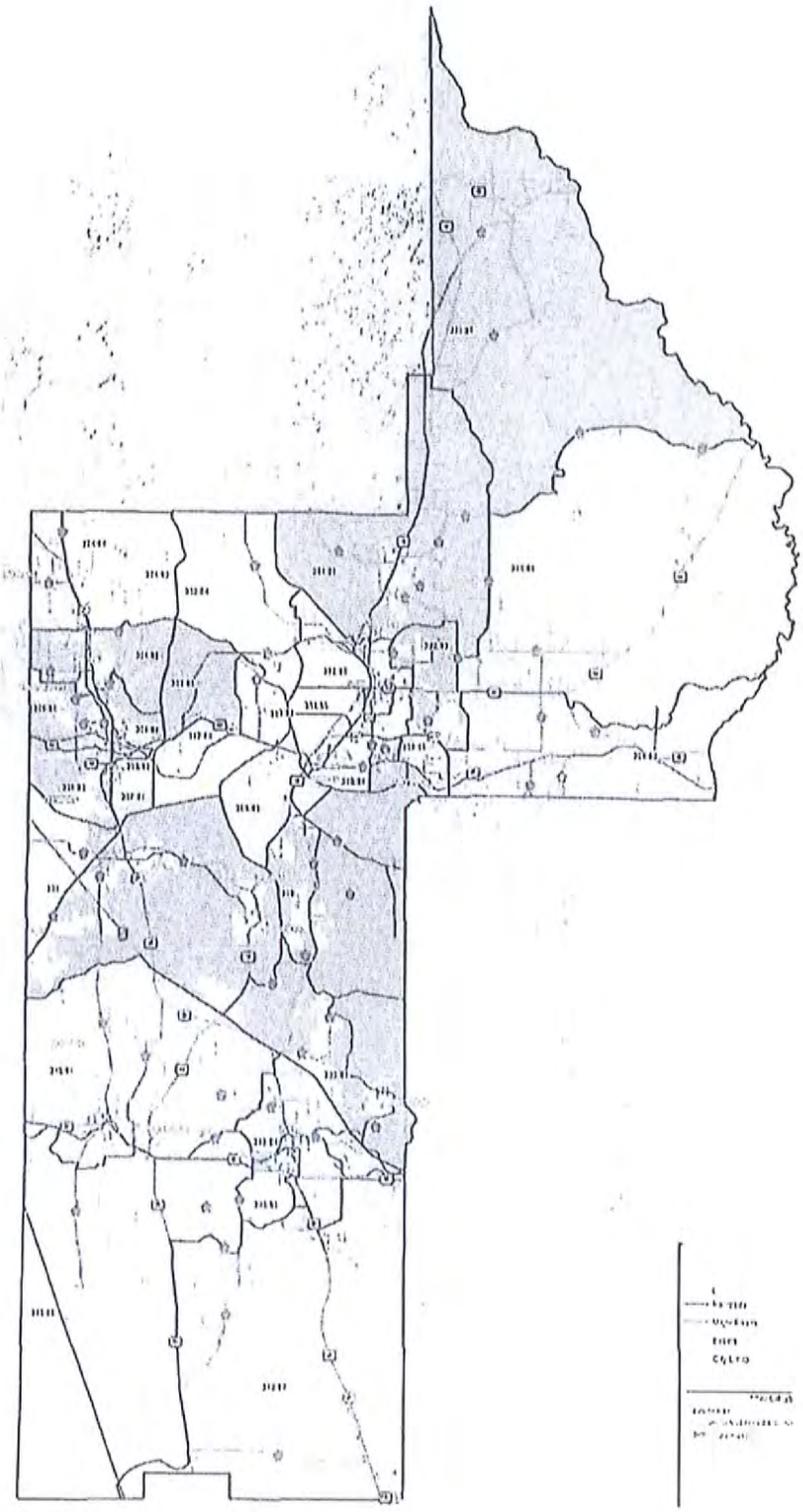


EXHIBIT E

Exhibit E

EFFECTIVE:
2/9/2012

U.S. DEPARTMENT OF HUD

Prepared
11/16/2011

STATE: FLORIDA

2012 HOME PROGRAM RENTS

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Ocala, FL MSA							
LOW HOME RENT LIMIT	442	473	568	656	732	838	883
HIGH HOME RENT LIMIT	555	595	710	820	896	970	1,114
For Information Only: FAIR Market RENT	603	621	729	957	966	1,111	1,278
50% RENT LIMIT	442	473	568	656	732	838	883
65% RENT LIMIT	555	595	710	820	896	970	1,045
Orlando, Kissimmee, Sanford FL MSA							
10% HOME RENT LIMIT	537*	575*	690*	793*	892*	993*	1,092*
65% HOME RENT LIMIT	678*	726*	876*	1,022*	1,093*	1,193*	1,287*
For Information Only: FAIR MARKET RENT	753	819	936	1,172	1,393	1,603	1,794
50% RENT LIMIT	510	546	655	756	845	943	1,018
65% RENT LIMIT	643	689	831	960	1,081	1,202	1,319
Palm Bay-Melbourne-Titusville, FL MSA							
10% HOME RENT LIMIT	393*	439*	562*	637*	812*	1,092*	1,200*
65% HOME RENT LIMIT	498*	560*	690*	869*	1,049*	1,207*	1,366*
For Information Only: FAIR MARKET RENT	583	713	940	1,181	1,285	1,484	1,685
50% RENT LIMIT	513	550	660	761	850	948	1,042
65% RENT LIMIT	648	695	836	967	1,068	1,191	1,314
Palm Coast FL MSA							
10% HOME RENT LIMIT	519*	561*	682*	845*	1,047*	1,197*	1,314*
65% HOME RENT LIMIT	658*	718*	873*	1,082*	1,359*	1,518*	1,666*
For Information Only: FAIR MARKET RENT	601	691	872	1,231	1,365	1,565	1,767
50% RENT LIMIT	505	540	648	743	830	922	1,014
65% RENT LIMIT	630	683	827	949	1,061	1,177	1,293
Panama City-Lynn Haven-Panama City Beach, FL MSA							
10% HOME RENT LIMIT	511	547	656	758	846	941	1,035
65% HOME RENT LIMIT	644	691	829	952	1,063	1,181	1,298
For Information Only: FAIR MARKET RENT	686	721	870	1,145	1,274	1,463	1,653
50% RENT LIMIT	511	547	656	758	846	938	1,030
65% RENT LIMIT	653	691	832	952	1,063	1,181	1,298
Pensacola-Ferry Pass-Brent, FL MSA							
10% HOME RENT LIMIT	518	555	668	770	858	948	1,038
65% HOME RENT LIMIT	665*	713*	858*	987	1,101	1,217	1,332
For Information Only: FAIR MARKET RENT	713	878	748	1,074	1,211	1,324	1,536
50% RENT LIMIT	518	555	668	770	858	948	1,038
65% RENT LIMIT	654	702	844	967	1,078	1,191	1,303

* HOME Program Rent Held at last year's level.
For all HOME projects, the maximum allowable rent is the F.H.A. calculated High 50% Rent Limit and/or Low HOME Rent Limit.