

AGREEMENT FOR OPTION TO PURCHASE REAL PROPERTY

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2021-0183

This Agreement for Option to Purchase Real Property (this "Agreement") is made and entered into by and between **MONTICELLO SQUARE, LLC**, a Texas limited liability company ("Seller"), and the **CITY OF HOUSTON, TEXAS**, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas ("Purchaser"). Seller and Purchaser shall sometimes hereinafter collectively be referred to as the "**parties**" and each as a "**party**". This Agreement shall be effective on the date that it is countersigned by the City Controller of the City of Houston, Texas (the "Effective Date").

Whereas, Purchaser is a subrecipient of Community Development Block Grant – Disaster Recovery ("CDBG-DR16") funds administered by the U.S. Department of Housing and Urban Development ("HUD") through the Texas General Land Office ("GLO") related to disaster relief long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from DR-4269-TX (the Tax Day Flood) or DR-4272-TX (the May 2016 Flood Events); and

Whereas, Purchaser is a subrecipient of Hurricane Harvey Community Development Block Grant – Disaster Recovery ("CDBG-DR17") funds administered by the U.S. Department of Housing and Urban Development ("HUD") through the Texas General Land Office ("GLO"); and

Whereas, Purchaser desires to utilize CDBG-DR16 and CDBG-DR17 funds to purchase that certain Property, as defined in Section 1 of this Agreement, and to pay related CDBG-DR-eligible expenses for the purpose of meeting the CDBG-DR National Objective of benefitting low and moderate-income ("LMI") persons by creating an LMI Area benefit through the expansion of greenspace and/or detention which will benefit at least 51% of the LMI residential service area.

Now, therefore, Seller and Purchaser hereby agree as follows:

1. Option to Purchase. Purchaser has the exclusive option and right (the "Option") to purchase and accept from Seller, for the Purchase Price (as hereinafter defined) and subject to the terms and conditions of this Agreement, the following tract or parcel of land comprising of approximately 4.4107 acres of land described as: 5312 Clarewood Drive, City of Houston, Harris County, Texas 77081:

Lots Seven (7) and Eight (8), Block Sixteen (16), AMENDED FIRST SUBDIVISION OF WESTMORELAND FARMS, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 3, Page 60, of the Map of Harris County, Texas

being more particularly described by **Exhibit "A"** and being made a part of this Agreement (the "Land"), together with all improvements thereon (including approximately 122,352 square feet of multi-family residential improvements) and all fixtures permanently attached thereto, including but not limited to plumbing and wiring, (but excluding Chattels, as that term is defined in Section 10 of this Agreement), all

rights and interests appurtenant to the above-described Land, including all of Seller's rights, title and interest, if any, in and to adjacent streets, alleys, rights-of-way, easements, any adjacent strips or gores of land (collectively, the "Improvements"). The Land and Improvements are collectively referred to in this Agreement as the "Property." Notwithstanding the legal description for the Land contained in this Agreement, the parties agree that for purposes of conveyance of the Land, the final location, acreage, and metes and bounds description of the Land shall be determined by the New/Updated Survey described in Section 6(d) of this Agreement, which will be attached as the legal description to include in the Deed referred to in Section 8(c) of this Agreement. The Property shall be conveyed to Purchaser at Closing (as defined in Section 8(b) of this Agreement), in its entirety, free and clear of all liens, claims, easements and encumbrances whatsoever, except for the Permitted Encumbrances (as defined in Section 6(g)(ii) of this Agreement).

2. Purchase Price. The price for which Seller agrees to sell and convey the Property to Purchaser, and which Purchaser agrees to pay to Seller, subject to the terms of this Agreement, the amount of **THIRTEEN MILLION EIGHT HUNDRED THOUSAND AND 00/100 DOLLARS (\$13,800,000.00)** ("Purchase Price"). Purchaser shall pay the Purchase Price to Seller by wire of such amount in immediately available funds to an account designated by the Title Company (as defined in Section 5(a) of this Agreement) on the Closing Date (as defined in Section 8(b) of this Agreement), subject to any adjustments provided for in this Agreement.

3. Seller's Representations, Warranties and Covenants. Seller hereby represents and warrants to, and covenants with Purchaser that:

a. Seller will have, as of the Closing Date, good and indefeasible title in fee simple to the Property, subject only to the Permitted Encumbrances, and free and clear of all liens;

b. As of the Closing Date, to Seller's knowledge there will be no leases, franchises, licenses, occupancy agreements, or other agreements demising space in, providing for the use or occupancy of, or otherwise similarly affecting or relating to the Property, or any prepaid rents or deposits, security or otherwise, made by tenants, other than as has been disclosed in writing to Purchaser, including leases of current tenants provided for on the rent roll to be delivered at Closing;

c. There are no and, as of the Closing Date, there will be no actions, suits, claims, assessments that are past due, or proceedings pending or, to the actual knowledge of Seller, threatened that could materially adversely affect the ownership, operation, or maintenance of the Property or Seller's ability to perform under this Agreement, other than as has been disclosed in writing to Purchaser;

d. The Property is located within: (i) the city limits of the City of Houston, Texas; (ii) in a targeted buyout area under the City's Hurricane Harvey (DR-17) and the City's Disaster Recovery (DR-16) CDBG-DR Multi-family Voluntary Buyout Program (the "Program"); (iii) in the 100-year floodplain; and (iv) the Property was substantially damaged by Hurricane Harvey and/or a major disaster declared in 2016, DR-4269-TX (the Tax Day Flood) or DR-4272-TX (the May 2016 Flood Events);

e. From the Effective Date of this Agreement until the Closing Date, Seller shall use commercially reasonable efforts to promptly notify, in writing, Purchaser of any material change with respect to the Property or with respect to any information respecting the Property and obtained by seller prior to or after the Effective Date;

f. From the Effective Date of this Agreement until the Closing Date, Seller shall:

(i) maintain and operate the Property in a good and business-like manner in accordance with good and prudent business practices, and not commit or consent to be committed any waste to the Property;

(ii) not enter into any agreement, instrument, or covenant or take any action that would constitute an encumbrance of the Property, that would bind Purchaser or the Property, or that would be outside the normal scope of maintaining and operating the Property, without the prior written consent of Purchaser; and

(iii) afford Purchaser and its representatives the continuing right to enter, inspect, and perform tests on the Property at reasonable hours and upon reasonable notice, and provide for inspection to Purchaser any and all books, records, contracts, and other documents or data pertaining to the ownership, insurance, operation, or maintenance of the Property in Seller's possession, excluding privileged and confidential information.

g. All bills, property taxes, and other payments due from Seller with respect to the ownership, operation, and maintenance of the Property through the Closing Date have been (or by the Closing Date will be) paid by Seller and no liens, delinquent property taxes, or other claims for the same have been (or by the Closing Date will be) filed or asserted against any part of the Property;

h. Seller has full right, power and authority to execute, deliver, and perform this Agreement without obtaining any consents or approvals from, or the taking of any other actions with respect to, any third parties (or if any such consents, approvals, or other actions are required, the same will be accomplished prior to the Seller's execution of this Agreement and Purchaser's submission of this Agreement to the City Council of the City of Houston, Texas for its approval), and this Agreement, when executed and delivered by Seller and Purchaser, in the manner and subject to the approvals described herein, will constitute the valid and binding agreement of Seller, enforceable against Seller in accordance with its terms;

i. Seller is not a "foreign person" (as defined in Internal Revenue Code Section 1445(f)(3) and its appurtenant regulations);

j. Seller (i) is not in receivership or dissolution, (ii) has not made any assignment for the benefit of creditors, (iii) has not admitted in writing their inability to pay their debts as they mature, (iv) has not been adjudicated a bankrupt, (v) has not filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law, or any other similar law or statute of the United States or any state, or (vi) does not have any such petition described in (v) filed against Seller;

k. Seller is not "debarred" as cited on federal and state debarment lists in accordance with 24 C.F.R. Section 570.609 or other applicable law;

l. Seller is not indebted to the City nor in default of, or the subject of any negative collection actions relating to, any financial obligation to the City of Houston, Texas, any other public agency, or private lender;

m. Seller does not discriminate based on ethnicity, race, color, creed, religion, gender, national origin, age, disability, marital status, sexual orientation, gender identity, or Veteran's discharge status; and

n. Seller is aware that Purchaser is relying on the representations and warranties contained in this Agreement, and that but for such representations and warranties by Seller, Purchaser would not enter into this Agreement.

4. Purchaser's Representations, Warranties, and Covenants.
Purchaser hereby represents and warrants to, and covenants with, Seller that:

a. Purchaser has full right, power, and authority to execute, deliver, and perform this Agreement, subject to approval of this Agreement by the City Council of the City of Houston, Texas, the signature of the Mayor of the City of Houston, Texas and the countersignature of the City Controller of the City of Houston, Texas, but otherwise without obtaining any consents or approvals from, or the taking of any other actions with respect to, any third parties, except for such consents, approvals and actions outlined herein, which consents, approvals, or other actions must be accomplished prior to the expiration of the Option Period (as defined in Section 6(b) of this Agreement).

b. The Purchaser's ability to proceed to Closing is subject to the availability and approval of federal funds, including CDBG-DR funds to purchase the Property, prior to the expiration of the Option Period.

c. The Purchaser's exercise of the Option is subject to the Purchaser's determination during the Option Period on the desirability of the Property as a result of the Purchaser's completion of due diligence investigations regarding the Property, including environmental review of the Property in accordance with the applicable law and the terms of this Agreement.

d. This Agreement, when executed and delivered by Seller and Purchaser, in the manner and subject to the approvals described in this Section 4, will constitute the valid and binding agreement of Purchaser, enforceable against Purchaser in accordance with its terms. Purchaser is aware that Seller is relying on the representations and warranties contained in this Agreement, and that but for such representations and warranties by Purchaser, Seller would not enter into this Agreement.

5. **Option Fee.**

a. The option fee for this Option Agreement is **ONE HUNDRED SIXTY-THREE THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$163,500.00)** (the "Option Fee"). The Option Fee shall be deposited in escrow with Chicago Title Insurance Company (the "Title Company") within fifteen (15) days following the Effective Date. The Title Company shall acknowledge receipt of the Option Fee and shall hold the Option Fee in an interest-bearing account.

Escrow Officer: Mr. Rudy Ruiz
Chicago Title Company
3700 Buffalo Speedway, Suite 1100
Houston, Texas 77098
Telephone: (713) 418-7032
Email: rudy.ruiz@ctt.com

b. A portion of the Option Fee in the initial amount of **ONE HUNDRED TWENTY FIVE THOUSAND AND 00/100 DOLLARS (\$125,000.00)** shall be non-refundable and forfeited to Seller as independent consideration if Purchaser terminates the Agreement due to inability to obtain HUD or GLO environmental clearance for the Property or any other reason, provided that the amount of the Option Fee that is non-refundable (the "Non-Refundable Option Deposit") will increase in the event of an extension of the Option Period, as detailed in Section 5(c), and the Title Company shall release the Non-Refundable Option Deposit to Seller within five (5) business days after receipt (including the increased portion as of the date of each Extension Notice, if any). At Closing (as defined in Section 8(b) of this Agreement), the Non-Refundable Option Deposit shall be applied to the Purchase Price.

c. Purchaser shall have the right to elect to extend the initial ninety (90)-day Option Period (as defined below) by exercising up to three (3) extension rights of thirty (30) days each by delivering written notice of such election to exercise an extension right ("Extension Notice") to Seller and the Title Company not later than by 5:00 p.m. Central Time on the date which is three (3) business days prior to the expiration of the then-current Option Period.

(i) For the first extension of the Option Period, the Non-Refundable Option Deposit shall be increased by **FIFTEEN THOUSAND AND 00/100 DOLLARS (\$15,000.00)** for a total Non-Refundable Option Deposit of **ONE HUNDRED FORTY THOUSAND AND 00/100 DOLLARS (\$140,000.00)**.

(ii) For the second extension of the Option Period, the Non-Refundable Option Deposit shall be increased by **TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00)** for a total Non-Refundable Option Deposit of **ONE HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$150,000.00)**.

(iii) For the third extension of the Option Period, the Non-Refundable Option Deposit shall be increased by **TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00)** for a total Non-Refundable Option Deposit of **ONE HUNDRED SIXTY THOUSAND AND 00/100 DOLLARS (\$160,000.00)**.

d. The Option Fee shall be applied to the Purchase Price if Purchaser issues a notice to Seller exercising the Option ("Exercise Notice") and proceeds to Closing. If Purchaser fails to issue an Exercise Notice, prior to the expiration of the Option Period, this Agreement shall automatically terminate, in which event the Title Company shall release the Non-Refundable Option Deposit to Seller, and neither party hereto shall have any further rights, duties, obligations or liabilities hereunder except those provisions hereof that expressly survive such termination.

6. Option Period.

a. Within ten (10) days following the Effective Date, Seller shall provide to Purchaser the following items in Seller's possession or in the possession of a third party who is controlled by Seller including those currently under a contract with Seller with respect to the Property:

- (i) Copy of the Deed acquiring title to the Property and copies of all tax bills and/or government assessments relating to the Property for the past three years, if any;
- (ii) A copy of an existing survey of the Property (the "Existing Survey");
- (iii) Copies of all soil, engineering and environmental reports and environmental testing, inspection or remediation services with respect to the Property, if any;
- (iv) Copies of any contracts which are not voidable in thirty (30) days;
- (v) Copies of all current leases, licenses, and other agreements granting any third party any rights to possess or use any portion of the Property, and any other agreements affecting the Property that would survive Closing; and
- (vi) Income statements and balance sheets.

b. Commencing on the Effective Date and ending at the expiration of ninety (90) days, plus any extension period, exercised under Section 5(c) of this Agreement (collectively, the "Option Period"), Purchaser shall have the right to enter the property during the Option Period to conduct a due diligence investigation of the Property, and Seller shall pay for such cost and expense (but subject to reimbursement at Closing as provided in Section 8(c)(i)(5)), including but not limited to analyzing any land use or regulatory issues affecting the Purchaser's proposed development on the Property, reviewing Seller's environmental reports, if any, and conducting tests and surveys, and undertaking such other reviews and activities as Purchaser, in its sole but reasonable discretion, may deem necessary, and to obtain required third party approvals necessary to proceed with the purchase of the Property, including, but not limited to, conducting and completing an environmental review as required by the CDBG-DR regulations, which environmental review may not exceed the scope of what is required under applicable federal regulations without Seller's consent, which shall not be unreasonably withheld. All environmental activities and reports must conform with the CDBG-DR regulations, including, without limitation, the regulations of 24 C.F.R. Parts 50, 58, and 570, as applicable. Prior to the expiration of the Option Period, should Seller withhold consent to complete any environmental review or additional testing that exceeds the scope of what is required under applicable federal laws and regulations, Purchaser may provide Seller with written notice of its election to terminate this Agreement, in which event the Title Company shall release the Non-Refundable Option

Deposit to Seller, and neither Purchaser nor Seller shall have any further right, obligations or liabilities under this Agreement except those provisions hereof that expressly survive such termination.

c. In the event that Purchaser's environmental testing reveals the presence of any environmental contamination in levels requiring remediation under state, federal or local statutes, laws, regulations, rules or ordinances, Purchaser shall immediately provide Seller written notice with a copy of all environmental assessments and reports evidencing the environmental conditions of the Property that require remediation. Upon issuance of the written notice, Purchaser may provide Seller with written notice of its election to terminate this Agreement prior to the expiration of the Option Period, in which event the Title Company shall release the Non-Refundable Option Deposit to Seller and neither party to this Agreement shall have any further rights, duties, obligations or liabilities under this Agreement except those provisions hereof that expressly survive such termination. Alternatively, Seller and Purchaser may enter into negotiations to mutually agree on how to address matters relating to environmental remediation of the Property, which may include the timing for remediation, the party responsible for remediation, and adjustments to the Purchase Price relating to the remediation. In the event Seller and Purchaser enter into negotiations to mutually agree on how to address matters relating to environmental remediation of the Property, the terms of the remediation will be evidenced in writing and any deadline in this Agreement may be extended by up to thirty (30) calendar days to allow Seller and Purchaser to finalize the transaction contemplated hereunder. Purchaser shall bear no liability for the environmental testing, except that Purchaser shall be responsible for repairing any damage to the Property for which Seller can produce objective documentation evidencing that Purchaser's testing activities caused the damage, and subject to the reimbursement as provided in Section 8(c)(i)(5).

d. During the Option Period, Seller, at its sole cost and expense (but subject to reimbursement at Closing as provided in Section 8(c)(i)(5)), will obtain a new survey or an update to the Existing Survey (the "New/Updated Survey"), prepared by a Registered Professional Land Surveyor licensed by the State of Texas and acceptable to the Title Company and approved by Houston Public Works – Construction Branch – Survey/ROW/Mapping. The New/Updated Survey shall comply with the current requirements of the Texas Society of Professional Surveyors Standards and Specifications for a Category 1A Condition II Land Title Survey and contain such other information as Purchaser may reasonably request.

e. During the Option Period, Seller, at its sole cost and expense, shall cause the Title Company to issue a commitment to issue title insurance (the "Title Commitment") accompanied by copies of all recorded documents relating to easements, rights-of-way, and all other matters of record affecting the Property together with Owner's Policy of Title Insurance at Closing. Seller shall pay the basic premium of the Owner's Policy of Title Insurance, but Purchaser shall pay the additional premium for the area and boundary deletion and any other endorsements if requested by Purchaser.

f. Following the receipt of the New/Updated Survey and the Title Commitment, Purchaser shall have thirty (30) days to examine and specify to Seller those items affecting the Property that Purchaser finds objectionable (each an "Encumbrance" and collectively, "Encumbrances"). Seller shall have ten (10) days after receipt of the Purchaser's objections to cure such objections. Items shown in the Title

Commitment or New/Updated Survey and not objected to by Purchaser in its written objections within such period shall be deemed items that Purchaser will accept title subject to (the "Permitted Encumbrances"). The Title Company shall deliver an amended Title Commitment reflecting the cure of the Encumbrances at or prior to the Closing Date. Any liens affecting the Property shall be Encumbrances, whether so specified in any notice by Purchaser, and Seller shall cause the same to be released at or prior to Closing.

g. If Seller fails or is unwilling to cause all of the Encumbrances to be removed or cured by the Closing Date, or if the Title Commitment or New/Updated Survey indicates that Seller does not own indefeasible fee simple title to the Property, Purchaser shall have the following rights, as its sole and exclusive remedies:

(i) to terminate this Agreement by giving Seller written notice of termination, in which event the Title Company shall release the Non-Refundable Option Deposit to Seller and neither party hereto shall have any further rights, duties, obligations or liabilities under this Agreement except those provisions hereof that expressly survive such termination; or

(ii) to elect to waive the Encumbrances not so removed or cured and close the purchase and sale contemplated by this Agreement without any reduction in the Purchase Price in accordance with the remaining terms and provisions, whereupon the Encumbrances not so removed or cured shall become a "Permitted Encumbrance", to be treated in the manner provided herein for Permitted Encumbrances.

h. On or prior to the expiration of the Option Period, Purchaser may notify Seller in writing of Purchaser's desires to terminate this Agreement if: (i) Purchaser, in its sole discretion, determines that the Property is not suitable for purchase by Purchaser for Purchaser's purposes; (ii) Purchaser is unable to obtain the Authority from the HUD, GLO or Houston City Council to use CDBG-DR16 and/or CDBG-DR17 funds to purchase the Property (i.e. Environmental Release of Funds) or such other approvals to use HUD funds as may be required to purchase the Property; or (iii) Purchaser is unable to obtain the approval from HUD, or from GLO of the City's Harvey Buyout Program Guidelines or the City's Multi-family Voluntary Buyout Program (MVB) Guidelines. The Option Period may be further extended for up to twelve (12) months thereafter, by written agreement between Purchaser and Seller, if Purchaser has not obtained the requisite HUD or GLO approvals for the purchase of the Property described in this subsection. If Purchaser and Seller do not agree on an extension of the Option Period, then this Agreement shall automatically terminate at the end of the Option Period. In the event of termination under this subsection, the Title Company shall release the Non-Refundable Option Deposit to Seller and neither party hereto shall have any further rights, duties, obligations or liabilities hereunder, except for those provisions hereof that expressly survive such termination.

7. **As-Is, Where-Is.** Purchaser and its representatives, prior to the date of Closing, will have been afforded the opportunity to make such inspections of the Property and matters related thereto as Purchaser and its representatives desire. Purchaser acknowledges and agrees that the Property is to be sold and accepted by Purchaser in an "as-is" condition, with all faults except for the warranty of title in the Deed referred to in Section 8(c).

EXCEPT FOR THE WARRANTY OF TITLE IN THE DEED, PURCHASER ACKNOWLEDGES AND AGREES THAT SELLER SHALL SELL AND CONVEY TO PURCHASER AND PURCHASER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS". EXCEPT FOR THE WARRANTY OF TITLE IN THE DEED, PURCHASER HAS NOT RELIED AND WILL NOT RELY ON, AND SELLER HAS NOT MADE AND IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTEES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY OR THE IMPROVEMENTS RELATED THERETO (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, PROPERTY INFORMATION PACKAGES DISTRIBUTED WITH RESPECT TO THE PROPERTY) MADE OR FURNISHED BY SELLER, OR ANY PROPERTY MANAGER, REAL ESTATE BROKER, AGENT OR THIRD PARTY REPRESENTING OR PURPORTING TO REPRESENT SELLER, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING. PURCHASER REPRESENTS THAT IT IS A KNOWLEDGEABLE, EXPERIENCED AND SOPHISTICATED PURCHASER OF REAL ESTATE AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF PURCHASER'S CONSULTANTS IN PURCHASING THE PROPERTY AND SHALL MAKE AN INDEPENDENT VERIFICATION OF THE ACCURACY OF ANY DOCUMENTS AND INFORMATION PROVIDED BY SELLER. PURCHASER WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY AND THE IMPROVEMENTS THEREON AS PURCHASER DEEMS NECESSARY. UPON CLOSING, PURCHASER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL OR CONSTRUCTION DEFECTS OR ADVERSE HEALTH OR SAFETY CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INSPECTIONS AND INVESTIGATIONS. EACH OF SELLER AND PURCHASER HEREBY WAIVES ANY AND ALL RIGHTS OR REMEDIES IT MAY HAVE OR BE ENTITLED TO, DERIVING FROM DISPARITY IN SIZE OR FROM ANY SIGNIFICANT DISPARATE BARGAINING POSITION IN RELATION TO THE OTHER.

PURCHASER HEREBY ACKNOWLEDGES THAT SELLER WOULD NOT AGREE TO SELL THE PROPERTY ON THE TERMS AND CONDITIONS THAT ARE SET FORTH IN THIS AGREEMENT IF PURCHASER DID NOT AGREE TO EACH AND EVERY PROVISION IN THIS SECTION 7. THE PROVISIONS OF THIS SECTION 7 SHALL SURVIVE DELIVERY OF THE DEED AND THE CLOSING OR THE EARLIER TERMINATION HEREOF AS PROVIDED HEREIN.

8. Option Period and Closing.

a. The Option under this Agreement shall be exclusively available to and exercisable by Purchaser from the Effective Date until the expiration of the Option Period, as may be extended in accordance with Section 5 of this Agreement. Unless otherwise terminated or expired in accordance with the terms of this Agreement, the Option Period shall end on the date on which Purchaser exercises the Option by sending the Exercise Notice (the "Exercise Date").

b. The consummation and closing of the sale by Seller to Purchaser of the Property contemplated by this Agreement (the "Closing") shall take place on or before the thirtieth (30th) day after the Exercise Date (the "Closing Date"), with the exact time, date and location of Closing to be specified in a written notice from Purchaser to Seller at least seven (7) days in advance of such Closing Date. The time, date or location of Closing may be modified by agreement of the parties.

c. At the Closing, the following (which are mutually concurrent conditions) shall occur:

(i) Purchaser, at its sole cost and expense, shall deliver or cause to be delivered to Seller, through the Title Company:

(1) The balance due for the Purchase Price, such amount to be paid in immediately available funds;

(2) Evidence satisfactory to Seller and the Title Company that the person executing the Closing documents on behalf of Purchaser has full right, power, and authority to do so;

(3) Such other instruments duly executed by Purchaser as are customarily executed in Harris County, Texas to effectuate the conveyance of property similar to the Property, as may be reasonably required by the Title Company; and

(4) Purchaser shall pay, in addition to any other costs to be paid by Purchaser as provided elsewhere in this Agreement: (a) any additional premium for area and boundary deletions and any other endorsements to the Owner's Policy of Title Insurance; (b) the cost to record the Deed; (c) cost of Purchaser's other inspections, if any; and (d) Purchaser's attorneys' fees. The Purchaser will reimburse the Seller the full amount of the cost of the New/Updated Survey and the full amount of the costs incurred for any environmental reports and activities conducted on Purchaser's behalf pursuant to Sections 6(b) and (c) and evidenced by reasonable supporting documentation, at Closing.

(ii) Seller, at its sole cost and expense, shall deliver or cause to be delivered to Purchaser, through the Title Company, the following:

(1) A Special Warranty Deed in form and substance substantially equivalent to the form shown on **Exhibit "B"** attached hereto and incorporated herein, fully executed and acknowledged by Seller, conveying to Purchaser good and indefeasible fee simple title in and to the Property, subject only to the Permitted Encumbrances, which shall be set forth in an exhibit thereto and attached prior to recordation of such instrument;

(2) Evidence satisfactory to Purchaser and the Title Company that the person executing the Closing documents on behalf of Seller has full right, power, and authority to do so;

(3) An executed and acknowledged affidavit that Seller is not a "foreign person" as described in Section 3(i);

(4) A certificate, executed and sworn to by Seller, confirming that there are no unpaid bills, claims, debts, or liens relating to the Property arising through or under Seller as of the Closing Date, except with respect to specified bills, claims, debts, or liens;

(5) The Chattel Inventory;

(6) Such other instruments duly executed by Seller as are customarily executed in Harris County, Texas to effectuate the conveyance of property similar to the Property, as may be reasonably required by the Title Company with the effect that, after the Closing, Purchaser will have succeeded to all of the rights, titles and interests of Seller related to the Property and Seller will no longer have any rights, titles or interests in and to the Property.

(7) Seller shall pay, in addition to any other costs to be paid by Seller as provided elsewhere in this Agreement: (a) the basic premium for Owner's Policy of Title Insurance; (b) the cost to record and file any releases of Encumbrances that will be filed in the real property records of Harris County, Texas at Closing; (c) [intentionally omitted]; and (d) Seller's own attorneys' fees. In the event that the Property requires remediation, the parties may either: (i) terminate the Agreement by written notice to each other; or (ii) extend the Agreement and develop a mutually agreed upon remediation plan and may renegotiate the Purchase Price as provided in Section 6(c).

d. Any escrow fees and delivery fees charged by the Title Company, and any other routine closing fees, shall be allocated equally between Seller and Purchaser. Except as provided above, all normal and customarily pro-ratable items, including but not limited to real estate and personal property taxes, rents, and utility bills, if any, shall be prorated as of the Closing Date, Seller being charged and credited for all of the same up to such date and Purchaser being charged and credited for all of same on and after such date. If the actual amounts to be prorated are not known at the Closing Date, the prorations shall be made on the basis of the best evidence available, and thereafter, when actual figures are received, a cash settlement will be made between Seller and Purchaser. Seller hereby acknowledges that Purchaser is not subject to ad valorem taxes.

9. Lease-back to Seller. In the event the Property is not vacant on the Closing Date, the Seller and Purchaser shall execute a lease agreement substantially in the form attached hereto as **Exhibit "C"** ("Lease Agreement") providing for the Seller's continued occupancy and management of the Property for a period commencing on the effective date of the Lease Agreement and expiring on the date that is five (5) days after the date the last tenant vacates the Property and the Seller, or its designee, secures such rental unit, unless extended in accordance with the terms and conditions of the Lease Agreement. The Lease Agreement shall not operate to assign to Purchaser any tenant leases existing on the Closing Date. The Seller shall retain the contractual obligations and responsibilities provided in all said leases at the commencement and throughout the Lease Term.

10. Chattels. "Chattels" means all personal property owned by Seller located upon the Property on the Closing Date and included in the inventory list provided by Seller to Purchaser at Closing ("Chattel Inventory"), including, but not limited to appliances. Seller shall retain ownership of Chattels and shall remove all Chattels within thirty (30) days from the later of (i) the Closing Date, or (ii) the date on which the Lease Term expires. **The provisions of this paragraph will survive the Closing.**

11. Notices. Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing same with the United States Postal Service, addressed to the party to be notified, postage prepaid and in

registered or certified form, with return receipt requested, or by deposit with Federal Express for overnight delivery, or other reputable overnight courier, facsimile (with retained receipt) or email (with retained receipt). Notice given, as prescribed in this Section, shall be effective on the date actually received at the address to which such notice was sent, or if delivery is refused or not accepted, such notice shall be effective on the date of such refusal or failure to accept delivery. Notice given in any other manner shall be effective only upon receipt by the party to whom it is addressed. For purposes of notice, the addresses of the parties shall be as follows:

If to Seller, to: Monticello Square, LLC
Attn.: Michael Morrow
13014 Kimberley Lane
Houston, Texas 77079
Telephone: (713) 444-6250
Email: mwmorrow@gmail.com

With copy to: VB Law
Attn.: Andy Van Buskirk
5302 La Branch Street
Houston, Texas 77004
Telephone: (713) 526-9800
Email: andy@vblawoffice.com

If to Purchaser, to: City of Houston, Texas
Housing and Community Development Department
Attn.: Rupa Sen
2100 Travis Street, 9th Floor
Houston, Texas 77002
Telephone: (832) 393-6217
E-mail: rupa.sen@houstontx.gov

With copy to: City of Houston Legal Department
Attn.: City Attorney
900 Bagby Street, 4th Floor
Houston, Texas 77002
Email: arturo.michel@houstontx.gov

Either party may change its address to another location in the continental United States, upon five (5) days' prior written notice to the other given in the manner provided above.

12. Brokerage. Seller and Purchaser have not engaged a broker or agent in connection with the negotiation or execution of this Agreement. In the event any agent or broker shall make a claim against Seller and Purchaser for a commission or fee, the party allegedly engaging, hiring or retaining such broker or agent shall be responsible for payment thereof.

13. Assignment. Except for an assignment by Purchaser to a qualified governmental entity (including a local government corporation) after giving written notice to Seller, neither Seller nor Purchaser may assign this Agreement or any right or interest under this Agreement without the prior written consent of the other party, which

will not be unreasonably withheld. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding on the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

14. Governing Law; Enforcement.

a. This Agreement shall be construed and interpreted in accordance with the applicable laws of the State of Texas and City of Houston, Texas. Venue for any disputes relating in any way to this Agreement shall lie exclusively in Harris County, Texas.

b. Should any provision of this Agreement require judicial interpretation, Seller and Purchaser hereby agree and stipulate that the court interpreting or considering the same shall not apply the presumption that the terms hereof shall be more strictly construed against a party by reason of any rule or conclusion that a document should be construed more strictly against the party who prepared the same, it being agreed that all parties to this Agreement have participated in the preparation of this Agreement and that each party had full opportunity to consult legal counsel of its choice before the execution of this Agreement.

c. Purchaser's city attorney or its designee (the "City Attorney") shall have the right to enforce all legal rights and obligations under this Agreement without further authorization from other City of Houston officials, and Seller covenants to use commercially reasonable efforts to provide the City Attorney with all documents and records that the City Attorney reasonably deems necessary to assist in determining Seller's compliance with this Agreement, with the exception of those documents made confidential by federal or State law or regulation.

15. Remedies.

a. If Purchaser fails or is unable to perform its obligations pursuant to this Agreement for any reason other than Purchaser's termination hereof pursuant to a right granted to Purchaser in this Agreement to do so, or breach by Seller of its promises, representations, warranties under this Agreement, then Seller shall give Purchaser written notice of the default. If Purchaser fails to cure its default within thirty (30) days after receipt of such notice, Seller, as its sole and exclusive remedy, shall have the right to terminate this Agreement by giving Purchaser written notice thereof, in which event neither party hereto shall have any further rights, duties, obligations or liabilities hereunder except those provisions hereof that expressly survive such termination, and the Title Company shall release the Non-Refundable Option Deposit, and any interest thereon, to Seller and shall release the remaining portion of the Option Fee, if any, and any interest thereon, to Purchaser.

b. If Seller fails or is unable to perform any of its obligations pursuant to this Agreement for any reason other than Seller's right of termination of this Agreement pursuant to a right granted to Seller in this Agreement to do so, or breach by Purchaser of its promises, representations, or warranties under this Agreement, then Purchaser shall give Seller written notice of the default. If Seller fails to cure its default within thirty (30) days after receipt of such notice, or if any of Seller's promises, representations or warranties made under this Agreement, or any of the information furnished by Seller pursuant hereto, should be either false or misleading in any material

respect, then Purchaser shall have the right and option, as its sole and exclusive remedies, to:

(i) terminate this Agreement by giving Seller written notice of termination, in which event neither party to this Agreement shall have any further rights, duties, obligations or liabilities under this Agreement except those provisions that expressly survive such termination, and the Title Company shall release the Option Fee and interest thereon, save and except the Non-Refundable Option Deposit to be delivered to Seller, to Purchaser; or

(ii) enforce specific performance of the obligations of Seller to convey the Property to Purchaser pursuant to the terms hereof, provided that, in the event that Purchaser seeks specific performance, an action seeking such remedy must be filed within six (6) months of Seller's default or alleged default, or the same shall be deemed barred and Purchaser's sole remedy shall be as set forth in (i) above.

16. Damage or Taking Prior to Closing. Prior to Closing, risk of loss with regard to the Property shall be borne by Seller. If, prior to Closing, the Property, or any portion of the Property, is materially damaged or becomes subject to a taking (other than by the Purchaser) by virtue of eminent domain, Purchaser shall have the option, which must be exercised by it within fifteen (15) business days (and the Closing will be automatically extended, if necessary, to provide Purchaser with such fifteen (15) business day period) after its receipt of written notice from Seller advising of such damage or taking (which Seller hereby agrees to give), to terminate this Agreement by written notice to Purchaser or to proceed with the Closing. If Purchaser elects to terminate this Agreement, all rights, duties, obligations and liabilities created under this Agreement shall cease except those provisions hereof that expressly survive such termination, and the Title Company shall release the Non-Refundable Option Deposit to Seller and shall release the remaining portion of the Option Fee, if any, to Purchaser. If Purchaser elects to proceed with the Closing, all rights, duties, obligations and liabilities created under this Agreement shall continue, and (a) Purchaser shall be entitled to any and all insurance proceeds or condemnation awards payable as a result of such damage or taking, and (b) Seller shall assign to Purchaser at Closing all of Seller's rights to such proceeds or awards.

17. Entire Agreement. This Agreement is the entire agreement between Seller and Purchaser concerning the sale of the Property and no modification of this Agreement or subsequent agreement relative to the subject matter of this Agreement shall be binding on either party unless in writing and signed by both parties. This agreement supersedes and replaces the Letter of Intent executed between Purchaser and Seller. This Agreement may be amended only by written instrument executed on behalf of Purchaser (by authority of an ordinance adopted by the City Council of the City of Houston, Texas) and Seller. This Agreement shall be binding upon Purchaser and Seller when it is approved by City of Houston Council, signed by the City of Houston Mayor, and countersigned by the City of Houston Controller.

18. Exhibits and Schedules. Attached hereto and incorporated in this Agreement by this reference for all purposes is the following exhibits and schedules:

Exhibit "A"	PROPERTY DESCRIPTION
Exhibit "B"	SPECIAL WARRANTY DEED
Exhibit "C"	LEASE AGREEMENT

19. Confidentiality. Seller and Purchaser agree to use their best efforts to keep confidential price, terms, condition, and all other information that is a part of this transaction. Seller and Purchaser agree that they will disclose such matters only to such third parties as may be necessary to carry out usual and customary activities related to the transaction. Notwithstanding the foregoing, both parties acknowledge that the terms of this transaction may become known to the public when the matter is considered by the City Council of the City of Houston, Texas or pursuant to a request under the Texas Public Information Act.

20. Miscellaneous.

a. The captions used herein are for convenience only and do not limit or amplify the provisions hereof.

b. Each and every agreement contained in this Agreement is, and shall be construed as, a separate and independent agreement. If any provision of this Agreement should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement shall not be affected.

c. The obligations of the Agreement that cannot be performed before termination of this Agreement, or before Closing, will survive termination of this Agreement or Closing, and the legal doctrine of merger will not apply to these matters. However, if there is any express conflict between the closing documents provided pursuant to Section 8 and this Agreement, the closing documents will control.

d. Time is of the essence in this Agreement.

e. If this Agreement is executed in multiple counterparts, all counterparts taken together will constitute this Agreement.

f. Following the execution of this Agreement by Purchaser through its Mayor and countersigned by the City of Houston Controller, the Director of the Housing and Community Development Department, City of Houston, Texas or his designee (the "Director"), shall have the authority to act on the behalf of Purchaser in making extensions to the Closing Date or to make other minor modifications to this Agreement, in writing and in consultation with the City Attorney, for the purposes of enabling the achievement of the Purchaser's objectives to acquire the Property from Seller and which do not require further approvals by the City Council of the City of Houston, Texas. The Director is only authorized to perform the functions specifically delegated to him or her in this Agreement.

21. Signature Authority. Each party represents that the person signing this Agreement on behalf of such party is duly authorized and has legal capacity to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations under this Agreement have been duly authorized and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

22. Voluntary Acquisitions Program. Seller acknowledges the following:

a. The acquisition of the Property with CDBG-DR funds is subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"). Specifically, 24 C.F.R. 570.606(e) requires that acquisition of the Property must comply with URA requirements at 49 C.F.R. Part 24.

b. Purchaser is interested in acquiring the Property with: (1) CDBG-DR funds for a buyout activity under the Harvey Buyout Program; and (2) CDBG-DR funds for a buyout activity under the City's Disaster Recovery (DR-16) Multi-family Voluntary Buyout Program.

c. Seller has no obligation to sell the Property for the project, but Seller is voluntarily selling the Property to Purchaser, subject to the terms and conditions of this Agreement, and Purchaser will not use the power of eminent domain to acquire the Property. Seller has received and executed the Voluntary Acquisition – Informational Notice dated January 8, 2020 a copy of which is attached to this Agreement as Schedule 1 and incorporated herein, as well as any other written communications, as required by applicable laws, regulations and procedures.

d. In accordance with the URA, owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance. However, any resulting displacement of a tenant is subject to the regulations in 49 C.F.R. Part 24.

23. Texas Disclosures. Seller hereby makes the required notices and disclosures attached hereto as Schedule 2 to Purchaser.

24. Exchange. Seller may elect to participate in a tax-deferred exchange under the Internal Revenue Code. Purchaser will reasonably cooperate with such election; however, the Purchaser will have no obligation to incur any cost or liability or to take title to any other real property (other than Purchaser's acquisition of the Property under this Agreement), and the Closing will not be conditioned on or unreasonably delayed by such exchange.

[Execution pages follow]

EXECUTED IN MULTIPLE ORIGINAL COUNTERPARTS, each of which shall be an original, which together shall constitute but one and the same instrument, effective as of the date of countersignature by the City Controller of the City of Houston. The parties hereby agree that each party may sign and deliver this Agreement electronically or by electronic means and that an electronic transmittal of a signature, including but not limited to, a scanned signature page, will be as good, binding, and effective as an original signature.

SELLER

MONTICELLO SQUARE, LLC,
a Texas limited liability company

By: 

Name: Michael Morrow

Title: President

Tax I.D. No. 76-0592943

PURCHASER

CITY OF HOUSTON, TEXAS, a
municipal corporation

ATTEST:



Pat Jefferson-Daniel
City Secretary



Sylvester Turner
Mayor of the City of Houston

Amrenda Washington
3-11-2021

APPROVED AND RECOMMENDED:

DocuSigned by:
Tom McCasland

Tom McCasland
Director, Housing and Community
Development Department

COUNTERSIGNED



Chris B. Brown
City Controller

Jenine Polk

Countersignature Date:

3-12-21

APPROVED AS TO FORM:

DocuSigned by:
Kene Chinweze

Kene Chinweze
Senior Assistant City Attorney
L.D. File Number: 0292000585001

_____, 2021

An original, fully executed copy of this Agreement has been received by the Title Company, and by execution hereof the Title Company hereby covenants and agrees to be bound by the terms of this Agreement to the extent permissible, without violation of Procedural Rule 35, as promulgated by the Texas State Board of Insurance.

CHICAGO TITLE INSURANCE COMPANY

By:
Name:
Title:

EXHIBIT "A"

THE PROPERTY

Lots Seven (7) and Eight (8), Block Sixteen (16), AMENDED FIRST SUBDIVISION OF WESTMORELAND FARMS, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 3, Page 60, of the Map of Harris County, Texas

EXHIBIT "B"

When recorded, return to:

THE CITY OF HOUSTON
2100 Travis, 9th Floor
Houston, TX 77251-1562
Attention: Real Estate Manager-Ms. Rupa Sen, Housing and Community
Development Department

SPECIAL WARRANTY DEED

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

_____, 2021

STATE OF TEXAS §
 §
COUNTY OF _____ §

MONTICELLO SQUARE, LLC, a Texas limited liability company ("**Grantor**"), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which consideration are hereby acknowledged, by these presents does hereby Grant, Bargain, Sell, and Convey, unto the **CITY OF HOUSTON, TEXAS**, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas ("**Grantee**"), for itself and its successors and assigns (i) all that real property situated in the County of Harris, State of Texas, and more particularly described on **Exhibit A** attached hereto and made a part hereof for all purposes, and (ii) together with all improvements now or hereafter situated thereon (collectively, the "**Property**"), TOGETHER with all and singular tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining thereto.

This Deed is made and accepted expressly subject to the matters set forth in **Exhibit B** attached hereto and made a part hereof for all purposes ("Permitted Encumbrances").

TO HAVE AND TO HOLD the Property, together with all and singular the rights

and appurtenances belonging in any way to the Property, unto the said Grantee, its successors and assigns forever, and Grantor binds itself and its successors and assigns to warrant and forever defend all and singular the Property to Grantee, its successors and assigns against every person lawfully claiming or to claim all or any part of the Property, by, through or under Grantor, but not otherwise.

COVENANTS RUNNING WITH THE PROPERTY

WHEREAS, Community Development Block Grant – Disaster Recovery (“CDBG-DR”) funding for this Agreement is appropriated to the United States Department of Housing and Urban Development (“HUD”) under the Continuing Appropriations Act, 2017 (Pub. L. 114-223) for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. §5301 *et. seq.*) related to disaster relief long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting the 2016 Tax Day Flood or May 2016 Flood Events, under Federal Emergency Management Agency designations “DR-4269-TX” or “DR-4272-TX”, which are Presidentially declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. §5121, *et. seq.*);

WHEREAS, additional CDBG-DR funding for this Agreement is appropriated to HUD under the Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Pub. L. 115-56) for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. §5301 *et. seq.*) related to disaster relief long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from Hurricane Harvey, under Federal Emergency Management Agency designation “DR-4332”, which is a Presidentially declared major disaster area under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. §5121, *et. seq.*);

WHEREAS, supplemental CDBG-DR funding was appropriated to HUD under the Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018 (Pub. Law 115-123) (together with Pub. L. 114-223, Pub. L. 115-56, the “Appropriation”);

WHEREAS, through the publication of 81 Fed. Reg. 83254 (Nov. 21, 2016), 83 Fed. Reg. 5844 (Feb. 9, 2018) and 83 Fed. Reg. 40314 (Aug. 14, 2018), HUD allocated, from the Appropriation, \$5,721,590,000.00 in CDBG-DR funding (the “State Allocation”) to the Texas General Land Office (“GLO”);

WHEREAS, from the State Allocation, the Grantee has received a direct allocation from the GLO of \$1,299,364,739.00 of CDBG-DR development and implementation of programs that directly benefit the residents of the City of Houston, Texas;

WHEREAS, Grantee has created the Multi-family Voluntary Buyout Program ("MVB Program") to acquire residential properties located in a floodway or floodplain to reduce the risk of future flooding by converting the properties to greenspace or detention basins in areas in the City of Houston with at least a 51% Low- to Moderate-Income ("LMI") population; and

WHEREAS, properties acquired by Grantee pursuant to the MVB Program must be dedicated and maintained as greenspace or detention in perpetuity;

NOW, THEREFORE, in accordance with and in furtherance of the requirements set forth in 81 Fed. Reg. 83254, the conveyance of the Property is made by Grantor and accepted by Grantee subject to the following:

1. The Property shall be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices.

2. No new structure will be erected on property acquired, accepted, or from which a structure was removed under the acquisition or relocation program other than: (a) a public facility that is open on all sides and functionally related to a designated open space (e.g., a park, campground, or outdoor recreation area); (b) a rest room; or (c) a flood control structure, provided that structure does not reduce valley storage, increase erosive velocities, or increase flood heights on the opposite bank, upstream, or downstream and that the local floodplain manager approves, in writing, before the commencement of the construction of the structure.

3. No subsequent application for additional disaster assistance for any purpose or to repair damage or make improvements of any sort will be made by the recipient to any Federal entity in perpetuity.

4. The foregoing covenants and agreements are adopted for, and placed upon the Property, and shall run with the land, be binding upon all parties, now and at any time hereafter, having or claiming any right, title or interest in or to the Property or any part thereof, their heirs, legal representatives, executors, administrators, successors and assigns, regardless of the source of, or the manner in which any such right, title or interest is or may be acquired and any conveyance of any interest in the Property by Grantee or a subsequent owner must reference and incorporate the foregoing covenants and require the Property to be dedicated and maintained for compatible uses in perpetuity. The foregoing covenants may be enforced by Grantee, GLO or HUD, jointly or severally; however, failure, refusal or inability by either Grantee, GLO or HUD, jointly or severally, to enforce any of the foregoing covenants shall in no event be deemed a waiver or release of the right to do so thereafter. If one or more of the foregoing covenants shall be held unenforceable, invalid or illegal in any respect, such unenforceability, invalidity or illegality shall not affect any other provision of said covenants, which shall be construed as if such unenforceable, invalid or illegal provision had never been a part hereof.

Grantee joins in this Deed to evidence its agreement to be bound by, and accept the conveyance of the Property subject to the terms, covenants and provisions hereof, including without limitation, the foregoing covenants.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Special Warranty Deed to be effective as of the date first written herein.

GRANTOR:

MONTICELLO SQUARE, LLC
a Texas limited liability company

BY: 

Name: Michael Morrow
Title: President

THE STATE OF _____

§

COUNTY OF _____

§

§

This instrument was acknowledged before me on the ____ day of _____, 2021, by Michael Morrow, President of Monticello Square, LLC, a Texas limited liability company, on behalf of said limited liability company.

Notary Public

GRANTEE:

CITY OF HOUSTON, TEXAS, a
municipal corporation

ATTEST:

City Secretary

Sylvester Turner
Mayor

APPROVED AS TO FORM:

Kene Chinweze
Senior Assistant City Attorney
L.D. File Number: 0292000585001

THE STATE OF TEXAS

§
§
§

COUNTY OF HARRIS

This instrument was acknowledged before me on the ____ day of _____, 2021, by Sylvester Turner, Mayor of the City of Houston, Texas, a municipal corporation, on behalf of said municipal corporation.

Notary Public

Grantee's Address:

City of Houston
2100 Travis, 9th Floor
Houston, TX 77251-1562
Attention: Real Estate Manager-Ms. Rupa Sen, Housing and Community
Development Department

EXHIBIT A
Legal Description

[To be inserted]

EXHIBIT B

Permitted Encumbrances

[To be inserted]

EXHIBIT "C"
LEASE AGREEMENT

LEASE AGREEMENT

MONTICELLO SQUARE APARTMENTS

THIS LEASE AGREEMENT (this "Agreement") is made by and between the CITY OF HOUSTON, TEXAS, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties (the "City"), and MONTICELLO SQUARE, LLC, a Texas limited liability company ("Agent"), and is effective as of the date of the City Controller's countersignature (the "Effective Date").

RECITALS

WHEREAS, the City purchased certain real property containing a multifamily housing development, located at 5312 Clarewood Drive, Houston, Texas 77081, together with all improvements, appurtenances, and equipment located thereon, commonly known as Monticello Square Apartments (collectively, the "Property") pursuant to the Agreement for Option to Purchase Real Property signed by Agent and the City (the "Option Agreement");

WHEREAS, the City purchased the Property from Agent in connection with the City's Disaster Recovery (DR-16 and DR-17) Multifamily Voluntary Buyout Programs with the purpose of demolishing the improvements on the Property and reducing the risk of future flooding by converting the Property into greenspace and/or detention;

WHEREAS, pursuant to the Option Agreement, the City and Agent agreed to execute this Agreement providing for Agent's continued operation and management of the Property if any Rental Units were not vacated prior to the closing date stated in the Option Agreement (the "Closing Date");

WHEREAS, as of the Closing Date, less than 100% of the Rental Units were vacant, and additional time is needed to relocate the existing Tenants; and

WHEREAS, while the Tenants are being relocated, the City will lease the Property to Agent so that Agent can continue to operate and manage the Property during the relocation process, subject to the terms and provisions of this Agreement, and Agent agrees to perform such services in exchange for the Lease-back Fee provided herein;

NOW, THEREFORE, the City and Agent, in consideration of the sum of \$1.00 paid by the City to Agent, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby mutually covenant and agree as follows:

ARTICLE I

GRANTING CLAUSE

The City hereby demises and leases to Agent, and Agent hereby rents, accepts and takes from the City, the Property to have and to hold said Property for the Lease Term, and pursuant to the terms, provisions, covenants, agreements and conditions set forth in this Agreement.

ARTICLE II

DEFINITIONS

As used in this Agreement:

“**Additional Flow Down Provisions**” shall have the meaning in Section 18.12(b).

“**Auditing Documents**” shall have the meaning set forth in Section 7.02(e).

“**Auditing Entities**” shall have the meaning set forth in Section 7.01.

“**City Attorney**” means the City Attorney of the City of Houston, or his designee.

“**City Controller**” means the City Controller of the City of Houston, or his designee.

“**Condemnation Award**” means the amount of money awarded by special commissioners, judge, or jury, through settlement, for the whole Property or part Taken and any remainder damages. The term shall also include relocation monies.

“**Condemnation Proceedings**” means any action brought for any Taking of the Property, or any part thereof, or any property interest therein (including, without limitation, the right to the temporary use of all or any portion of the Property), by a governmental authority or entity as a result of the exercise of its power of eminent domain, including a voluntary sale to such authority or entity either under the threat of condemnation or while such action or proceeding is pending.

“**Director**” means the Director of the City of Houston’s Housing and Community Development Department, or his designee.

“**Force Majeure**” means any contingency or cause beyond the reasonable control of a party including, without limitation: acts of God or the public enemy, war, riot, civil commotion, insurrection, acts of superior governmental or military authority, fires, explosions, epidemics, pandemics, and floods. The term does not include any changes in general economic conditions such as inflation, interest rates, economic downturn, strikes, or other factors of general application; or an event that merely makes performance more difficult, expensive or impractical.

“**GLO Agreement**” means (i) GLO Contract No. 19-076-008-B357, by and between the General Land Office, a Texas state agency, and the City, DUNS No. 832431985, as Subrecipient, regarding federal funds under CDBG-DR Federal Award Number B-16-DM-48-0001, awarded November

1, 2017, administered by the General Land Office under CFDA No. 14.228, "Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii"; and (ii) GLO Contract No. 19-147-001-B489, by and between the General Land Office, a Texas state agency, and the City, DUNS No. 832431985, as Subrecipient, regarding federal funds under CDBG-DR Federal Award Number B-17-DM-48-0001, awarded February 9, 2018, as amended August 14, 2018, administered by the General Land Office under CFDA No. 14.228, "Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii."

"Hazardous Material" means any chemical, substance, material or waste or component thereof which is now or hereafter listed, defined or regulated as a hazardous or toxic chemical, substance, material or waste or component thereof by any federal, state or local governing or regulatory body having jurisdiction, or which would trigger any employee or community "right-to-know" requirements adopted by any such body.

"Lease" means any written or oral agreement between Agent and Tenant that establishes or modifies the terms, conditions, rules, or other provisions regarding the use and occupancy of a Rental Unit that are in effect on the Closing Date.

"Lease Term" shall have the meaning set forth in Article III.

"Notice of Appeal" shall have the meaning set forth in Section 7.05(a).

"Operating Account" shall have the meaning set forth in Section 8.02.

"Operating Budget" means the operating budget for the Lease Term, attached hereto as **Exhibit "C"** and incorporated herein, which will be prepared by Agent and approved by the Director, as may be amended from time to time in writing by Agent.

"Original Allocation" shall have the meaning set forth in Section 8.04(b)(ii).

"Relocation Requirements" means the federal relocation requirements set forth in the Uniform Relocation Assistance Act and Real Property Acquisition Policies Act of 1970, Pub. L. 91-646, Jan. 2, 1971, 84 Stat. 1894 (codified at 42 U.S.C. §§ 4601-4655, as amended, and Section 104(d) of Housing and Community Development Act of 1974, Pub. L. 93-383, 88 Stat. 633-2 (codified as amended at 42 U.S.C. §§ 5301-5321), as applicable.

"Rent" means the monthly amount that a Tenant is obligated to pay Agent pursuant to the terms of a Lease.

"Rental Unit" means one or more rooms rented for use as a residence at the Property, under a single Lease to one or more Tenants.

"Supplemental Allocation" shall have the meaning set forth in Section 8.04(b)(ii).

"Taking" or "Taken" means the date the governmental authority or other person deposits money into the registry of the court for purposes of obtaining title to the Property, or any part thereof, or any property interest therein (including, without limitation, the right to the temporary use of all or

any portion of the Property), pursuant to a Condemnation Proceeding, or the date of execution and delivery of a deed-in-lieu of condemnation.

“**Temporary Taking**” shall have the meaning set forth in Section 12.04.

“**Tenant(s)**” means a person who is authorized by a Lease to occupy a Rental Unit at the Property, to the exclusion of others, and who is obligated under the Lease to pay Rent.

“**Tenant Deposit**” means any advance of money, other than a rental application deposit or an advance payment of rent, that is intended primarily to secure performance under a Lease.

ARTICLE III

TERM

This Agreement shall commence on the Effective Date and shall expire on the earlier of (i) the date that is five (5) days after the date the last Tenant vacates the Property and Agent secures such Rental Unit as provided in Section 4.04(f); or (ii) the date that is twelve (12) months from the Effective Date (the “Lease Term”). This Agreement shall operate in full force and effect for the duration of the Lease Term, unless terminated by the City or Agent in accordance with Article X. This Agreement may be renewed or extended by a written agreement of the Agent and City.

ARTICLE IV

SERVICES OF AGENT

Section 4.01 Standard of Conduct. Agent shall provide all labor, material and supervision necessary to perform Agent’s services described in this Agreement. Agent represents that its property manager that operated and managed the Property prior to the Closing Date (“Agent’s Manager”) is experienced in professional operation and management multifamily rental properties similar to the Property, and Agent shall operate and manage the Property in accordance with industry standards for multifamily rental properties of the Property’s type that are relocating tenants for demolition.

Section 4.02 Collection of Rents and Other Receipts. Agent shall collect, when due, all Rents, charges, and other amounts receivable from Tenant(s) and shall deposit said funds into the Operating Account in accordance with the provisions of Section 8.02(a). Under no circumstances shall the funds be commingled with Agent’s other funds not derived from the Rents, charges, and other amounts collected under this Agreement.

Section 4.03 Lease Enforcement.

(a) Lease Enforcement. Agent shall use commercially reasonable efforts to enforce the Leases subject to the limitations and other provisions provided herein. Agent shall properly assess and collect from each Tenant or, the Tenant Deposit as the case may be, the cost of repairing any damages (excluding ordinary wear and tear) caused by Tenant

to a Rental Unit arising during Tenant's occupancy. Agent shall also disburse Tenant Deposits in accordance with the terms of each Lease and Chapter 92 of the Texas Property Code, as may be amended from time to time.

(b) Relocation of Tenants. Agent shall comply with all Relocation Requirements. Agent shall emphasize a Tenant's voluntary compliance with Relocation Requirements and counsel Tenants and make referrals to community agencies in cases of financial hardship or under other circumstances deemed appropriate by the Director and Agent to avoid any involuntary termination of tenancies to the maximum extent consistent with sound management of the Property. City has engaged a third party to provide the Tenants the required notices under the Relocation Requirements, including in connection with the Option Agreement prior to and after the Closing Date.

(c) Termination of Lease and Attorneys' Fees.

(i) Agent may, and shall, if requested by the Director, lawfully terminate any tenancy when, in Agent or the Director's judgment, sufficient cause for termination occurs under the terms of Tenant's Lease. To determine if a tenancy should be terminated, Agent shall request from the Director, in writing, the ability to consult with legal counsel and incur reasonable attorneys' fees and costs in excess of \$5,000 pursuant to Section 4.03(c)(ii). If authorized to do so, Agent may consult with legal counsel selected by Agent and approved by the City Attorney to determine appropriateness of bringing an eviction action, executing notices to vacate and/or filing other relevant judicial proceedings against a Tenant. Agent shall keep the Director informed of any and all legal actions related to the Property and shall abide by any and all directions to proceed or refrain from proceeding issued by the Director and/or the City Attorney.

(ii) Reasonable attorneys' fees and other actual and necessary costs incurred in connection with such actions, as determined by the Director, and supported by invoices, are to be paid out of the Operating Account, but shall not exceed \$5,000.00 in the aggregate, without written, advance permission from the Director and/or the City Attorney. Such expenses are subject to the expenditure provisions in Section 8.03.

Section 4.04 Maintenance, Repairs and Capital Improvements. Agent shall maintain the Property in a decent, safe, and sanitary condition. Additionally, Agent shall maintain the Property in a condition acceptable to the Director and in compliance to industry standards for a multifamily development of similar type and as provided in the Operating Budget. Incident thereto, the following provisions shall apply:

(a) [Intentionally omitted]

(b) Agent shall contract with qualified independent contractors for the maintenance and repair of major mechanical systems and for the performance of extraordinary repairs beyond the capability of regular maintenance personnel. Prior to

commencement of any such major or extraordinary repair work, Agent shall provide the Director with all contractors' current insurance certificates that satisfy the City's standard requirements for insurance coverage according to the work to be performed.

(c) Agent shall promptly investigate all service requests from Tenants, take appropriate action to remedy the request, if justified, and keep records of the transactions. Excluding emergencies, the prior written approval of the Director shall be required for any service expenditure that exceeds Five Thousand and No/100 Dollars (\$5,000.00), per instance. Upon Agent's receipt of any emergency requests, including requests regarding heating, cooling, plumbing, and/or flooding, Agent shall (i) promptly report to the Director the pricing of all costs associated with the request, (ii) service the request within forty-eight (48) hours of the request, or as is standard based on best business practices of the industry, and (iii) after completion of the service, provide the Director with a service report, including total costs incurred in connection therewith and details on the issue and resolution. Agent shall pay standard prices for all emergency costs from the Operating Account and be responsible for demonstrating to the Director the reasonableness and necessity of all emergency costs. Any costs incurred above the amount of emergency costs approved by the Director shall be paid from the Operating Account by Agent. Additionally, during the Lease Term, Agent shall take all necessary actions related to exercising all rights provided by guarantees and warranties associated with repairs performed on the Property.

(d) Except as otherwise provided in this Section, subject to expenditure provisions in Section 8.03, Agent is authorized to purchase, using funds from the Operating Account, any needed materials, equipment, tools, appliances, supplies, and services necessary for proper maintenance and repair of the Property, of which Agent is not already in possession of. The prior written approval of the Director is required for any expenditure for labor, maintenance and/or materials not outlined on the Operating Budget that exceeds Five Thousand and No/100 Dollars (\$5,000.00), per instance. Agent shall secure all discounts, rebates, and/or commissions obtainable with respect to purchase, service contracts, and all other transactions made by Agent on the City's behalf.

(e) In the event of emergency repairs involving manifest danger to persons or property or requiring the suspension of any necessary service to the Property, Agent shall notify the Director of the facts promptly and in no event later than twenty-four (24) hours after the occurrence of the event. Such emergency expenditures shall not exceed Five Thousand and No/100 Dollars (\$5,000.00), per instance, without the prior written approval of the Director. Such expenses are subject to the expenditure provisions provided in Section 8.03.

(f) Within ten (10) days after the date a Tenant vacates the Property, Agent shall conduct a final inspection of the Tenant's Rental Unit, remove all chattel from the Rental Unit, secure the Rental Unit and submit a move-out inspection report for the Rental Unit to the Director.

Section 4.05 Utilities and Services. Agent shall maintain water, electricity, gas, sewage, trash disposal, vermin extermination, laundry facilities, telephone services, and other

necessary services in connection with the Property as may be outlined in the Tenant Lease and pay such utility expenses from the Operating Account.

Section 4.06 Personnel. Agent shall hire and employ all necessary personnel to operate, manage, and maintain the Property in accordance with the provisions of the Agreement. All property management personnel, including maintenance and custodial workers, shall be contracted service providers or employees of Agent. Such property management personnel are not the City's employees, agents, contractors, or subcontractors for any purpose whatsoever, and Agent shall have no authority to employ City personnel.

(a) Agent shall employ an adequate amount of properly trained employees or contractors to provide efficient service to the Tenants. The City reserves the right to monitor Agent's employees' customer service quality, and, should such service become unacceptable, the Director will notify Agent of the deficiency in writing and outline required corrective action. Agent agrees to promptly review the Director's suggestions and immediately take corrective action.

(b) Agent shall keep accurate records of the names, addresses, and other legal identification of employees to assure proper identification and legal working status of employment at any time required by the City or any other proper agency.

Section 4.07 Licenses and Permits. Agent is required to obtain and maintain all permits required by the City or any other governmental agency with authority to regulate the Property as well as perform, or allow to be performed, any periodic inspections that are required by any such governmental agency. Agent shall also acquire and abide by all licenses and permits required for the operation of the Property as rental housing.

Section 4.08 Records and Reports. Agent shall follow recognized, modern business practices to provide efficient and adequate services to the Tenants. Accurate, prompt, and timely reporting is of the essence, and the Agent's failure to do so shall constitute a default subject to the notice and cure rights and remedies outlined in Article X. The Director may require statements of Agent's operations under this Agreement for any period of time during the Lease Term with such expense being borne by Agent; provided, however, if Director specifically requests audited statements then the costs and expense incurred in connection with the same shall be paid from the Operating Account prior to preparation of the same. In addition to any requirements specified in this Agreement, Agent has the following responsibilities with respect to records and reports:

(a) Agent shall establish and maintain a system of records, books, and accounts for this Agreement in a manner that is satisfactory to the Director and the City Controller. All records, books, and accounts are subject to audit and examination by the Director and the City Controller at reasonable hours upon reasonable notice to Agent.

(b) Agent shall prepare monthly reports in a form satisfactory to the Director, along with any other reports that are requested by the Director that are consistent with Agent's duties hereunder, containing and including at least the following:

(i) a statement of income and expenses and accounts receivable and payable for the preceding month, including an itemized list of all delinquent Rents for the month and a report of actions taken on the delinquent accounts by Agent;

(ii) rent roll/cash receipts from the previous month;

(iii) a disbursement summary for the previous month, including paid invoices and evidence of payment of insurance premiums;

(iv) a statement comparing budgeted revenues and expenses to actual revenues and expenses, including any indication that the actual annual net operating income is anticipated to be more than ten percent (10%) less than budgeted in the Operating Budget;

(v) current bank statements of the Operating Account with a detailed report on any financial deficits experienced during the reported period, including the deficit amounts and any out-of-pocket expenses incurred by Agent, which Agent elects to incur (without an obligation to do so) and shall be reimbursed to Agent from the Operating Account;

(vi) a narrative of any unusual actions taken or emergencies responded to by Agent;

(vii) a full report of any accidents, claims, and potential claims for the previous month; and

(viii) any other information required by the Director.

Agent shall submit each report to the Director on or before the twentieth (20th) day of each month.

(c) All bookkeeping, data processing services, and management overhead expenses provided by Agent at no additional cost to the City.

(d) Agent shall furnish whatever additional information (including monthly occupancy reports) requested from time to time by the Director within the time period provided in the request with respect to the leasing and financial, physical, or operational condition of the Property.

(e) Agent shall establish and maintain Tenant files containing copies of all Leases, certification forms, notices, and other documentation required by the Director. Said files shall be easily accessible to the Director upon request.

Section 4.09 City Communications. Agent shall be available for communications with the Director and inform the Director of items materially affecting the Property within twenty-four (24) hours after the occurrence of the material event.

ARTICLE V

MANAGEMENT AUTHORITY

Section 5.01 Authority.

(a) Agent's authority is expressly limited to the provisions contained herein as they may be amended in writing from time to time in accordance with the provisions of this Agreement.

(b) The City expressly withholds from Agent any power or authority to undertake the following actions:

(i) make any structural change in or to the Property or to make any other major alterations or additions in or to the Property or fixtures or equipment therein;

(ii) execute or promise any new Leases or Lease renewals, or approve any sublets or assignments;

(iii) implement or enforce any Rent increases in accordance with a Lease that would take effect during the Lease Term;

(iv) enter into any agreement, instrument or covenant or take any action that would:

1) constitute an encumbrance on the Property;

2) bind the City or the Property;

3) be outside a normal, reasonable, and necessary act needed to perform Agent's duties under this Agreement; or

4) have a term that will exceed the Lease Term or that cannot be terminated with thirty (30) days' notice;

(v) incur any expense not outlined in the Operating Budget or otherwise approved herein, without the prior written consent of the Director; and/or

(vi) commit or allow Tenant to commit waste on or to the detriment of the Property.

(c) Agent is an independent contractor and shall perform the services provided for in this Agreement in that capacity.

Section 5.02 Delegation of Duties. Agent has the right to engage independent contractors for performance of Agent's duties hereunder as Agent deems necessary, but Agent has the responsibility of supervising the performance of those duties. All contracts with

independent contractors are subject to the prior written consent of the Director. Director has consented to Agent's contract with Agent's Manager, including payment of the fees and reimbursement of expenses as provided therein from the Operating Account.

Section 5.03 Compliance with Law. Agent shall take all necessary actions to comply with any and all statutes, laws, ordinances, orders and requirements of federal, state, county, and municipal authorities having jurisdiction over the Property, including orders of any insurance companies and other similar bodies, relative to the leasing, use, operation, repair, and maintenance of the Property. Upon receiving notice of any violation, Agent shall promptly remedy any violation of any law, ordinance, rule, or regulation, and shall notify the Director in writing by the end of the next business day of the violation and how and when the violation has been or will be remedied.

ARTICLE VI

INSURANCE AND INDEMNIFICATION

Section 6.01 Liability of Agent. Agent shall be liable for its breaches of this Agreement and for uninsured damages and costs (including reasonable attorneys' fees) resulting from Agent's gross negligence or willful misconduct and Agent's employees and contractors' gross negligence and willful misconduct.

Section 6.02 Insurance.

(a) Agent shall at all times during the Lease Term, at the City's expense to be paid from the Operating Account, keep and maintain, the following insurance policies having at least the following minimum limits:

(i) Commercial General Liability, including Contractual Liability, Bodily Injury and Property Damage, Personal & Advertising Injury, and Products and Completed Operations, with at least the following limits:

General Aggregate Limit	\$2,000,000
Personal and Advertising Injury Limit	\$1,000,000
Each Occurrence Limit	\$1,000,000

(ii) Texas Statutory Workers' Compensation, including Employer's Liability with at least the following limits:

Each Accident	\$1,000,000
Each Employee	\$1,000,000
Policy Limit	\$1,000,000

(iii) Business Automobile Liability, covering (a) any auto or (b) all owned, hired and non-owned autos with at least the following limits:

Combined Single Limit \$1,000,000

(iv) Commercial Umbrella or Excess Liability to provide excess liability limits over the underlying Commercial General Liability and Business Auto Liability policies. Coverage terms must "follow from" or be broader than the underlying policies. Any combination of underlying and Umbrella or Excess limits can be used to provide total liability limits of at least:

Per Occurrence \$10,000,000
General Aggregate \$10,000,000

(v) Pollution Liability with at least the following limits:

Per Occurrence \$2,000,000
Aggregate per 12-month period \$4,000,000

(vi) Crime policy, which shall include but not be limited to coverage for the following: losses arising out of or in connection with fraudulent or dishonest acts committed by the employees of Agent, acting alone or in collusion with others, including the property and funds of others in their care, custody or control; employee theft; counterfeit money; computer fraud coverage; funds transfer coverage; forgery or alteration coverage; money and securities coverage; and theft per loss coverage. The Crime Policy coverage shall also include an extension for property of others.

Per Occurrence \$250,000

(b) General Provisions. Prior to beginning performance under this Agreement, at any time upon the Director's request, or each time coverage is renewed or updated, Agent and its contractors shall furnish to the Director current certificates of insurance, endorsements, all policies, or other policy documents evidencing adequate coverage, as necessary. Agent and its contractors shall use the Operating Account for and pay (i) all premiums and (ii) any claims or losses to the extent of any deductible amounts, and then Agent and its contractors waive any claim they may have for premiums or deductibles against the City, its officers, agents, or employees. If any insurance policy required hereunder does not have a flat premium rate and such premium has not been paid in full, such policy must have a rider or other appropriate certificate or waiver sufficient to establish that the issuer is not entitled to look to Agent and its contractors for any further premium payment and has no right to recover any premiums from the Agent. Agent and its contractors shall also require all subcontractors or consultants whose subcontracts exceed \$100,000.00 to provide proof of insurance coverage meeting all requirements stated above except the amount must be commensurate with the amount of the subcontract, but no less than \$500,000.00 per claim.

(c) Form of Insurance. The insurance form shall be approved by the Director and the City Attorney; such approval (or lack thereof) shall never (i) excuse non-compliance with the terms of this Article, or (ii) waive or estop the City from asserting its rights to terminate this Agreement. The policy issuer shall (1) have a certificate of authority to transact insurance business in the State of Texas issued by the Texas Board of Insurance, or (2) be an eligible non-admitted insurer in the State of Texas and have a Best's rating of at least B+. The policy issuer shall have a Best's Financial Size Category of Class VI or better, according to the most current Best's Key Rating Guide.

(d) Required Coverage. The City shall be an additional insured under this Agreement, and all policies, except workers' compensation, shall explicitly name the City as an additional insured. The City shall enjoy the same coverage as the named insured without regard to other Agreement provisions. Agent and its contractors waive any claim or right of subrogation to recover against the City, its officers, agents, or employees, and each of Agent's and its contractors' insurance policies, to the extent such claim is covered and paid by other insurance. Each policy, except workers' compensation, must also contain an endorsement that the policy is primary to any other insurance available to the additional insured with respect to claims arising under this Agreement.

(e) Notice. AGENT AND ITS CONTRACTOR SHALL GIVE THIRTY (30) DAYS' ADVANCE WRITTEN NOTICE TO THE DIRECTOR IF ANY OF ITS INSURANCE POLICIES ARE CANCELED OR NON-RENEWED. Within the 30-day period, Agent and its contractors shall provide other suitable policies in order to maintain the required coverage. If Agent or its contractors fails to comply with this requirement, the Director, at his sole discretion, may immediately terminate this Agreement, suspend Agent and its contractors from any further performance under this Agreement and begin procedures to terminate for default.

(f) Certificates of Insurance. The insurance coverages may be represented in one or more certificates of insurance. It is agreed, however, that nothing included within or omitted from the insurance certificates shall relieve Agent from its duties to provide the required coverage.

(g) Deductibles. A policy may contain deductible amounts as approved by the City. Agent and its contractors shall pay any claims or losses including such deductible amounts from the Operating Account, and then waive any claim they may ever have for the same against the City, its officers, agents or employees with respect to such deductible amounts.

(h) Blanket Policies. Agent and its contractors shall be entitled to purchase and maintain the insurance required under this Article under so called "blanket" policies, provided the coverage thereunder is at least equal to the levels contained herein and is otherwise adequate in keeping with prudent underwriting standards.

(i) Policies. At the Director's request, copies of all policies referred to above, certified by the agent or attorney-in-fact issuing them, together with written proof that the

premiums have been paid, shall be deposited by Agent with the Director. If the Director fails to request copies of such policies, Agent shall provide certificates of insurance, in lieu of policies, reflecting that the terms of this Section have been met, with such certificates to be provided before the Agent begins any work in, on or about the Property. Along with such policies or certificates, Agent shall provide the Director with a list of any claims paid out against the aggregate total of any such policy.

(j) WAIVER OF RIGHT OF RECOVERY. ANYTHING TO THE CONTRARY IN THIS AGREEMENT NOTWITHSTANDING, TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE CITY AND AGENT EACH WAIVE ALL RIGHTS OF RECOVERY, CLAIMS, ACTIONS OR CAUSES OF ACTION OR SUBROGATION AGAINST THE OTHER AND THE OTHER'S AFFILIATES AND THEIR RESPECTIVE PARTNERS, AGENTS, OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES OR REPRESENTATIVES FOR ANY DAMAGE TO THE PROPERTY AND/OR THE IMPROVEMENTS, TO THE EXTENT THAT SUCH DAMAGE IS DUE TO AN INSURED CASUALTY RISK REGARDLESS OF CAUSE OR ORIGIN, INCLUDING NEGLIGENCE OF THE CITY, AGENT, THEIR AFFILIATES OR THEIR PARTNERS, AGENTS, OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES OR REPRESENTATIVES.

Section 6.03 **Cooperation.** Agent shall furnish whatever readily available information is requested by the Director for the purpose of obtaining insurance coverage and shall aid and cooperate in every reasonable way with respect to the insurance and any loss thereunder.

Section 6.04 **Contractor's Insurance.** Agent shall require that every contractor working on the Property maintain, at the contractor's own expense, commercial general liability, workers' compensation, business automobile liability, and commercial umbrella or excess liability insurance in the amounts stated in Section 6.02. Agent must be notified promptly if the Director waives any of the requirements in this Section.

Section 6.05 **Standard of Care.** In the performance of its duties and obligations under this Agreement, Agent shall diligently and in good faith seek to protect the property rights and interests of the City, to protect the best economic interests of the City in its ownership and operating of the Property, and to manage the Property in accordance with normal and accepted industry standards, with the understanding that the intent is to relocate all of the Tenants from the Property as quickly as applicable law permits.

Section 6.06 **Release.** AGENT AGREES TO AND SHALL RELEASE THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY FOR THIS SECTION, THE "CITY") FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE CITY'S SOLE OR CONCURRENT NEGLIGENCE AND/OR THE CITY'S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY. AGENT HEREBY COVENANTS AND AGREES NOT TO SUE THE CITY FOR ANY CLAIMS, DEMANDS, OR CAUSES OF ACTION

DIRECTLY OR INDIRECTLY RELEASED BY AGENT UNDER THIS SECTION. FOR THE AVOIDANCE OF DOUBT, THIS COVENANT NOT TO SUE DOES NOT APPLY TO CLAIMS FOR BREACH OF THIS AGREEMENT.

ARTICLE VII

AUDIT, INSPECTION AND MAINTENANCE OF RECORDS

Section 7.01 City representatives (including without limitation the Director and the City Controller), State of Texas and Federal Government authorized representatives (collectively "Auditing Entities") may perform (1) audits of Agent's books and records for this Agreement or (2) inspections of the Property. Agent shall retain its books and records (including without limitation any documentation required under 2 C.F.R. Part 200, Subpart D) to be available for City representatives to review for at least (i) three (3) years after the General Land Office's ("GLO") closeout of the CDBG-DR16 program that is the subject of the GLO Agreement; (ii) the time period required by 2 C.F.R. § 200.333 (retention requirements for records) in the event this Agreement is wholly or partially federally funded; or (iii) five (5) years after this Agreement terminates, whichever is longer. If the books and records are located outside of Harris County, Texas, Agent shall make them available in Harris County, Texas.

Section 7.02 Within twenty-four (24) hours of Agent's receipt of written notice, Auditing Entities have the right to audit and inspect Agent's books, documents, papers, and records, both written and electronic, that pertain to the services provided under this Agreement. Such documents may include, but are not limited to:

- (a) payroll and personnel records, such as salaries, benefits and bonuses;
- (b) subcontractor agreements, records and invoices;
- (c) any and all records pertaining to this Agreement saved within Agent's accounting or management systems;
- (d) records and information saved on all computers or servers on which the City information is stored; and
- (e) all documents or records evidencing costs and expenses, direct and indirect, relating to Agent's operation and maintenance of the Property after the Closing Date (collectively, "Audited Documents").

Section 7.03 Agent shall permit Auditing Entities to reproduce or copy and retain any and all Audited Documents.

Section 7.04 Agent shall provide Auditing Entities access to the Property during regular business hours.

Section 7.05
Expenditures.

Audit Findings of Disallowed Disbursements or

(a) Audit Findings by the City. Within thirty (30) days of the Director's request, Agent shall refund the City a sum equivalent to the amount of any disallowed disbursements made by the City to Agent or Agent's expenditures, in the event the City, through the review of a monthly financial report(s) and/or audit(s), monitoring finding, or other action, determines that the disbursement or expenditure of any funds disbursed under this Agreement was not made in compliance with this Agreement, applicable law, or applicable regulations. If Agent intends to appeal the disallowance, then no later than five (5) business days after receiving the Director's request, Agent shall provide the Director with written notice to appeal the disallowance ("Notice of Appeal"), which shall explain the reasons supporting Agent's appeal. Agent shall provide bank statements, time sheets, receipts, and any other documentation reasonably requested by the Director in connection with the Notice of Appeal. Within ten (10) business days of receiving Agent's Notice of Appeal, the Director shall render a decision to accept or deny Agent's appeal of a disallowance. The Director's decision shall be final. Within thirty (30) days of receiving a denial of the Notice of Appeal, Agent shall pay the City the amount disallowed.

(b) Audit Findings by Other Auditing Entities. If any audit or inspection performed by an Auditing Entity, other than the City, results in the disallowance, recapture, repayment, refund, return and/or reimbursement of Federal funds used by the City to reimburse Agent for fees and/or expenses related to the operation and maintenance of the Property pursuant to this Agreement, Agent shall cooperate with the Director and/or the City Controller to support the City's responses to any applicable Auditing Entity's repayment requests. Agent shall reimburse the City for all such Federal fees and/or expenses required to be repaid by the City to an applicable Auditing Entity arising from Agents' breach of this Agreement up to the Cap. Agent shall pay any adjustments or payments that were determined to be made by Agent in breach of this Agreement up to the Cap as a result of any such audit or inspection of the Agent's performance under the Agreement, including invoices or records, within thirty (30) days from presentation of the written findings by the Director to Agent.

Section 7.06
Agreement.

Agent has been advised that the City is a party to the GLO

Section 7.07 **Correction of Discrepancies.** If the Director discovers any discrepancies in Agent's records and/or documents, the Director may, in his discretion, require Agent to immediately correct said discrepancies and provide the Director with the corrected records and/or documents within ten (10) business days.

ARTICLE VIII

OPERATING BUDGET AND REMITTANCE OF FUNDS

Section 8.01 Operating Budget.

(a) Initial Operating Budget. Agent has prepared, and the Director has approved, the initial Operating Budget, as attached herein as **Exhibit "C"**.

(b) Revisions to Operating Budget. If the total expenditures accrued under this Agreement are less than the budgeted expenditures or revenues are higher than budgeted for the Lease Term, Agent shall revise the estimated cost of the affected line items in the Operating Budget. Such revisions for decreased expenditures or increased revenues does not require a formal amendment of this Agreement and is evidenced by a revised Operating Budget submitted by Agent to the Director within three (3) business days of the budget revision. Any excess funds remaining after revising the affected line items in the Operating Budget are subject to reallocation to other line items in the Operating Budget, projects and/or contracts related to the Property at the Director's sole discretion. Any revisions for a variance of 15% of expenditures higher or revenues lower than budgeted under this Agreement must be approved by the Director.

Section 8.02 Operating Account. On or before the Effective Date, Agent shall establish a new bank account, solely in the Agent's name, to be used for revenue deposits and Property operation and maintenance expenditures (the "Operating Account"). The City shall not be named as an authorized user of the Operating Account, nor shall the City have signature authority on the account. Disbursements from the Operating Account are to be made in accordance with the Operating Budget or this Agreement, or as otherwise approved in writing by the Director.

(a) Deposit of Funds into Operating Account. Upon receipt, Agent shall immediately deposit all Rents and other funds collected from the operation of the Property into the Operating Account.

(b) Expense Payments from Operating Account. Expenses shall be paid out of the Operating Account in accordance with the Operating Budget or this Agreement, or as otherwise approved in writing by the Director. Expenses not included in the Operating Budget shall be subject to the terms and conditions set forth in Article IV. Upon expenditure of funds out of the Operating Account, Agent shall include in the monthly financial report, described in subsection (c), an itemization of the expenditures funded by the Operating Account, for the Director's review.

(c) Monthly Financial Reporting. Agent shall provide the Director a monthly financial report in accordance with Section 4.08(b). The Director shall accept the financial report unless, in the Director's reasonable opinion, Agent expended funds in breach of this Agreement.

(d) Minimum Reserve Amount for Tenant Deposits. All existing Tenant Deposits shall be transferred to the Operating Account within ten (10) days after the Effective Date. At all times, the Operating Account shall maintain a minimum reserve amount equal to the total amount of Tenant Deposits owed to Tenants. Agent shall maintain detailed records of all Tenant Deposits, and the records must be open for inspection by the Director at all times. The required minimum reserve amount shall only decrease in direct correlation to reimbursed Tenant Deposits, as required by the Tenants' Leases and Texas Property Code Section 92.103, during the Lease Term. Agent shall document each Tenant Deposit reimbursed during the Lease Term and designate such reimbursement as a line item in the monthly financial report required under Section 4.08(b).

Section 8.03 Expenditures.

(a) Expenditure Reimbursements to Agent. If Agent incurs any out-of-pocket expenses in reconciling any financial deficits detailed in Section 4.08(b), Agent shall submit requests for expenditure reimbursements to the Director for review and approval. Requests for expenditure reimbursements shall include:

- (i) an itemized invoice(s) that sufficiently describes the charge(s) so that financial reporting can be achieved as described in Section 4.08(b);
- (ii) a receipt(s) evidencing payment of the invoice(s); and
- (iii) any additional documentation as may be requested by the Director and/or the City Controller.

After the Director's approval, the City will reimburse Agent for such out-of-pocket expenses in accordance with the Operating Budget or this Agreement, or as otherwise approved in writing by the Director, and the Texas Private Prompt Payment Act, Chapter 28 of the Texas Property Code.

(b) Advanced Payments Made by Agent. Agent may, but is not obligated to, make any advance payment out of the Operating Account or to pay any amount approved herein or in the Operating Budget out of funds in the Operating Account, and Agent is not obligated to incur any extraordinary liability or obligation on behalf of the City that is outside of the Operating Budget unless the Director approves of such liability or obligation or the Director furnishes Agent with the necessary funds for the discharge thereof.

Section 8.04 Insufficient Funds in Operating Account. If the balance in the Operating Account is at any time insufficient to pay expenses due and payable under this Agreement, Agent shall promptly inform the Director of the insufficiency and the City shall, in accordance with Section 8.04(b), then remit sufficient funds to Agent to cover the deficiency. Agent is required to notify the Director of an insufficient balance in the Operating Account when the balance in the Operating Account is or is expected to be less than 100% of the allowable expenses for the following month, as established by the Operating Budget and other expenses approved in accordance with this Agreement. Agent must immediately notify the Director of such

insufficiency, including the estimated percentage of funds available in the Operating Account to cover the allowable expenses, but no later than twenty-four (24) hours after Agent's determination of the insufficiency.

(a) If Agent determines that the Operating Account has funds available to cover at least 90% of the allowable expenses, Agent may (without an obligation to do so) cover the deficiency with its own funds and shall be reimbursed by the City for incurring such out-of-pocket expenses. Such reimbursements shall be subject to the terms provided in Section 8.03(a).

(b) If Agent determines that the Operating Account has funds available to cover less than 90% of the budgeted monthly expenses, Agent shall request payment from the Director to cover such deficiency in the notice required in this Section. To request payment, Agent shall submit the invoice(s) that will not be paid with funds from the Operating Account due to insufficient funds. Within 30 days of the Director's review and approval of such invoice(s), the City shall remit funds to cover the payment of such invoice(s).

(i) The City's duty to pay Agent under this Agreement or make any payments in connection with this Agreement, including without limitation, into the Operating Account due to insufficient funds in the Operating Account, is limited in its entirety by the provisions of this Section and the Operating Budget, as may be amended from time to time.

(ii) In order to comply with Article II, Sections 19 and 19a of the City's Charter and Article XI, Section 5 of the Texas Constitution, the City has appropriated and allocated up to \$250,000.00 to pay Agent under this Agreement or make any payments in connection with this Agreement, including without limitation, into the Operating Account due to insufficient funds in the Operating Account during the Lease Term (the "Original Allocation"). The executive and legislative officers of the City, in their discretion, may allocate supplemental funds for this Section of the Agreement (the "Supplemental Allocation"), but they are not obligated to do so. Therefore, the parties have agreed to the following procedures and remedies:

1) The City has not allocated supplemental funds or made a Supplemental Allocation for this Agreement unless the City has issued to Agent a Service Release Order, or similar form approved by the City Controller, containing the language set out below. When necessary, the Supplemental Allocation shall be approved by motion or ordinance of the City Council.

NOTICE OF SUPPLEMENTAL ALLOCATION OF FUNDS

By the signature below, the City Controller certifies that, upon the request of the responsible director, the supplemental sum set out below has been allocated for the purposes of the Agreement out of funds appropriated for this purpose by the City Council of the City of Houston. This Supplemental Allocation has been charged to such appropriation.

\$ _____

2) The Original Allocation plus all Supplemental Allocations are the Allocated Funds. The City shall never be obligated to pay any money under this Section in excess of the Allocated Funds. Agent must assure itself that sufficient allocations have been made to pay disbursement due and payable under this Section. If Allocated Funds are exhausted, Agent's only remedy is suspension or termination of its performance under this Agreement, and it has no other remedy in law or in equity against City and no right to damages of any kind.

Section 8.05 **Taxes.** The City is exempt from payment of federal excise and transportation tax and Texas limited sales and use tax. Agent's invoices to the City must not contain assessments of any of these taxes. The City will furnish the City's exemption certificate and federal tax identification number to Agent if requested.

ARTICLE IX

COMPENSATION

Section 9.01 **Lease-back Fee.** The City will compensate Agent \$49,500.00 (the "Lease-back Fee") for its services under this Agreement in twelve (12) monthly payments, in accordance with the monthly schedule below, to be treated as an operating expense and paid out of the Operating Account. The monthly fee will be payable on the first (1st) day of each month during the term of the Agreement with respect to the services performed during the prior month. The Lease-back Fee shall be paid monthly as follows:

<u>Month</u>	<u>Lease-back Fee</u>	<u>Cumulative Total Lease-back Fees</u>
1	\$12,000.00	\$12,000.00
2	\$10,000.00	\$22,000.00
3	\$8,000.00	\$30,000.00
4	\$3,000.00	\$33,000.00
5	\$3,000.00	\$36,000.00
6	\$3,000.00	\$39,000.00
7	\$3,000.00	\$42,000.00
8	\$1,500.00	\$43,500.00
9	\$1,500.00	\$45,000.00
10	\$1,500.00	\$46,500.00
11	\$1,500.00	\$48,000.00
12	\$1,500.00	\$49,500.00

The parties agree that Agent shall not receive any amount exceeding the Lease-back Fee or any other additional compensation from the City in connection with this Agreement.

Section 9.02 Early Termination. If the Agreement terminates prior to the expiration of the Lease Term, Agent shall be entitled to payment of the remaining unpaid portion of the Lease-back Fee so long as such termination did not occur pursuant to Section 10.01(b). Agent shall receive payment of the remaining unpaid portion of the Lease-back Fee no later than sixty (60) days after the termination of this Agreement.

ARTICLE X

DEFAULT AND TERMINATION; REMEDIES; INDEMNIFICATION

Section 10.01 Termination.

(a) Termination for Convenience by the City. The City may terminate this Agreement at any time by giving thirty (30) days' written notice to Agent. The City's right to terminate this Agreement for convenience is cumulative of all rights and remedies which exist now or in the future. On receiving the notice, Agent shall, unless the notice directs otherwise, immediately discontinue all services under this Agreement and cancel all existing orders and subcontracts that are chargeable to this Agreement. The City shall (i)

pay Agent any unpaid Lease-back Fee pro rata as to the days services were provided by Agent during the month in which termination occurs; and (ii) reimburse Agent for any Property expenditures incurred in performing the services, but not already reimbursed, in the same manner as prescribed in Section 8.03

RECEIPT OF PAYMENT FOR SERVICES RENDERED ARE AGENT'S ONLY REMEDIES FOR THE CITY'S TERMINATION FOR CONVENIENCE, WHICH DOES NOT CONSTITUTE A DEFAULT OR BREACH OF THIS AGREEMENT. AGENT WAIVES ANY CLAIM (OTHER THAN ITS CLAIM FOR PAYMENT AS SPECIFIED IN THIS SECTION), IT MAY HAVE NOW OR IN THE FUTURE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM THE CITY'S TERMINATION FOR CONVENIENCE.

(b) Default by Agent; Termination for Cause by the City. If Agent defaults under this Agreement, the City may either terminate this Agreement or require Agent to cure the default as provided below. The City's right to terminate this Agreement for Agent's default is cumulative of all rights and remedies which exist now or in the future. Default by Agent occurs if:

(i) Agent fails to operate the Property as a residential multi-family rental facility;

(ii) there is a (i) filing of a voluntary petition in bankruptcy on Agent's behalf; (ii) adjudication of Agent as a bankrupt; (iii) filing of any petition or other pleading in any action seeking reorganization, rearrangement, adjustment, or composition of, or in respect of, Agent under the United States Bankruptcy Code or any other similar state or federal law dealing with creditors' rights generally, unless within ninety (90) days after such filing such proceeding is stayed or discharged; or (iv) appointment of a receiver, trustee or other similar official of Agent;

(iii) Agent fails to reasonably correct within a reasonable period any hazardous condition, caused by Agent after written notice of such condition was provided by the City. In the event Agent does not promptly remedy the hazardous condition, the City may exercise all of its rights under this Agreement, including the right of the City to perform Agent's obligations as set forth in this Agreement; or

(iv) Agent fails to keep, observe or perform any of the terms, covenants or agreements contained in this Agreement to be kept, performed or observed by Agent. If (i) such failure is not remedied by Agent within thirty (30) days after written notice from the Director of such default or (ii) in the case of any such default which cannot with due diligence and good faith be cured within thirty (30) days, Agent fails to commence to cure such default within thirty (30) days after written notice from the Director of such default or Agent fails to prosecute diligently the cure of such default to completion within such additional period as may be

reasonably required to cure such default with diligence and in good faith; it being intended that, in connection with any such default which is not susceptible of being cured with due diligence and in good faith within thirty (30) days, the time within which Agent is required to cure such default shall be extended for such additional period as may be necessary for the curing thereof with due diligence and in good faith.

If a default occurs, the Director shall deliver a written notice to Agent describing the default and the termination date. The Director, at his or her sole option, may extend the termination date to a later date. If the Director allows Agent to cure the default and Agent does so to the Director's satisfaction before the termination date, then the termination is ineffective. If the Director allows Agent to cure and Agent does not cure the default before the termination date, then the Director may terminate this Agreement on the termination date, at no further obligation of the City.

Section 10.02 Remedies Cumulative. Unless otherwise specified elsewhere in this Agreement, the rights and remedies contained in this Agreement are not exclusive but are cumulative of all rights and remedies which exist now or in the future. Neither party may terminate its duties under this Agreement except in accordance with its provisions.

Section 10.03 Final Accounting and Closing Operations. Within thirty (30) days after the termination or expiration of this Agreement, Agent shall transfer to the City the following:

- (a) Any outstanding balance remaining in the Operating Account;
- (b) All certificates of deposits, if any, belonging to the City;
- (c) Any money belonging to the City (excluding the Lease-back Fee and the purchase price paid to Agent under the Option Agreement) held by Agent on the City's behalf;
- (d) All records, contracts, Leases, keys, receipts for deposits, unpaid bills, as authorized under the Operating Budget, or otherwise in writing by the Director, and other papers, files, documents, books and records relating to this Agreement; and
- (e) All reports required under this Agreement hereof to the date of the termination.

Within three (3) days of the City's request, Agent shall assign to the City all contracts requested by the City concerning the Property, to the extent permitted by the contracts, and shall cooperate with the City in connection with the transition to a new manager, if necessary.

Section 10.04 Indemnification.

(a) SUBJECT TO ARTICLE VI, AGENT AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY FOR THIS SECTION, THE "CITY") HARMLESS FOR ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE OF AGENT'S OBLIGATIONS UNDER THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, THOSE CAUSED BY:

(i) AGENT AND/OR ITS AGENTS', EMPLOYEES, OFFICERS', DIRECTORS', CONTRACTORS', OR SUBCONTRACTORS' (COLLECTIVELY IN NUMBERED PARAGRAPHS (i)-(iii), "CONTRACTOR") ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS;

(ii) THE CITY AND CONTRACTOR'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT; AND

(iii) THE CITY AND CONTRACTOR'S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT.

(b) AGENT'S FOREGOING INDEMNIFICATION OBLIGATION SHALL APPLY DURING THE TERM OF THIS AGREEMENT AND FOR FOUR YEARS AFTER THIS AGREEMENT TERMINATES. AGENT'S FOREGOING INDEMNIFICATION IS LIMITED TO \$400,000 PER OCCURRENCE. AGENT SHALL NOT INDEMNIFY THE CITY FOR THE CITY'S SOLE NEGLIGENCE.

(c) SUBCONTRACTOR'S INDEMNITY. AGENT SHALL REQUIRE ALL OF ITS SUBCONTRACTORS (AND THEIR SUBCONTRACTORS) TO RELEASE AND INDEMNIFY THE CITY TO THE SAME EXTENT AND IN SUBSTANTIALLY THE SAME FORM AS ITS RELEASE AND INDEMNITY TO THE CITY.

(d) INDEMNIFICATION PROCEDURES.

(i) Notice of Claims. If the City or Agent receives notice of any claim or circumstances which could give rise to an indemnified or non-indemnified loss, the receiving party shall give written notice to the other party within five (5) days. For an indemnified loss, the notice must include the following:

- (1) a description of the indemnification event in reasonable detail;
- (2) the basis on which indemnification may be due; and
- (3) the anticipated amount of the indemnified loss.

This notice does not estop or prevent the City or the Agent from later asserting a different basis for indemnification or a different amount of indemnified loss than that indicated in the initial notice. If the Director or the Agent does not provide this notice within the required 5-day period, it does not waive any right to indemnification except to the extent that Agent or City, as the case may be, is prejudiced, suffers loss, or incurs expense because of the delay.

(ii) Defense of Claims.

(1) Assumption of Defense. Agent may assume the defense of the claim, at its own expense, with counsel chosen by it that is reasonably satisfactory to the City Attorney. Agent shall then control the defense and any negotiations to settle the claim, subject to the City Attorney's consent or agreement to the settlement, which consent or agreement shall not be unreasonably withheld. Within five (5) days after receiving written notice of the indemnification request, Agent must advise the Director as to whether or not it will defend the claim. If Agent does not assume the defense, the City shall assume and control the defense, and all defense expenses constitute an indemnification loss.

(2) Continued Participation. If Agent elects to defend the claim, the City may retain separate counsel to participate in (but not control) the defense and to participate in (but not control) any settlement negotiations.

(3) Non-indemnified Claims. The party in receipt of a non-indemnified claim notice shall promptly give to the other party all pertinent information and reasonable assistance in the defense or other disposition thereof, at its sole expense.

(e) Survival of Indemnity Obligations. The indemnity obligations contained in this Agreement will survive the termination of this Agreement for four (4) years.

ARTICLE XI

DAMAGE OR DESTRUCTION

Section 11.01 Occurrence of Casualty and Use of Insurance Proceeds. If all or any part of the Property is materially damaged or destroyed, Agent will immediately notify the Director as to the nature and extent of such damage or destruction. Agent shall assign to the City all insurance proceeds received with respect to any material damage or destruction to the Property.

Section 11.02 Repairs. Promptly upon the City's receipt of any insurance proceeds relating to damage or destruction to the Property, Agent shall consult with the Director in determining the next appropriate steps regarding any repairs conducted on the Property.

Section 11.03 Property at Agent's Risk. Agent's supplies and all merchandise, effects, and other property of every kind, nature, and description belonging to Agent, which may be on or in the Property during the Lease Term shall be at the sole risk and hazard of Agent; and if the whole or any part thereof shall be destroyed or damaged for any reason, the City shall not be liable or responsible.

Section 11.04 Destruction of Properties under Contract. If the Property is destroyed or materially damaged to such extent that the Director determines that the Property is wholly unfit, in whole or a material part, for use by Agent in its operations, the City may terminate this Agreement.

ARTICLE XII

EMINENT DOMAIN

Section 12.01 Efforts to Prevent Taking. The City shall use reasonable efforts to cause all other governmental authorities and/or entities with the power of eminent domain to refrain from instituting any Condemnation Proceedings or exercising any other powers of eminent domain with respect to the Property, or any interest in any of the foregoing during the Lease Term.

Section 12.02 Entire Taking. If all or at least 75% of the square footage of the Property is Taken in Condemnation Proceedings, Agent shall have the right to terminate this Agreement in accordance with Article X effective as of the date of such Taking, and from and after such date Agent and the City shall not have any further obligations under this Agreement with respect to the portion of the Property so Taken, provided the City has fully complied with its obligations under this Section.

Section 12.03 Partial Taking.

(a) If less than 75% of the square footage of the Property is Taken in Condemnation Proceedings, after the Taking, Agent and the City shall not have any further obligations under this Agreement with respect to the portion of the Property so Taken.

(b) If, following any partial Taking, Agent exercises any right of termination under this Agreement as to the Property, then Agent may vacate the Property and, after vacation, Agent and the City shall not have any other obligations under this Agreement with respect to the Property, provided the City has fully complied with its obligations under this Section.

(c) If Agent does not elect to vacate the Property upon any partial Taking thereof, then the Property shall be reduced by the portion Taken in the Condemnation Proceeding.

Section 12.04 Temporary Taking. A Taking shall be considered temporary if the Taking will only affect the Property for a period of three (3) months or less (“Temporary Taking”). If any portion of the Property is subject to a Temporary Taking, Agent and the City’s obligations under this Agreement shall be abated for the affected portion of the Property for the duration of the Temporary Taking. Once the Temporary Taking has expired, Agent and the City’s obligations under this Agreement will resume as to the affected portion of the Property and shall continue for the duration of the Term.

Section 12.05 Condemnation Award.

(a) At any time within one hundred eighty (180) days after a Taking, following which Agent vacates the Property or a portion thereof, the Director or Agent may terminate this Agreement by delivering a written termination notice to the other party specifying the effective date of such termination, in which event this Agreement shall terminate as to the Property or a portion thereof as of the date specified by the Director or Agent in such notice, and the entire condemnation award attributable to such Taking shall be paid to the City.

(b) In the event all or any portion of the Property is not terminated from the scope of this Agreement in connection with a Taking as provided above, the Condemnation Award shall be paid to the City. Should the Condemnation Award be deposited into the registry of the court, the City shall withdraw the money from the registry of the court with no objections from the Agent.

Section 12.06 Survival. The provisions contained in this Article shall survive the expiration or earlier termination of this Agreement, but only insofar as such provisions relate to any Condemnation Proceedings or condemnation awards that arose prior to the expiration or termination of this Agreement.

ARTICLE XIII

ENVIRONMENTAL RESTRICTIONS

[TO BE MADE SUBJECT TO CITY'S PHASE I UNDER OPTION AGREEMENT]

Section 13.01 Hazardous Material. Neither the City nor Agent shall transport, use, store, maintain, generate, manufacture, handle, dispose, release or discharge any Hazardous Material upon or about the Property, nor permit their employees, agents, and contractors to engage in such activities upon or about the Property. However, the foregoing provisions shall not prohibit the transportation to and from, and use, storage, maintenance and handling within, the Property of substances customarily used in owning, managing, repairing, leasing, or operating real estate similar to the Property; provided (i) such substances shall be used and maintained only in such quantities as are reasonably necessary and in accordance with applicable law and the manufacturers' instructions therefor and (ii) such substances may be disposed of, released or discharged at the Property if permitted by and in compliance with applicable laws, and shall be transported to and from the Property in compliance with all applicable laws.

Section 13.02 Notification. Each party shall promptly notify the other party upon the notifying party becoming aware of: (i) any enforcement, cleanup, or other regulatory action taken or threatened against either party by any governmental or regulatory authority with respect to the presence of any Hazardous Material on the Property, (ii) any demands or claims made or threatened by any party against the City or Agent relating to any loss or injury resulting from any Hazardous Material, (iii) any unlawful release, discharge or nonroutine, improper or unlawful disposal or transportation of any Hazardous Material on or from the Property, and (iv) any matters where the party is required by law to give a notice to any governmental or regulatory authority respecting any Hazardous Materials on the Property.

Section 13.03 Clean up and Removal. If any Hazardous Material released, discharged or disposed of by Agent or its employees, agents or contractors during the Lease Term, on or about the Property in violation of the foregoing provisions, Agent shall immediately, properly and in compliance with all applicable laws and ordinances, clean up and remove such Hazardous Material from the Property and any other affected property, at Agent's sole cost and expense. Such clean up and removal work shall be subject to the Director's prior written approval, and shall include, without limitation, any testing, investigation and/or preparation and implementation of any remedial action plan required by any governmental body having jurisdiction. If Agent shall fail to comply with the provisions of this Section within five (5) days after written notice by the Director, or such shorter time as may be required by law, the City may terminate this Agreement.

ARTICLE XIV

ASSIGNMENT; SUBLETTING; NON-DISTURBANCE

Except with regard to an assignment to a related entity to Agent for which Director approval is obtained, Agent shall not assign this Agreement, or sublet or assign any of the Property, in whole or in part, at any time.

ARTICLE XV

SMALL BUSINESS, MINORITY AND WOMEN BUSINESS ENTERPRISES; NON-DISCRIMINATION

Section 15.01 Business Opportunity. Agent shall comply with the City's Minority and Women Business Enterprise ("MWBE") programs as set out in Chapter 15, Article V of the City of Houston Code of Ordinances. Agent shall make good faith efforts to award subcontracts or supply agreements in at least 25% of the value of this Agreement to MWBEs. Agent acknowledges that it has reviewed the requirements for good faith efforts on file with the City's Office of Business Opportunity and will comply with them.

Section 15.02 Non-Discrimination. Agent shall not discriminate in its employment practices, service provision, or in any other manner in the management and/or operation of the Property or in the exercise of the rights and privileges granted by this Agreement because of sex, race, color, ethnicity, national origin, age, familial status, marital status, religion, disability, sexual orientation, genetic information, gender identity, pregnancy, ancestry, handicap, or religion.

Section 15.03 Minority Hiring Encouragement. Agent will encourage the hiring of minorities and women employees, and is encouraged to seek contracts with small, minority, and disadvantaged business enterprises.

ARTICLE XVI

AGENT'S REPRESENTATIONS AND WARRANTIES

Agent hereby represents and warrants as follows:

- (a) Existence. Agent is registered in the State of Texas as a limited liability company.
- (b) Authority. Agent has all requisite power and authority to operate its business, enter into this Agreement and consummate the transactions herein contemplated, and by proper action has duly authorized the execution and delivery of this Agreement and the consummation of the transactions herein contemplated.
- (c) Binding Obligations. This Agreement is a valid and binding obligation of Agent and is enforceable against Agent in accordance with its terms.

(d) Consents. No permission, approval or consent by third parties or any other governmental authority is required in order for Agent to enter into this Agreement or perform the obligations of Agent hereunder, other than those consents which have been obtained.

(e) Proceedings. There are no actions, suits or proceedings pending or, to the best knowledge of Agent, threatened or asserted against Agent which could reasonably be expected to affect or impair Agent's ability to enter into this Agreement or to perform its obligations hereunder, at law or in equity or before or by any governmental authority.

ARTICLE XVII

NOTICES

Any notice or other communications required or permitted hereunder shall be sufficiently given if sent by electronic mail or United States certified or registered mail, postage prepaid, and addressed as follows. Notice shall be deemed to have been given as of the date emailed, or three (3) days from the date mailed:

If to City: City of Houston, Texas
Housing and Community Development Department
Attn.: Tom McCasland, Director
c/o Rupa Sen, Real Estate Manager
2100 Travis Street, 9th Floor
Houston, Texas 77002
Telephone: (832) 394-6217
Email: rupa.sen@houstontx.gov

With a copy to: City of Houston Legal Department
Attn.: City Attorney
900 Bagby Street, 4th Floor
Houston, Texas 77002
Email: arturo.michel@houstontx.gov

City of Houston Legal Department
Attn.: Real Estate Section
900 Bagby Street, 3rd Floor
Houston, Texas 77002
Email: kene.chinweze@houstontx.gov

If to Agent: Monticello Square, LLC
Attn.: Michael Morrow
13014 Kimberley Lane
Houston, Texas 77079
Telephone: (713) 444-6250
Email: dan@wessexrents.com

With a copy to: VB Law
Attn.: Andy Van Buskirk
5302 La Branch Street
Houston, Texas 77004
Telephone: (713) 526-9800
Email: andy@vblawoffice.com

The above addresses may be changed by the appropriate party giving written notice of the change to the other party.

ARTICLE XVIII

MISCELLANEOUS

Section 18.01 Inspection. Agent shall permit the City and its agents, at all reasonable times and without interfering with the operation being conducted upon the Property, to enter into and upon the Property during normal business hours for the purpose of inspecting the same, provided that such entry and inspection by the City does not interfere with the quiet enjoyment of the Property by Agent or any Tenant.

Section 18.02 Special Power of Attorney. The City authorizes Agent as attorney-in-fact for the City to collect Rents and other funds due the City in Agent's name on the City's behalf, to appear on behalf of the City in proceedings related to tenancy if requested by the City, and to establish and make deposits into and withdrawals from the Operating Account in accordance with the terms of this Agreement.

Section 18.03 Not a Property Interest; Amendments. This Agreement is not intended to convey any interest in real property. This Agreement constitutes the entire agreement between Agent and the City regarding the subject matter hereof, and no alteration, modification, or addition to this Agreement will be valid or enforceable unless expressed in writing and signed by the Director and Agent.

Section 18.04 Headings. All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provisions of this Agreement.

Section 18.05 Waiver.

(a) Limitations. The waiver of any of the terms and conditions of this Agreement on any occasion or occasions is not to be deemed as waiver of those terms and conditions on any future occasion. No waiver by the City of any breach of this Agreement is to be deemed a waiver of any other or subsequent breach.

(b) Written Documentation. No party shall have or be deemed to have waived any default under this Agreement by the other party unless such waiver is embodied in a

document signed by the waiving party that describes specifically the default that is being waived. Further, no party shall be deemed to have waived its rights to pursue any remedies under this Agreement, unless such waiver is embodied in a document signed by such party that describes specifically any such remedy that is being waived.

(c) Governmental Immunity. Notwithstanding anything contained in this Agreement to the contrary, nothing in this Agreement shall constitute a waiver by the City of any provisions of any law relating to governmental immunity or limitations of liability of a governmental entity.

Section 18.06 Interpretation. Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of principal and agent, partnership, joint venture or any association between the parties hereto, it being understood and agreed that none of the provisions contained herein or any acts of the parties in the performance of their respective obligations hereunder shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant.

Section 18.07 Addenda. The following addenda are attached to this Agreement and incorporated herein:

- (a) **Exhibit "A-1"** – GLO Agreement DR-16
- (b) **Exhibit "A-2"** – GLO Agreement DR-17
- (c) **Exhibit "B"** – Federal Contract Requirements
- (d) **Exhibit "C"** – Operating Budget

In the event of conflicts or inconsistencies between this Agreement and its exhibits, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority: 1) any and all applicable federal and state laws, rules, and regulations; 2) this Agreement; 3) GLO-approved guidelines; and 4) exhibits to this Agreement: **Exhibit "A-1"**, **Exhibit "A-2"**, **Exhibit "B"**, and **Exhibit "C"**.

Section 18.08 Enforceability. If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 18.09 Exercise of Remedies. The City's remedies under this Agreement are cumulative, and the exercise of one remedy is not to be deemed an election of remedies or a foreclosure of the exercise of the City's other remedies. The failure of a party to seek redress for violation of this Agreement, or to insist upon the strict performance of this Agreement, shall not constitute a waiver of any covenant, agreement, provision or condition of this Agreement.

Section 18.10 Successors and Assigns. This Agreement inures to the benefit of and constitutes a binding obligation on the City and Agent and their respective successors and assigns; provided, however, that Agent may not assign this Agreement or any of its duties hereunder without the prior written consent of the City.

Section 18.11 Federal Requirements. The Parties acknowledge that the City may seek reimbursement from the U.S. Department of Housing and Urban Development (“HUD”) for costs incurred under this Agreement. Agent shall comply with all Community Development Block Grant – Disaster Recovery (“CDBG-DR”) program requirements outlined in **Exhibits “A-1” and “A-2”** and made a part hereof. Agent shall abide by the Federal requirements outlined in **Exhibit “B”** as may be applicable. Notwithstanding the previous sentence, the parties acknowledge that the Federal Government is not a party to this Agreement and is therefore not obligated to perform any actions under this Agreement. Agent shall comply with and shall perform services in compliance with all GLO/HUD requirements outlined in this Agreement and otherwise applicable to the services performed, any subsequent audit by the GLO, HUD, or any other reviewing agency, and reimbursement, if any, from the GLO, HUD, or any other federal agency for the costs incurred under this Agreement.

Section 18.12 Flow-Through Provisions.

(a) The City is a party to the GLO Agreement that contains the provisions set out in **Exhibits “A-1” and “A-2”** to this Agreement. Agent shall comply with the applicable terms set out in **Exhibits “A-1” and “A-2”** and any amendments thereto as if it were the City, except to the extent this Agreement specifically addresses a topic also covered in **Exhibits “A-1” and “A-2”**, in which case the terms of this Agreement shall apply. In the event Agent believes a term or condition of the GLO Agreement is inapplicable, Agent must seek clarification from the Director. The Director, in his sole but reasonable discretion, shall determine which terms are applicable to this Agreement and the services provided thereunder. If the parties fail to reach an agreement, Agent may submit a dispute in accordance with Section 18.13 of this Agreement. Agent may utilize the Section 18.13 dispute resolution process under this Section regardless of whether the dispute involves a question of law.

(b) In the event the City is a recipient or subrecipient of other grant, federal, or state funds or the City otherwise uses restricted funds to pay Agent for services or expenses provided under this Agreement, Agent shall agree, in writing, to be bound by the same contract or grant terms and conditions, laws, and regulations as the City, to the extent relevant to Agent’s scope of work (“Additional Flow Down Provisions”). Agent’s agreement to the Additional Flow Down Provisions must be in writing, signed by Agent and the Director and approved by the City Attorney. Such written agreement does not require amendment of this Agreement but shall be incorporated into this Agreement as if fully referenced herein. If within a reasonable time after receipt of a written request from the Director (not to exceed fifteen (15) business days), the parties are unable to reach a written agreement on the relevant Additional Flow Down Provisions following good faith negotiations, the Director, at his or her sole discretion may (i) immediately suspend Agent

from any further performance, or (ii) terminate this Agreement. Under no circumstances may Agent's service or construction contracts contain a percentage mark-up provision.

Section 18.13 Dispute Resolution. Except as may otherwise be provided by law, a dispute that (1) arises during the performance of this Agreement; and (2) is not resolved between the City and Agent must be handled as described below:

(a) The property manager shall put his decision in writing and mail or otherwise furnish Agent with a copy. Agent may abide by the decision or may appeal the decision to the Director.

(b) If Agent desires to appeal a decision of the property manager, Agent must submit a written appeal to the Director. Agent must file its written appeal within seven (7) days following receipt of the property manager's original decision. The Director shall provide Agent with a written response to the appeal within fourteen (14) days following its receipt. The decision of the Director is final.

Section 18.14 Estoppel Certificates. Agent and the City shall, at any time and from time to time upon not less than twenty (20) days prior written request by the other party, execute, acknowledge and deliver to the City and Agent, as the case may be, a statement certifying (a) the ownership interest of the City or Agent (as the case may be), (b) that this Agreement is unmodified and in full force and effect (or if there have been any modifications, that the same is in full force and effect as modified and stating the modifications), (c) the dates to which any charges required hereunder have been paid, and (d) that, to the best knowledge of the City or Agent, as the case may be, no default hereunder on the part of the other party exists (except that if any such default does exist, the certifying party shall specify such default).

Section 18.15 Written Cancellation or Termination. Upon request of Agent, the City will execute and deliver a written cancellation and termination of this Agreement upon the cancellation or termination of this Agreement.

Section 18.16 Force Majeure.

(a) Timely performance by both parties is essential to this Agreement. However, neither party is liable for reasonable delays in performing its obligations under this Agreement to the extent the delay is caused by Force Majeure that directly impacts the City or Agent. The event of Force Majeure may permit a reasonable delay in performance but does not excuse a party's obligations to complete performance under this Agreement.

(b) This relief is not applicable unless the affected party does the following:

(i) uses due diligence to remove the effects of the Force Majeure as quickly as possible and to continue performance notwithstanding the Force Majeure; and

(ii) provides the other party with prompt written notice of the cause and its anticipated effect.

(c) The Director will review claims that a Force Majeure that directly impacts the City or Agent has occurred and render a written decision within fourteen (14) days. The decision of the Director is final.

(d) The City may perform contract functions itself or contract them out during periods of Force Majeure. Such performance is not a default or breach of this Agreement by the City.

(e) If the Force Majeure continues for more than fifteen (15) days from the date performance is affected, the Director may terminate this Agreement by giving seven (7) days' written notice to Agent. This termination is not a default or breach of this Agreement. **AGENT WAIVES ANY CLAIM IT MAY HAVE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM THE TERMINATION EXCEPT FOR AMOUNTS DUE UNDER THE AGREEMENT UP TO THE TIME THE WORK IS HALTED DUE TO FORCE MAJEURE.**

Section 18.17 City's Right to Perform Agent's Covenants. If Agent fails to perform any of the covenants, obligations or agreements contained in this Agreement, and such failure shall continue without Agent curing or commencing to cure such failure within all applicable grace and/or notice and cure periods, the City may perform the same on behalf of, and at the expense of Agent, and the amount of any payment made or other reasonable expenses (including reasonable attorneys' fees) incurred by the City in curing such default, together with interest thereon at the rate of ten percent (10%) per annum, shall be payable by Agent to the City within thirty (30) days of request of payment. This provision is not in lieu of, but is in addition to, any other rights or remedies the City may have with respect to Agent's failure to perform.

Section 18.18 Applicable Law and Venue. This Agreement shall be construed and interpreted in accordance with the applicable laws of the State of Texas and City of Houston. Venue for any disputes relating in any way to this Agreement shall lie exclusively in Harris County, Texas.

Section 18.19 Brokerage Commission. The City and Agent represent and warrant one to the other that no broker commission, finder's fees or similar compensation arising from this Agreement is due to any party claiming by, through or under the City or Agent as applicable.

Section 18.20 Survival. Covenants in this Agreement providing for performance after termination of this Agreement shall survive the termination of this Agreement.

Section 18.21 Entire Agreement. This Agreement and the documents referenced in this Agreement constitute the entire agreement between the City and Agent regarding the subject matter thereof. There are no representations, promises or agreements of either the City or Agent,

one to the other, regarding the subject matter of this Agreement not contained in this Agreement or the documents referenced in this Agreement.

Section 18.22 Covenants Running with the Land. The parties hereto covenant and agree that all of the conditions, covenants, agreements, rights, privileges, obligations, duties, specifications and recitals contained in this Agreement, except as otherwise expressly stated herein, shall during the Lease Term be construed as covenants running with title to the Property, and the leasehold estate hereunder, respectively, which shall extend to, inure to the benefit of and bind the City, Agent, and their respective permitted successors and assigns to the same extent as if such successors and assigns were named as original parties to this Agreement, such that this Agreement shall during the Lease Term bind the owner and holder of any fee or leasehold interest in or to the Property, or any portion thereof, and shall bind predecessors thereof except as otherwise expressly provided herein.

Section 18.23 Non-Merger of Estates. The interests of the City and Agent in the Property shall at all times be separate and apart and shall in no event be merged, notwithstanding the fact that this Agreement or the leasehold estate created hereby, or any interest therein, may be held directly or indirectly by or for the account of the same person who shall own the fee title to the Property or any portion thereof; and no such merger of estates shall occur by operation of law, or otherwise, unless and until all persons at the time having any interest in the Property or under this Agreement join in the execution and recordation of a written instrument effecting such merger of estates.

Section 18.24 City Council Approvals and Appropriations. This Agreement is subject to all applicable terms and provisions of the Charter and the Code of Ordinances of the City, and is subject to approval by the City Council, and shall not be effective until signed by the Mayor and countersigned by the City Controller. Notwithstanding anything contained in this Agreement to the contrary, this Agreement does not, nor shall it be construed to, foreclose or waive the application of all lawful requirements under the applicable laws of the State of Texas for (i) the appropriation and payment of funds by the City, or (ii) the approval or issuance of future agreements, permits or licenses by the City. Any provision of this Agreement which contemplates (x) the payment of money by the City, which payment would require the appropriation of funds over and above any sums appropriated prior to the Effective Date in connection with this Agreement or (y) any other future action, decision, agreement, waiver or approval which by its nature must be approved by the City Council, including without limitation, the issuance of permits or licenses, shall be subject to the approval of any subsequent City Council to which such matter is presented and to the appropriation by such City Council of the required funds, in the exercise of its legislative discretion.

Section 18.25 Zero Tolerance Policy for Human Trafficking and Related Activities. The requirements and terms of the City of Houston's Zero Tolerance Policy for Human Trafficking and Related Activities, as set forth in Executive Order 1-56, as revised from time to time, are incorporated into this Agreement for all purposes. Agent has reviewed Executive Order 1-56, as revised, and shall comply with its terms and conditions as they are set out on the Effective Date. Agent shall notify the City's Chief Procurement Officer, the City Attorney, and the Director

of any information regarding possible violation of such Executive Order by the Agent or its subcontractors providing services or goods under this Agreement.

Section 18.26 Anti-Boycott of Israel. Agent certifies that Agent is not currently engaged in and agrees for the duration of this Agreement not to engage in, the boycott of Israel as defined by Section 808.001 of the Texas Government Code.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

[Remainder of page intentionally left blank]

EXECUTED IN MULTIPLE ORIGINAL COUNTERPARTS, each of which shall be an original, which together shall constitute but one and the same instrument, effective as of the date of countersignature by the City Controller of the City of Houston. The parties hereby agree that each party may sign and deliver this Agreement electronically or by electronic means and that an electronic transmittal of a signature, including but not limited to, a scanned signature page, will be as good, binding, and effective as an original signature.

CITY OF HOUSTON, TEXAS, a municipal corporation

ATTEST:

Pat Jefferson-Daniel
Interim City Secretary

Sylvester Turner
Mayor of the City of Houston

APPROVED AND RECOMMENDED:

COUNTERSIGNED

Tom McCasland
Director, Housing and Community
Development Department

Chris B. Brown
City Controller

Countersignature Date:

APPROVED AS TO FORM:

Kene Chinweze
Senior Assistant City Attorney
L.D. File No. 0292000585001

AGENT

MONTICELLO SQUARE, LLC,
a Texas limited liability company

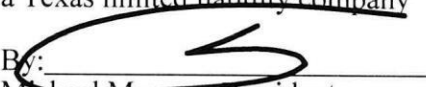
By: 
Michael Morrow, President
Tax I.D. No. 76-0592943

EXHIBIT "A-1"

GLO AGREEMENT DR-16



FC77899
2019-0109

**GLO CONTRACT NO. 19-076-008-B357
COMMUNITY DEVELOPMENT BLOCK GRANT
DISASTER RECOVERY PROGRAM HOUSING PROJECTS
NON-RESEARCH & DEVELOPMENT
2016 FLOOD ALLOCATION**

The **GENERAL LAND OFFICE** ("the GLO"), a Texas state agency, and **CITY OF HOUSTON**, DUNS No. 832431985 ("Subrecipient") (each a "Party" and collectively "the Parties,") enter into this Subrecipient agreement (the "Contract") under the U.S. Department of Housing and Urban Development Community Development Block Grant Disaster Recovery ("CDBG-DR") program to provide financial assistance with funds appropriated under the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act (Public Law 114-223), enacted on September 29, 2016, the Further Continuing and Security Assistance Appropriations Act, 2017 (Public Law 114-254), enacted on December 10, 2016, and the Consolidated Appropriations Act, 2017 (Public Law 115-31), enacted on May 5, 2017, to facilitate disaster recovery, restoration, and economic revitalization and to affirmatively further fair housing, in accordance with Executive Order 12892, in areas affected by the Texas Severe Storms, Tornadoes, and Flooding (DR-4266), the Texas Severe Storms and Flooding (DR-4269), and the Texas Severe Storms and Flooding (DR-4272), which are Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121, *et seq.*).

Through CDBG-DR Federal Award Number B-16-DL-48-0001, awarded November 1, 2017, the GLO administers grant funds as Community Development Block Grants (Catalog of Federal Domestic Assistance Number 14.228, "Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii"), as approved by the Texas Land Commissioner, and limited to use for facilitating recovery efforts in Presidentially-declared major disaster areas.

ARTICLE I - GENERAL PROVISIONS

1.01 SCOPE OF PROJECT AND SUBAWARD

(a) Scope of Project

The purpose of this Contract is to set forth the terms and conditions Subrecipient's participation in the CDBG-DR program. In strict conformance with the terms and conditions of this Contract, Subrecipient shall perform, or cause to be performed, Activities defined in **Attachment A**, as applicable, in the City of Houston (the "Project"). Subrecipient shall conduct the Project in strict accordance with this Contract, including all Contract Documents listed in

SECTION 1.02 below, and any Amendments, Revisions, or Technical Guidance Letters issued by the GLO.

(b) Subaward

Subrecipient submitted a Grant Application under the Program. The GLO enters into this Contract based on Subrecipient's approved Grant Application.

Subject to the terms and conditions of this Contract and Subrecipient's approved Application, the GLO shall subaward to Subrecipient an amount not to exceed \$23,486,698.00, payable as reimbursement of Subrecipient's allowable expenses, to be used in strict conformance with the terms of this Contract, and the Performance Statement, Budget, and Benchmarks for Housing Projects in **Attachment A**.

The GLO is not liable to Subrecipient for any costs Subrecipient incurs before the effective date of this Contract or after the expiration or termination of this Contract. The GLO in its sole discretion, may reimburse Subrecipient for allowable Project costs incurred before the effective date of this Contract, in accordance with federal law.

All funds obtained by Subrecipient from the GLO and utilized on Subrecipient's CDBG-DR Activities are subject to compliance with all Federal and State regulations governing this Contract.

1.02 CONTRACT DOCUMENTS

This Contract and the following Attachments, attached hereto and incorporated herein in their entirety for all purposes, shall govern this Contract:

ATTACHMENT A: Performance Statement, Budget, and Benchmarks for Housing Projects

ATTACHMENT B: Federal Assurances and Certifications

ATTACHMENT C: General Affirmations

ATTACHMENT D: Nonexclusive List of Applicable Laws, Rules, and Regulations

ATTACHMENT E: Special Conditions

ATTACHMENT F: GLO Information Security Appendix

ATTACHMENT G: Monthly Activity Status Report

1.03 GUIDANCE DOCUMENTS

Subrecipient is deemed to have read and understood, and shall abide by, all guidance documents applicable to the CDBG-DR program, including, without limitation:

- (1) 2 C.F.R. Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- (2) The Federal Registers;

- (3) The State of Texas Action Plan for Disaster Recovery found at <http://recovery.texas.gov/local-government/hud-requirements-reports/2016-floods-storms/index.html>; and
- (4) Other guidance documents posted at: <http://recovery.texas.gov/local-government/hud-requirements-reports/2016-floods-storms/index.html>.

1.04 DEFINITIONS

“Act” means Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5301, *et seq.*).

“Activity” means a defined class of works or services eligible to be accomplished using CDBG-DR funds. Activities are specified in the Performance Statement and Budget in **Attachment A**.

“Administrative and Audit Regulations” means all applicable statutes, regulations, and other laws governing administration or audit of this Contract, including Title 2, Part 200, Code of Federal Regulations and Chapters 321 and 2155 of the Texas Government Code.

“Amendment” means a written agreement, signed by the Parties hereto, which documents alterations to the Contract other than those permitted by Technical Guidance Letters or Revisions, as herein defined.

“Application” or “Grant Application” means the information Subrecipient provided, which is the basis for the award of funding under this Contract.

“Benchmark” means the reimbursement milestones identified in **Attachment A** which define deliverables required for release of Administrative and Project Delivery funding throughout the life of the Contract.

“Budget” means the budget for the Activities funded by the Contract, a copy of which is included in **Attachment A**.

“C.F.R.” means the United States Code of Federal Regulations.

“CDBG-DR” means the U.S. Department of Housing and Urban Development’s Community Development Block Grant Disaster Recovery program.

“Construction Documents” means the engineering specifications, construction plans, and/or architectural plans for the construction of improvements approved by the GLO under the Contract, if any.

“Contract” means this entire document, along with any Attachments, both physical and incorporated by reference; and any Amendments, Revisions, or Technical Guidance Letters the GLO may issue, to be incorporated by reference herein for all purposes as they are issued and provided to Subrecipient, if any.

“Contract Documents” means the documents listed in **SECTION 1.02**.

“Deliverable(s)” means the work product(s) required to be submitted to the GLO as set forth in the Performance Statement and Benchmarks, which are included in **Attachment A**.

“Equipment” means tangible personal property with a useful life of more than one (1) year and an acquisition cost of Five Thousand Dollars (\$5,000.00) or more per unit, as further defined at 2 C.F.R. § 200.313.

“Event of Default” means the occurrence of any of the events set forth in **SECTION 3.03** herein.

“Federal Assurances” means Standard Form 424B (non-construction projects) or Standard Form 424D (construction projects), as applicable, in **Attachment B**, attached hereto and incorporated herein for all purposes.

“Federal Certifications” means the “Certification Regarding Lobbying – Compliant with Appendix A to 24 C.F.R. Part 87” and Standard Form LLL, Disclosure of Lobbying Activities, also in **Attachment B**, attached hereto and incorporated herein for all purposes.

“Federal Register” means the official journal of the federal government of the United States that contains government agency rules, proposed rules, and public notices, including the Department of Housing and Urban Development’s Federal Register Docket No. FR-6039-N-01 and any other publication affecting 2016 Floods CDBG-DR funding allocations.

“Final Inspection Report” means the document submitted by a housing inspector to a Subrecipient under a CDBG-DR Housing contract, indicating the completed construction of one Housing Unit (as defined herein).

“Fiscal Year” means the period beginning July 1 and ending June 30 each year, which is the annual accounting period for the City of Houston.

“GAAP” means “generally accepted accounting principles.”

“GASB” means accounting principles as defined by the Governmental Accounting Standards Board.

“General Affirmations” means the affirmations in **Attachment C**, which Subrecipient certifies by signing this Contract.

“GLO” means the Texas General Land Office, its officers, employees, and designees.

“Grant Completion Report” means a report containing an as-built accounting of all projects completed under a CDBG-DR program, and all information required for final acceptance of deliverables and Contract closeout.

“Housing” refers to a project involving home repair, home reconstruction, new home construction, down payment assistance, and buyout and acquisition, including housing for single-family and multi-family rental units under a CDBG-DR Contract.

“Housing Guidelines” means a set of guidelines adopted by Subrecipient and approved by the GLO governing the implementation of the Subrecipient’s Housing program under this Contract.

“Housing Unit” means one single-family dwelling or one unit in a multi-family residential complex.

“HUD” means the United States Department of Housing and Urban Development.

“Minimum Property Standards” or “MPS” means the Minimum Property Standards (MPS) established in HUD Handbook 4910.1, as amended or superseded. MPS, as read in the context of this Contract, encompasses housing quality standards established by HUD to provide “decent, safe and sanitary” housing.

“Monthly Activity Status Report” means project Benchmark status reports required under **SECTION 4.02** of this Contract.

“Performance Statement” means the statement of work in **Attachment A**, which includes specific Benchmarks and Activities required under the Project.

“Program” means the Community Development Block Grant Disaster Recovery program, administered by HUD and the GLO.

“Project” means the work to be performed under this Contract, as described in **SECTION 1.01(a)** above and **Attachment A**.

“Project Manager” means a representative of the GLO Community Development and Revitalization (“CDR”) Program designated to oversee the Project.

“Public Information Act” or “PIA” means Chapter 552 of the Texas Government Code.

“Revision” means the GLO’s written approval of changes to Benchmarks, movement of funds among budget categories, and other Contract adjustments the Subrecipient and the GLO may approve without a formal Amendment.

“Setup” means documentation, submitted by a Subrecipient, necessary for the GLO to determine that housing sites meet minimum eligibility criteria, resulting in approval for the Subrecipient to move forward with the projects.

“Subrecipient” means City of Houston, a recipient of federal CDBG-DR funds through the GLO as the pass-through funding agency. Subrecipient may also be referred to as “Provider” herein.

“Technical Guidance Letter” or “TGL” means an instruction, clarification, or interpretation of the requirements of this Contract, issued by the GLO and provided to Subrecipient, applicable to specific subject matter pertaining to this Contract, and to which the addressed Program participants shall be subject as of a specific date.

“U.S.C.” means the United States Code.

1.05 INTERPRETIVE PROVISIONS

- (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms;
- (b) The words “hereof,” “herein,” “hereunder,” and similar words refer to this Contract as a whole and not to any particular provision, section, attachment, work order, or schedule of this Contract, unless otherwise specified;
- (c) The term “including” is not limiting, and means “including, without limitation” and, unless otherwise expressly provided in this Contract,
- (d) References to contracts (including this Contract) and other contractual instruments shall be deemed to include all subsequent Amendments and other

modifications thereto, but only to the extent that such Amendments and other modifications are not prohibited by the terms of this Contract, and

- (e) References to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing, or interpreting the statute or regulation;
- (f) The captions and headings of this Contract are for convenience of reference only and shall not affect the interpretation of this Contract;
- (g) All Attachments within this Contract, including those incorporated by reference, and any Amendments, are considered part of the terms of this Contract;
- (h) This Contract may use several different limitations, regulations, or policies to regulate the same or similar matters. All such limitations, regulations, and policies are cumulative and each shall be performed in accordance with its terms;
- (i) Unless otherwise expressly provided, reference to any action of the GLO or by the GLO by way of consent, approval, or waiver shall be deemed modified by the phrase "in the sole discretion of the GLO."
Notwithstanding the preceding sentence, any approval, consent, or waiver required by, or requested of, the GLO shall not be unreasonably withheld or delayed;
- (j) All due dates and/or deadlines referenced in this Contract that occur on a weekend or holiday shall be considered as if occurring on the next business day;
- (k) All time periods in this Contract shall commence on the day after the date on which the applicable event occurred, report is submitted, or request is received; and
- (l) Time is of the essence in this Contract.
- (m) In the event of conflicts or inconsistencies between this contract and its attachments, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority: 1) any and all applicable federal and state laws, rules, and regulations; 2) the Contract; 3) GLO-approved Housing Guidelines; and 4) Attachments to the Contract, as follows: **Attachment A, Attachment E, Attachment B, Attachment C, Attachment D, Attachment F and Attachment G.**

ARTICLE II – REIMBURSEMENT, ADVANCE PAYMENT, BUDGET VARIANCE, AND INCOME

2.01 REIMBURSEMENT REQUESTS

Each invoice submitted by Subrecipient shall be supported by actual receipts, cancelled checks, and/or such other documentation that, in the judgment of the GLO, allows for full substantiation of the costs incurred. The GLO shall issue and provide to Subrecipient a Technical Guidance Letter containing the GLO-established invoice submission procedures required under this Contract. Prior to the issuance of the Technical Guidance Letter, the GLO will provide Subrecipient instructions for interim invoicing processes.

With the exception of GLO-approved allowable Project costs incurred after June 11, 2016 and before the Effective Date of this Contract, the GLO must acknowledge the successful completion by Subrecipient of a specific Benchmark, which will require the submission by Subrecipient and approval by the GLO of invoices related to said Benchmark, including invoices for expenses incurred by any subcontractor, before Subrecipient may access additional Administrative and Project Delivery funds for reimbursement as outlined in the Performance Statement.

2.02 TIMELY EXPENDITURES

In accordance with the Federal Register and to ensure timely expenditure of grant funds, Subrecipient shall submit reimbursement requests under this contract, at a minimum, quarterly.

Subrecipient shall make timely payments to its subcontractors in accordance with Chapter 2251, Texas Government Code.

Subrecipient shall submit final reimbursement requests to the GLO no later than ninety (90) days after the Contract expires or is terminated. The GLO, in its sole discretion, may deny payment and deobligate remaining funds from the Contract ninety (90) days after expiration or termination of the Contract. The GLO's ability to deobligate funds under this Section 2.02 notwithstanding, the GLO shall pay all eligible reimbursement requests.

2.03 VARIANCE

Amendments to decrease or increase the Budget, or to add or delete an Activity may be made only by written agreement of the Parties, under the formal Amendment process described in Section 8.15, below. Upon completion of the Project, the GLO shall formally close out the Project by issuing a close-out letter to Subrecipient. The GLO may, in its sole discretion and in conformance with federal law, approve other adjustments required during Project performance through a Revision or Technical Guidance Letter. Such approvals must be in writing, and may be delivered by regular mail, electronic mail, or facsimile transmission.

SUBRECIPIENT SHALL SUBMIT A FINAL BUDGET AND ACTUAL EXPENDITURES AS PART OF THE GRANT COMPLETION REPORT TO THE GLO NO LATER THAN SIXTY (60) DAYS AFTER THE CONTRACT TERMINATES OR EXPIRES OR AT THE CONCLUSION OF ALL CONTRACT ACTIVITIES, WHICHEVER OCCURS FIRST. THE GRANT COMPLETION REPORT SHALL BE IN A FORMAT PRESCRIBED BY THE GLO AND SHALL CONFIRM COMPLETION OF ALL ACTIVITIES PERFORMED UNDER THIS CONTRACT.

2.04 PROGRAM INCOME

In accordance with 2 C.F.R. § 200.307, Subrecipient shall maintain records of the receipt and accrual of all Program Income, as Program Income is defined at 2 C.F.R. § 200.80. Subrecipient shall report Program Income to the GLO in accordance with ARTICLE 4 of this Contract. Any GLO-authorized use of Program Income by Subrecipient shall be subject to GLO or HUD restrictions.

ARTICLE III - DURATION, EXTENSION, AND TERMINATION OF CONTRACT

3.01 DURATION OF CONTRACT AND EXTENSION OF TERM

This Contract shall become effective on the date signed by the last Party ("Effective Date") and shall continue until April 13, 2021 or the Project has been fully completed and closed out, whichever date is earlier ("Contract Period"). Subrecipient must meet all Project Benchmarks in Attachment A. Subrecipient's failure to meet any Benchmark may result in termination under SECTION 3.02, 3.03, or 3.04, below.

Upon receipt of a written request and acceptable justification from Subrecipient, the GLO may amend this Contract to extend the Contract Period. ANY REQUEST FOR EXTENSION MUST BE RECEIVED BY THE GLO AT LEAST SIXTY (60) DAYS BEFORE THE ORIGINAL TERMINATION DATE OF THIS CONTRACT AND, IF APPROVED, SUCH EXTENSION SHALL BE BY WRITTEN AMENDMENT.

3.02 EARLY TERMINATION

In the event the State of Texas or HUD eliminates funding under this Contract or the CDBG-DR Program is assigned to another state agency, the GLO may terminate this Contract by giving written notice specifying a termination date at least thirty (30) days after the date of the notice. Upon receipt of such notice, Subrecipient shall cease work, terminate any subcontracts, and incur no further expense related to this Contract. **Such early termination shall be subject to the equitable settlement of the respective interests of the Parties, accrued up to the date of termination.**

3.03 EVENTS OF DEFAULT

Each of the following events shall constitute an Event of Default under this Contract: (i) Subrecipient fails to comply with any term, covenant, or provision contained in this Contract; (ii) Subrecipient makes a general assignment for the benefit of creditors or takes any similar action for the protection or benefit of creditors; (iii) Subrecipient makes a materially incorrect representation or warranty in a Performance Statement, a reimbursement request for payment, or any report submitted to the GLO under the Contract; or (iv) notwithstanding the GLO's option to terminate the Contract early under Section 3.02, the GLO fails to comply with any term, covenant, or provision contained in this Contract. Prior to a determination of an Event of Default, the Parties shall allow a thirty (30) day period to cure any deficiency or potential cause of an Event of Default. The Parties may extend the time allowed to cure any deficiency or potential cause of an Event of Default. The Parties shall not arbitrarily withhold approval of an extension of the time allowed to cure a deficiency or potential cause of an Event of Default. In no event shall the amount of time allowed to cure a deficiency or potential cause of an Event of Default extend beyond the Contract Period.

3.04 REMEDIES; NO WAIVER

Upon the occurrence of any Event of Default, the Parties may avail themselves of any equitable or legal remedy available to them, including without limitation, the withholding of

payment, disallowing all or part of noncompliant Activities, or suspending or terminating the Contract.

The Parties' rights or remedies under this Contract are not intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Contract, or hereafter legally existing, upon the occurrence of an Event of Default. The failure of either Party to insist upon the strict observance or performance of any of the provisions of this Contract, or to exercise any right or remedy provided in this Contract, shall not impair, waiver, or relinquish any such right or remedy with respect to another Event of Default.

ARTICLE IV - CONTRACT ADMINISTRATION

4.01 SUBMISSIONS – GENERALLY

Except for legal notices that must be sent by specific instructions pursuant to SECTION 8.10 of the Contract and all other reports and documentation the GLO requires, any report, form, or request required to be submitted to the GLO under this Contract shall be sent in the format prescribed by the GLO.

If the Subrecipient fails to timely submit documentation to the GLO in the time and manner required by the Contract, the GLO may, in its sole discretion, withhold any payments pending Subrecipient's correction of the deficiency.

(a) HOUSING GUIDELINES

No later than the close of business sixty (60) days subsequent to the Effective Date of this Contract, Subrecipient must submit Housing Guidelines to the GLO for approval.

(b) FORMS

Subrecipient must execute the forms included in Attachment B and certifies by the execution of this Contract to all affirmations in Attachment C, confirming compliance with required state and federal laws applicable to the Contract.

- (i) General Affirmations are found in Attachment C, and Subrecipient certifies by the execution of this Contract to all statements therein.
- (ii) The Federal Assurances for Construction Programs (Standard Form 424D), as applicable to the Project, is found at Page 1 of Attachment B and must be executed by Subrecipient.
- (iii) The "Certification Regarding Lobbying – Compliant with Appendix A to 24 C.F.R. Part 87" is found at Page 3 of Attachment B and must be executed by Subrecipient.
- (iv) If any funds granted under this Contract have been used for lobbying purposes, Subrecipient must complete and execute Standard Form LLL, Disclosure of Lobbying Activities, found at Page 4 of Attachment B.

4.02 MONTHLY ACTIVITY STATUS REPORTS

Subrecipient must provide monthly Activity status reporting in the form prescribed in **Attachment G** (Monthly Activity Status Report) for all sites identified in **Attachment A**, on or before on the fifteenth day of the month following the month in which the reported Activities were performed for the duration of the Contract. Any licenses or permits required for the work identified in **Attachment A** shall be included as a part of the Monthly Activity Status Reports for the period during which they are obtained, pursuant to Article 8.01 herein. Subrecipient shall submit Monthly Activity Status Reports via email to: DR.Status.Reporting@recovery.texas.gov.

ARTICLE V - FEDERAL AND STATE FUNDING, RECAPTURE OF FUNDS, AND OVERPAYMENT

5.01 FEDERAL FUNDING

- (a) Funding for this Contract is appropriated under the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act (Public Law 114-223), enacted on September 29, 2016, the Further Continuing and Security Assistance Appropriations Act, 2017 (Public Law 114-254), enacted on December 10, 2016, and the Consolidated Appropriations Act, 2017, (Public Law 115-31), enacted on May 5, 2017, to facilitate disaster recovery, restoration, economic revitalization, and to affirmatively further fair housing in accordance with Executive Order 12892, in areas affected by the Texas Severe Storms, Tornadoes, and Flooding (DR-4266), the Texas Severe Storms and Flooding (DR-4269), and the Texas Severe Storms and Flooding (DR-4272), which are Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121, *et seq.*). The fulfillment of this Contract is based on those funds being made available to the GLO as the lead administrative state agency. All expenditures under this Contract must be made in accordance with this Contract, the rules and regulations promulgated under the CDBG-DR Program and any other applicable laws. **Funds disbursed under each Activity may be subject to recapture and repayment for non-compliance.**
- (b) To participate in the CDBG-DR Program, Subrecipient must have a data universal numbering system (DUNS) number, and a Commercial and Government Entity (CAGE) Code.
- (c) Subrecipient must report its DUNS number and CAGE Code to the GLO for use in various reporting documents. A DUNS number and CAGE Code may be obtained by visiting the Central Contractor Registration web site at:

<https://www.sam.gov>

Assistance with this web site is available by calling 866-606-8220.

5.02 STATE FUNDING

- (a) This Contract shall not be construed as creating any debt on behalf of the State of Texas and/or the GLO in violation of Article III, Section 49, of the Texas Constitution. In compliance with Article VIII, Section 6 of the Texas Constitution,

all obligations of the GLO hereunder are subject to the availability of state funds. If such funds are not appropriated or become unavailable, the GLO may terminate this Contract. In that event, the Parties shall be discharged from further obligations, subject to the equitable settlement of their respective interests, accrued up to the date of termination.

- (b) Any claim by Subrecipient for damages under this Contract may not exceed the amount due and owing Subrecipient under the Contract or the amount of funds appropriated for payment, but not yet paid to Subrecipient, under the annual budget in effect at the time of the breach. Nothing in this provision shall be construed as a waiver of sovereign immunity.

5.03 RECAPTURE OF FUNDS

SUBRECIPIENT SHALL CARRY OUT THE ACTIVITIES UNDER THE CONTRACT IN A MANNER THAT COMPLIES WITH THE TERMS AND CONDITIONS OF THE CONTRACT AND ALL APPLICABLE LAWS. THE GLO MAY RECAPTURE AND BE REIMBURSED BY SUBRECIPIENT FOR ANY PAYMENTS MADE BY THE GLO (I) THAT EXCEED THE MAXIMUM ALLOWABLE HUD RATE; (II) THAT ARE NOT ALLOWED UNDER APPLICABLE LAWS, RULES, AND REGULATIONS; OR (III) THAT ARE OTHERWISE INCONSISTENT WITH THIS CONTRACT, INCLUDING ANY UNAPPROVED EXPENDITURES. THIS RECAPTURE PROVISION APPLIES TO ANY FUNDS EXPENDED FOR THE PROJECT OR ANY ACTIVITY THAT DOES NOT MEET A CDBG-DR PROGRAM NATIONAL OBJECTIVE AS SPECIFIED IN THE PERFORMANCE STATEMENT OR THAT IS NOT OTHERWISE ELIGIBLE UNDER CDBG-DR REGULATIONS.

5.04 OVERPAYMENT AND DISALLOWED COSTS

Subrecipient shall be liable to the GLO for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under this Contract. Subrecipient shall reimburse disallowed costs from funds which were not provided or otherwise made available to Subrecipient under this Contract.

5.05 FINAL BENCHMARKS

To ensure all programmatic requirements are met, the GLO shall only release the final five percent (5%) of the Project Budget upon submittal of completion and acceptance by the GLO of all Activities and Benchmarks identified in the Performance Statement. The GLO shall disburse the retained funds within thirty (30) days following approval of the Grant Completion Report and all related closeout documentation necessary to determine that Subrecipient has completed all Activities in accordance with the terms and requirements of the Performance Statement, the Contract Documents, and all applicable laws, rules, and regulations.

ARTICLE VI - INTELLECTUAL PROPERTY

6.01 OWNERSHIP AND USE

- (a) Except for City Materials (as defined below in 6.01(c)), and except for any third-party proprietary intellectual property or information for which the City does not

have a legal ownership right, the Parties shall jointly own all right, title, and interest in and to all reports, or other material, data, drawings, computer programs, and codes created under this Contract by either Party, and/or any copyright or other intellectual property rights, and any material or information developed and/or required to be delivered under this Contract, with each Party having the right to use, reproduce, or publish any or all of such information and other materials without obtaining permission from the other Party and without expense or charge. For any City or third-party proprietary intellectual property or information for which the City has a license to use or access, the City shall provide the GLO at least one (1) user license.

- (b) Except for City Materials, and except for any third-party proprietary intellectual property or information for which the City and/or the GLO do not have a legal ownership right, Subrecipient grants the GLO and HUD, and GLO and HUD grants to Subrecipient, a royalty free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, for governmental purposes, all reports, or other material, data, drawings, computer programs, and codes created under this Contract by either Party, and/or any copyright or other intellectual property rights, and any material or information developed and/or required to be delivered under this Contract by either Party.
- (c) "City Materials" means all works of authorship, materials, information, and other intellectual property created prior to the performance of any City obligation under this Contract, plus any modifications or enhancements thereto and derivative works based thereon, unless any such modifications, enhancements, or derivative works were funded using CDBG-DR funds. For clarity, if modifications, enhancements, or derivative works were funded using CDBG-DR funds, then only the applicable modification, enhancements, or derivative works are not included in the definition of City Materials.

6.02 NON-ENDORSEMENT BY STATE AND THE UNITED STATES

Subrecipient shall not publicize or otherwise circulate promotional material (such as advertisements, sales brochures, press releases, speeches, still or motion pictures, articles, manuscripts, or other publications) that states or implies the GLO, State of Texas, U.S. Government, or any government employee endorses a product, service, or position the Subrecipient represents. Subrecipient may not state or imply that the GLO, the State of Texas, or the U.S. Government approves of Subrecipient's work products or considers Subrecipient's work product to be superior to other products or services.

6.03 PUBLICATION DISCLAIMER REQUIRED

Subrecipient shall include a disclaimer on all public information releases issued pursuant to this Contract stating that the funds for this Project are provided by the City of Houston and the Texas General Land Office through HUD's CDBG Program.

ARTICLE VII - RECORDS, AUDIT, AND RETENTION

7.01 BOOKS AND RECORDS

Subrecipient shall keep and maintain, under GAAP or GASB, as applicable, full, true, and complete records sufficient to allow the GLO, the Texas State Auditor's Office, the United States Government, and/or their authorized representatives to determine Subrecipient's compliance with this Contract and all applicable laws, rules, and regulations, including the applicable laws and regulations provided in Attachment D.

7.02 INSPECTION AND AUDIT

- (a) All records related to this Contract, including records of Subrecipient and its Subcontractors, shall be subject to the Administrative and Audit Regulations. Accordingly, such records and work product shall be subject, at any time, to inspection, examination, audit, and copying at the Subrecipient's primary location or any location where such records and work product may be found, with or without notice from the GLO or other government entity with necessary legal authority. Subrecipient shall cooperate fully with any federal or state entity in the conduct of inspection, examination, audit, and copying, including providing all information requested. Subrecipient will ensure that this clause concerning federal and state entities' authority to inspect, examine, audit, and copy records and work product, and the requirement to fully cooperate with the federal and state entities, is included in any subcontract it awards.
- (b) The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the Contract or indirectly through a subcontract under the Contract. Acceptance of funds directly under the Contract or indirectly through a subcontract under the Contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. **The Office of the Comptroller General of the United States, the Government Accountability Office, the Office of Inspector General, or any authorized representative of the U.S. Government shall also have this right of inspection.** Subrecipient shall ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Subrecipient and the requirement to cooperate is included in any subcontract it awards.
- (c) Subrecipient will be deemed to have read and know of all applicable federal, state, and local laws, regulations, and rules pertaining to the Project, including those identified in Attachment D, governing audit requirements.

7.03 SUBRECIPIENT SELF-AUDIT AND TARGETED AUDITS

(a) Subrecipient Self-Audit

Upon GLO's or HUD's approval, Subrecipient may conduct an annual financial and compliance audit of funds received and performance rendered under this Contract. Subrecipient may use funds budgeted under this Contract to pay for that portion of the cost of such audit services properly allocable to the Activities funded under this

Contract, provided that the GLO shall not pay the cost of such audit services until the GLO has received Subrecipient's satisfactory audit report and invoice, as determined by the GLO. The invoice submitted for reimbursement must clearly show the percentage of cost allocable to the Activities funded under this Contract relative to the total cost of the audit services. Therefore, Subrecipient shall submit an invoice showing the total cost of the audit and the corresponding prorated charge per funding source. If applicable, Subrecipient shall submit an explanation with the reimbursement request, explaining why the percentage of audit fees exceeds the prorated amount allowable.

(b) Targeted Audits & Monitoring Visits

The GLO may at any time perform, or instruct the performance of, an annual program and/or fiscal audit, or conduct a special or targeted audit of any aspect of the Subrecipient's operation, using an auditor of the GLO's choice. Subrecipient shall maintain financial and other records prescribed by the GLO or by applicable federal or state laws, rules, and regulations.

7.04 PERIOD OF RETENTION

All records relevant to this Contract shall be retained for a period of three (3) years subsequent to the final closeout of the overall State of Texas CDBG-DR program, in accordance with federal regulations. **The GLO will notify all Program participants of the date upon which local records may be destroyed.**

ARTICLE VIII - MISCELLANEOUS PROVISIONS

8.01 LEGAL OBLIGATIONS

Subrecipient shall procure and maintain for the duration of this Contract any license, authorization, insurance, waiver, permit, qualification, or certification required by federal, state, county, or city statute, ordinance, law, or regulation to be held by Subrecipient to provide the goods or services required by this Contract. Subrecipient shall pay all taxes, assessments, fees, premiums, permits, and licenses required by law. Subrecipient shall pay any such government obligations not paid by its subcontractors during performance of this Contract. **Subrecipient shall include copies of such licenses and permits as a part of the Monthly Activity Status Report for the period during which they are obtained.**

8.02 INDEMNITY

To the extent permitted under the law, except for damages directly or proximately caused by the gross negligence of the GLO, Subrecipient shall indemnify and hold harmless the State of Texas, the GLO, and the officers, representatives, agents, and employees of the State of Texas and the GLO from any losses, claims, suits, actions, damages, or liability (including all costs and expenses of defending against all of the aforementioned) arising in connection with:

- (a) This Contract;**

- (b) Any negligence, act, omission, or misconduct in the performance of the services referenced herein; or
- (c) Any claims or amounts arising or recoverable under federal or state workers' compensation laws, the Texas Tort Claims Act, or any other such laws.

Subrecipient shall be responsible for the safety and well-being of its employees, customers, and invitees. These requirements shall survive the term of this Contract until all claims have been settled or resolved and suitable evidence to that effect has been furnished to the GLO. The provisions of this Section shall survive termination of this Contract. Subrecipient has not appropriated any money for payment under this Contract and nothing in this provision requires that funds be assessed or collected or that a sinking fund be created for any Claims arising under this Contract.

8.03 INSURANCE AND BOND REQUIREMENTS

- (a) Unless Subrecipient is a self-insured governmental entity pursuant to Chapter 2259 of the Texas Government Code to self-insure, Subrecipient shall carry insurance for the duration of this Contract in types and amounts necessary and appropriate for the Project.
- (b) Subrecipient shall require all contractors, subcontractors, vendors, service providers, or any other person or entity performing work described in **Attachment A** to carry insurance for the duration of the Project in the types and amounts customarily carried by a person or entity providing such goods or services. Subrecipient shall require any person or entity required to obtain insurance under this Section to complete and file the declaration pages from the insurance policies with Subrecipient whenever a previously identified policy period expires during the term of Subrecipient's contract with the person or entity, as proof of continuing coverage. Subrecipient's contract with any such person or entity shall clearly state that acceptance of the insurance policy declaration pages by the Subrecipient shall not relieve or decrease the liability of the person or entity. **Persons or entities shall be required to update all expired policies before Subrecipient's acceptance of an invoice for monthly payment from such parties.**
- (c) Subrecipient shall require performance and payment bonds to the extent they are required under Chapter 2253 of the Texas Government Code.
- (d) **Subrecipient shall require, on all construction projects, that any person or entity required to provide Federal Construction Assurances shall complete form SF-424D, entitled "Assurances - Construction Programs," and Subrecipient shall maintain such documentation.**

8.04 ASSIGNMENT AND SUBCONTRACTS

Subrecipient shall not assign, transfer, or delegate any rights, obligations, or duties under this Contract without the GLO's prior written consent. Notwithstanding this provision,

Subrecipient may subcontract some or all of the services to be performed under this Contract. In any subcontracts, Subrecipient shall legally bind the subcontractor to perform and make such subcontractor subject to all the duties, requirements, and obligations of Subrecipient as specified in this Contract. Nothing in this Contract shall be construed to relieve Subrecipient of the responsibility for ensuring that the goods delivered, and/or the services rendered by Subrecipient and/or any of its subcontractors, comply with all the terms and provisions of this Contract.

For all construction contracts or subcontracts to which Federal Labor Standards requirements apply, Subrecipient shall submit to the GLO all labor related documentation required to ensure compliance. Subrecipient shall retain five percent (5%) of the payment due under each of Subrecipient's construction or rehabilitation subcontracts until the GLO determines that the Federal Labor Standards requirements applicable to each such contract or subcontract have been satisfied.

8.05 PROCUREMENT

Subrecipient must comply with the procurement procedures stated at 2 C.F.R. §§ 200.318 through 200.326 and all other applicable federal, state, and local procurement procedures and laws, regulations, and rules. Subrecipient must confirm that its vendors and subcontractors are not debarred from receiving state or federal funds at each of the following web addresses:

Texas Comptroller's Vendor Performance Program at:

<https://comptroller.texas.gov/purchasing/>;

and the Federal General Services Administration's System for Award Management (SAM):

<https://www.sam.gov>.

8.06 PURCHASES AND EQUIPMENT

Any purchase of Equipment under this Contract shall be made in accordance with all applicable laws, regulations, and rules including those listed in **Attachment D**. Subrecipient shall retain title to and possession of any Equipment unless and until transferred to the GLO or disposed of in accordance with federal regulations. Subrecipient shall furnish, with its final request for reimbursement, a list of all Equipment purchased with Program funds under the Contract, including the name of the manufacturer, the model number, and the serial number, if applicable. The disposition of any Equipment shall be in accordance with all applicable laws, regulations, and rules, including those listed in **Attachment D**.

8.07 COMMUNICATION WITH THIRD PARTIES

The GLO and the authorities named in **ARTICLE 7**, above, may initiate, in accordance with any legal authority granted by statute, regulation, or rule, communications with any subcontractor, and may request access to any books, documents, personnel, papers, and records of a subcontractor which are pertinent to this Contract. Such communications may be required to conduct audits, examinations, Davis-Bacon Labor Standards

interviews, and gather additional information as provided in ARTICLE 7 herein. The results of such communication will be shared with Subrecipient, in writing, prior to any publication.

8.08 RELATIONSHIP OF THE PARTIES

The Parties to this Contract are associated only for the purposes and to the extent specified in this Contract. Subrecipient is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract creates a partnership or joint venture, employer-employee or principal-agent relationships, or any liability whatsoever with respect to the indebtedness, liabilities, or obligations of Subrecipient or any other party. If applicable, Subrecipient shall be solely responsible for and the GLO shall have no obligation with respect to: withholding of income taxes, FICA, or any other taxes or fees; industrial or workers' compensation insurance coverage; accumulation of vacation leave or sick leave; or unemployment compensation coverage provided by the State.

8.09 COMPLIANCE WITH OTHER LAWS

In the performance of this Contract, Subrecipient shall comply with all applicable federal, state, and local laws, ordinances, and regulations, including those listed in **Attachments B, C, and D**. Subrecipient is deemed to know and understand all applicable laws, statutes, ordinances, and regulations affecting its performance under this Contract.

8.10 NOTICES

Any notices required under this Contract shall be deemed delivered when deposited either in the United States mail, postage paid, certified, return receipt requested; or with a common carrier, overnight, signature required, to the appropriate address below:

GLO

Texas General Land Office
1700 N. Congress Avenue, 7th Floor
Austin, TX 78701
Attention: Contracts Management Division

Subrecipient

City of Houston
900 Bagby St., 4th Floor
Houston, TX 77002
Attention: Director of Housing and Community Development Department

Notice given in any other manner shall be deemed effective only if and when received by the Party to be notified. Either Party may change its address for notice by written notice to the other Party as herein provided.

8.11 GOVERNING LAW AND VENUE

This Contract and the rights and obligations of the Parties hereto shall be governed by, and construed according to, the laws of the State of Texas, exclusive of conflicts of law provisions. Venue of any suit brought under this Contract shall be in a court of competent jurisdiction in Travis County, Texas. Subrecipient irrevocably waives any objection, including any objection to personal jurisdiction or the laying of venue or based on the grounds of *forum non conveniens*, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction with respect to this Contract or any document related hereto. **NOTHING IN THIS CONTRACT SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY THE GLO OR A WAIVER OF GOVERNMENTAL IMMUNITY BY SUBRECIPIENT.**

8.12 SEVERABILITY

If a court of competent jurisdiction determines any provision of this Contract is invalid, void, or unenforceable, the remaining terms, provisions, covenants, and conditions of this Contract shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated.

8.13 DISPUTE RESOLUTION

Subrecipient shall use the dispute resolution process established in Chapter 2260 of the Texas Government Code and related rules to attempt to resolve any dispute under this Contract, including a claim for breach of contract by the GLO, that the Parties cannot resolve in the ordinary course of business. Neither the occurrence of an event giving rise to a breach of contract claim nor the pendency of such a claim constitute grounds for Subrecipient to suspend performance of this Contract. Notwithstanding this provision, the GLO and Subrecipient reserves all legal and equitable rights and remedies available to it.

8.14 PUBLIC RECORDS

Information related to the performance of this Contract may be subject to the Public Information Act ("PIA") and will be withheld from public disclosure or released only in accordance therewith. Subrecipient shall make any information created or exchanged with the state pursuant to the Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the state/the GLO. Subrecipient shall make any information required under the PIA available to the GLO in portable document file (".pdf") format or any other format agreed between the Parties. Subrecipient's failure to mark as "confidential" or a "trade secret" any information it believes to be excepted from disclosure waives all claims Subrecipient may make against the GLO for releasing such information without prior notice to Subrecipient.

Subrecipient shall release the following information upon receipt of an open records request:

- The amount of CDBG-DR funds expected to be made available;
- The range of Activities that may be undertaken with CDBG-DR funds;

- The estimated amount of CDBG-DR funds proposed to be used for Activities that will meet the national objective of benefit to low- and moderate-income persons; and
- The proposed CDBG-DR Activities likely to result in displacement and the Subrecipient's anti-displacement and relocation plan.

8.15 AMENDMENTS TO THE CONTRACT

Amendments to decrease or increase the Budget, to add or delete an Activity, to extend the term of the Contract, and/or to make other substantial amendments to the Contract may be made only by written agreement of the Parties, under the formal amendment process except that, upon completion of the Contract and submission and approval of the Grant Completion Report, the GLO may deobligate any remaining balances by means of a close-out letter pursuant to SECTION 2.03. The formal amendment process requires submission by the GLO Project Manager of the proposed amended language or amount to the GLO Contract Management Division for the preparation of a formal Amendment and circulation for necessary GLO and Subrecipient signatures. In the sole discretion of the GLO, and in conformance with federal law, the GLO may approve other adjustments required during Project performance by the GLO by way of a Revision or Technical Guidance Letter unilaterally issued by the GLO and acknowledged by the Subrecipient. Such approvals must be in writing and may be delivered by U.S. mail or electronic mail.

Pursuant to SECTION 2.03 hereof, a final **Grant Completion Report** of all Activities performed under this Contract shall be submitted and shall include all such informal revisions approved over the life of the Contract.

8.16 REVISIONS TO PERFORMANCE STATEMENT

The Performance Statement may be revised by the Subrecipient quarterly and submitted to the GLO for approval. A proposed Revision to the Performance Statement does not require application of the formal Amendment process established in Section 8.15, above, but must be approved by the GLO, in writing, in order to take effect.

8.17 ENTIRE CONTRACT AND MODIFICATIONS

This Contract, its Attachment(s), any Amendment(s), Technical Guidance Letter(s), and/or Revision(s) issued in conjunction with this Contract, if any, constitute the entire agreement of the Parties and are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements made in connection with the subject matter hereof. Any additional or conflicting terms in Attachment(s), Technical Guidance Letter(s), and/or Revision(s) shall be harmonized with this Contract to the extent possible. Unless an Attachment, Technical Guidance Letter, or Revision specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language shall be construed consistently with the Contract.

8.18 PROPER AUTHORITY

Each Party hereto represents and warrants that the person executing this Contract on its behalf has full power and authority to legally bind its respective entity. Subrecipient acknowledges that this Contract is effective for the period of time specified in the Contract.

Any work performed by Subrecipient after the Contract terminates is performed at the sole risk of Subrecipient.

8.19 COUNTERPARTS

This Contract may be executed in any number of counterparts, each of which shall be an original, and all such counterparts shall together constitute but one and the same Contract.

8.20 SURVIVAL

The provisions of ARTICLES 5, 6, AND 7; AND SECTIONS 1.01, 1.03, 2.05, 3.02, 3.04, 8.02, 8.03, 8.07, 8.08, 8.09, 8.10, 8.11, 8.13, 8.14, 8.15 of this Contract, and any other continuing obligations of Subrecipient shall survive the termination or expiration of this Contract.

8.21 CONTRACT CLOSEOUT

Upon completion of all Activities required for the Contract, and pursuant to SECTION 2.03 hereof, Subrecipient shall prepare a final **Grant Completion Report** confirming final performance measures, budgets, and expenses and the GLO will close the contract in accordance with 2 C.F.R. §§ 200.343 through 200.345 and GLO CDBG-DR guidelines. The GLO will notify Subrecipient via official closeout letter.

8.22 INDIRECT COST RATES

Unless Subrecipient has negotiated or does negotiate an indirect cost rate with the federal government, subject to periodic renegotiations of the rate during the Contract Period, Subrecipient's indirect cost rate shall be set by 2 C.F.R. § 200.414(f), i.e., ten percent (10%).

8.23 CONFLICT OF INTEREST

- (a) Subrecipient shall abide by the provisions of this Section and include the provisions in all subcontracts. Subrecipient shall comply with all conflict of interest laws and regulations applicable to the Program.
- (b) Subrecipient shall maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts.

8.24 ENVIRONMENTAL CLEARANCE REQUIREMENTS

- (a) Subrecipient is responsible for conducting environmental reviews and for obtaining any environmental clearance necessary for successful completion of the Project. Subrecipient shall prepare environmental review or assessment of each Activity in accordance with applicable laws, regulations, rules, and guidance. Subrecipient shall maintain a written Environmental Review Record ("ERR") for each Activity, including all supporting source documentation and documentation to support any project mitigation. Subrecipient shall provide a copy of the ERR and all related source documentation to the GLO.

- (b) Subrecipient shall address inquiries and complaints and shall provide appropriate redress related to environmental Activities. Subrecipient shall document each communication issued or received hereunder in the related ERR.
- (c) The GLO may, in its sole discretion, reimburse Subrecipient for certain exempt environmental Activities, as defined in federal regulations. Reimbursement requests for exempt environmental Activities must be supported by the proper HUD-prescribed form.
- (d) The Parties acknowledge and understand that the GLO may enter into Interagency agreements with the Texas Historical Commission and other entities in order to facilitate any necessary environmental or historic review. The GLO may incorporate one or more Interagency agreement into this contract via a Technical Guidance Letter.

8.25 CITIZEN PARTICIPATION AND ALTERNATIVE REQUIREMENTS

- (a) Subrecipient must ensure that all citizens have equal and ongoing access to information about the Project, including ensuring that Project information is available in the appropriate languages for the geographical area served by the Subrecipient. Information furnished to citizens shall include, without limitation:
 - 1. The amount of CDBG-DR funds expected to be made available;
 - 2. The range of Activities that may be undertaken with the CDBG-DR funds;
 - 3. The estimated amount of the CDBG-DR funds proposed to be used for Activities meeting the national objective of benefiting low-to-moderate income persons; and
 - 4. A clear statement if any proposed CDBG-DR Activities are likely to result in displacement and the entity's anti-displacement and relocation plan.
- (b) Complaint Procedures: Subrecipient must have written citizen complaint procedures that provide a timely written response (within fifteen (15) working days) to complaints and grievances. Subrecipient shall notify citizens of the location and the days and hours when the location is open for business so they may obtain a copy of these written procedures.
- (c) Technical Assistance: If requested, Subrecipient shall provide technical assistance to persons of low and moderate income in completing applications for the use of CDBG-DR funds.
- (d) Subrecipient shall maintain a citizen participation file which includes a copy of the Subrecipient's complaint procedures, documentation and evidence of opportunities provided for citizen participation (e.g., public notices, advertisements, flyers, etc.), documentation of citizen participation events (e.g., meeting minutes, attendance lists, sign-in sheets, news reports, etc.), and documentation of any technical assistance requested and/or provided.

8.26 PROCUREMENT OF RECOVERED MATERIALS

- (a) To the extent applicable, the Provider shall make maximum use of products

containing recovered materials that are EPA-designated items unless the product cannot be acquired—

- i. Competitively within a timeframe providing for compliance with the contract performance schedule;
- ii. That meets contract performance requirements; or
- iii. At a reasonable price.

(b) To ensure maximum use of recovered/recycled materials per 2 CFR § 200.322, information about this requirement is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensiveprocurement-guideline-cpg-program>, along with the list of EPA-designated items.

8.27 INFORMATION AND DATA SECURITY STANDARDS

Subrecipient shall comply with all terms specified in the **GLO Information Security Appendix**, incorporated herein for all purposes as **Attachment F**.

8.28 STATEMENTS OR ENTRIES

Except as otherwise provided under federal law, any person who knowingly and willfully falsifies, conceals, or covers up a material fact by any trick, scheme or device or who makes any materially false, fictitious, or fraudulent statement or representation or who makes or uses any false writing or document knowing the writing or document to contain any materially false, fictitious, or fraudulent statement or entry shall be prosecuted under Title 18, United States Code, § 1001. Under penalties of 18 U.S.C. § 1001, the undersigned Provider representative hereby declares that he/she has examined this Contract and Attachments, including without limitation, the Solicitation and Solicitation Response, and to the best of his/her knowledge and belief any statements, entries, or claims made by Provider are, correct, accurate and complete.

SIGNATURE PAGES FOLLOWS

SIGNATURE PAGE FOR GLO CONTRACT NO. 19-076-008-B357
SUBRECIPIENT HOUSING CONTRACT AGREEMENT – 2016 FLOOD ALLOCATION

GENERAL LAND OFFICE

CITY OF HOUSTON

Mark A. Havens, Chief Clerk/
Deputy Land Commissioner

By: _____
Title: _____

Date of execution: _____

Date of execution: _____

OGC _____

DD _____

SDD _____

DGC _____

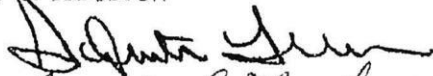
GC _____

ATTACHED TO THIS CONTRACT:

- ATTACHMENT A:** Performance Statement, Budget, and Benchmarks for Housing Projects
- ATTACHMENT B:** Federal Assurances and Certifications
- ATTACHMENT C:** General Affirmations
- ATTACHMENT D:** Nonexclusive List of Applicable Laws, Rules, and Regulations
- ATTACHMENT E:** Special Conditions
- ATTACHMENT F:** GLO Information Security Appendix
- ATTACHMENT G:** Monthly Activity Status Report

SIGNATURE PAGE FOR GLO CONTRACT NO. 19-076-008-B357
SUBRECIPIENT HOUSING CONTRACT AGREEMENT - 2016 FLOOD ALLOCATION

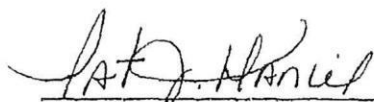
CITY OF HOUSTON


Brenda L. Murphy

MAYOR

2/26/19

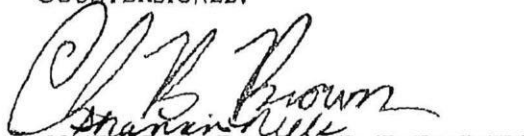
DATE



CITY SECRETARY

Assistant

COUNTERSIGNED:

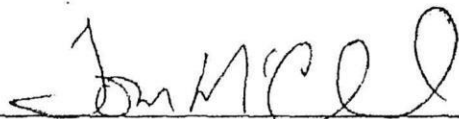

C. B. Brown

CITY CONTROLLER

DATE OF COUNTERSIGNATURE:

2/26/19

APPROVED:



DIRECTOR, HOUSING AND COMMUNITY
DEVELOPMENT DEPARTMENT

APPROVED AS TO FORM:


Barbara J. Pierce

SENIOR ASSISTANT CITY ATTORNEY

ATTACHMENTS FOLLOW

ATTACHMENT A

SUBRECIPIENT NAME: CITY OF HOUSTON

HOUSING PERFORMANCE STATEMENT

Subrecipient shall carry out the following housing activities in the City of Houston area in strict accordance with the terms of the Subrecipient's or GLO's approved Housing Guidelines (where applicable), Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

The subrecipient will fund the purchase of single family or multifamily housing units, the relocation of residents, and the demolition of the homes. The proposed activities will remove housing from the floodplain and prevent residential flooding in the future. This is a voluntary program and eminent domain will not be used. The City and/or a subrecipient, such as the Harris County Flood Control District, will carry out the program. Properties will be returned to green space to help absorb water and mitigate street and residential flooding in the future. Only properties impacted by a 2016 flood event are eligible. Properties will be dedicated and maintained in perpetuity for use that is compatible with open space. The subrecipient will remove approximately 250 single family or multifamily units from flood plain, high flood risk areas or Disaster Risk Reduction Areas (DRRA). The City of Houston will utilize assessments provided with Harris County MOD and FEMA data to identify areas or homes that are at risk of flooding again, were impacted by the 2016 flood events, and part of a City or County's buyout strategy. The program will benefit an area where at least 51% of residents are low- and moderate-income (LMI) households affected by the 2016 Floods, as well as arrange for the demolition of dilapidated structures and conversion of property to open space. An environmental review must be conducted at all locations prior to the execution and commencement of work.

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Buyout	LMB	250

Buyout Program (BP-LMB)

The subrecipient will remove approximately 250 single family or multifamily housing units from high flood risk areas.

The subrecipient must ensure that, upon completion, the acquired (buyout) property will be dedicated and maintained in perpetuity for use that is compatible with open space. The locations of these structures have not been determined at this time. It is estimated that 250 Housing Units will be removed.

The Subrecipient will offer relocation assistance for up to an estimated 250 households. Assistance will be provided to homeowners located in a floodplain, high flood risk areas, or Disaster Risk Reduction Area (DRRA) that agree to relocate outside of the floodplain. The properties acquired with funds provided under this Contract may be used for green space or as recreational area. Refer to the approved GLO 2015-2016 Floods Housing Guidelines for further technical guidance on the final use of the acquired property.

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CITY OF HOUSTON
HOUSING BENCHMARKS

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Housing Guidelines (where applicable)	15%	15%
15% of Project Funds drawn by subrecipient	15%	30%
25% of Project Funds drawn by subrecipient	15%	45%
50% of Project Funds drawn by subrecipient	15%	60%
75% of Project Funds drawn by subrecipient	15%	75%
100% of Project Funds drawn or activities closed by subrecipient	20%	95%
Closeout of grant accepted	5%	100%

CITY OF HOUSTON
HOUSING BUDGET

Activity Number	HUD Activity Type	Program Activity Type	Grant Award	Other Funds	Total
19-076-008_MI_BP-LMI_Houston	Acquisition - buyout of residential properties	Buyout Program - LMI	\$23,486,698	\$0	\$22,178,653
19-076-008_MI_BP-LMI_Houston	Acquisition - buyout of residential properties	Buyout Program - Project Delivery- LMI	\$838,312	\$0	\$838,312
19-076-008_MI_Admin_Houston	Administration	Buyout Program - Admin- LMI	\$469,733	\$0	\$469,733
TOTAL			\$23,486,698	\$0	\$23,486,698

ATTACHMENT B

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Approval No. 4040-0009
Expiration Date: 01/31/2019

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20603.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

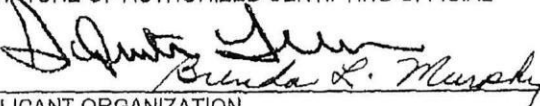
NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681- 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other non-discrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11614; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of

- Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
 17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
 18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
 19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
 20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL		TITLE	
 Brenda L. Murphy		MAYOR	
APPLICANT ORGANIZATION		DATE SUBMITTED	
City of Houston		2/26/19	

THIS FORM MUST BE EXECUTED

**CERTIFICATION REGARDING LOBBYING
COMPLIANT WITH APPENDIX A TO 24 C.F.R. PART 871**

Certification for Contracts, Grants, Loans, and Cooperative Agreements:

The undersigned certifies, to the best of his or her 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 an 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.

(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 contract, 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 subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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. Code. 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.

Statement for Loan Guarantees and Loan Insurance:

The undersigned states, to the best of his or her knowledge and belief, that: If any 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 commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.

NAME OF APPLICANT

City of Houston

AWARD NUMBER AND/OR PROJECT NAME

19-076-008-B357

PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

SIGNATURE


Brenda L. Murphy

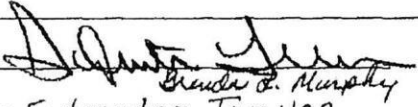
DATE

2/26/19

Disclosure of Lobbying Activities

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure)

Approved by OMB
4040-0013

<p>1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance</p>	<p>2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award</p>	<p>3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For material change only: Year _____ quarter _____ Date of last report _____</p>
<p>4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known:</p>		<p>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime: Congressional District, if known:</p>
<p>6. Federal Department/Agency:</p>	<p>7. Federal Program Name/Description: CFDA Number, if applicable: _____</p>	
<p>8. Federal Action Number, if known:</p>	<p>9. Award Amount, if known: \$ _____</p>	
<p>10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI):</p>	<p>b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI):</p>	
<p>11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>	<p>Signature:  Print Name: <u>Sylvester Turner</u> Title: <u>MAYOR</u> Telephone No.: <u>3-1011</u> Date: <u>2/26/19</u></p>	
<p>Federal Use Only</p>	<p>Authorized for Local Reproduction Standard Form - LLL (Rev. 7-97)</p>	

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity 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 a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitations for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Included prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is OMB No. 4040-0013. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (4040-0013), Washington, DC 20503.

ATTACHMENT C

General Affirmations

To the extent they apply, Provider affirms and agrees to the following, without exception:

1. Provider represents and warrants that, in accordance with Section 2155.005 of the Texas Government Code, neither Provider nor the firm, corporation, partnership, or institution represented by Provider, or anyone acting for such a firm, corporation, partnership, or institution has (1) violated any provision of the Texas Free Enterprise and Antitrust Act of 1983, Chapter 15 of the Texas Business and Commerce Code, or the federal antitrust laws, or (2) communicated directly or indirectly the contents of this Contract or any solicitation response upon which this Contract is based to any competitor or any other person engaged in the same line of business as Provider.
2. If the Contract is for services, Provider shall comply with Section 2155.4441 of the Texas Government Code, requiring the purchase of products and materials produced in the State of Texas in performing service contracts.
3. Under Section 231.006 of the Family Code, the vendor or applicant [Provider] certifies that the individual or business entity named in this Contract, bid or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate.
4. A bid or an application for a contract, grant, or loan paid from state funds must include the name and social security number of the individual or sole proprietor and each partner, shareholder, or owner with an ownership interest of at least 25 percent of the business entity submitting the bid or application. Provider certifies it has submitted this information to the GLO.
5. If the Contract is for the purchase or lease of computer equipment, as defined by Texas Health and Safety Code Section 361.952(2), Provider certifies that it is in compliance with Subchapter Y, Chapter 361 of the Texas Health and Safety Code, related to the Computer Equipment Recycling Program and the Texas Commission on Environmental Quality rules in Title 30 Texas Administrative Code Chapter 328.
6. Pursuant to Section 2155.003 of the Texas Government Code, Provider represents and warrants that it has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the Contract.
7. Payments due under the Contract shall be directly applied towards eliminating any debt or delinquency Provider owes to the State of Texas including, but not limited to, delinquent taxes, delinquent student loan payments, and delinquent child support.
8. Upon request of the GLO, Provider shall provide copies of its most recent business continuity and disaster recovery plans.

9. If the Contract is for consulting services governed by Texas Government Code Chapter 2254, Subchapter B, in accordance with Section 2254.033 of the Texas Government Code, relating to consulting services, Provider certifies that it does not employ an individual who has been employed by The GLO or another agency at any time during the two years preceding the Provider's submission of its offer to provide consulting services to the GLO or, in the alternative, Provider, in its offer to provide consulting services to the GLO, disclosed the following: (i) the nature of the previous employment with the GLO or other state agency; (ii) the date the employment was terminated; and (iii) the annual rate of compensation for the employment at the time of its termination.
10. If the Contract is not for architecture, engineering, or construction services, Provider must use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to attempt to resolve any dispute arising under the Contract.
11. If the Contract is for architecture, engineering, or construction services, subject to Texas Government Code, Section 2260.002 and Texas Civil Practice and Remedies Code Chapter 114, Provider shall use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to attempt to resolve all disputes arising under this Contract. In accordance with the Texas Civil Practice and Remedies Code, Section 114.005, claims encompassed by Texas Government Code, Section 2260.002(3) and Texas Civil Practice and Remedies Code Section 114.002 shall be governed by the dispute resolution process set forth below in subsections (a)-(d).
 - a. Notwithstanding Texas Government Code, Chapter 2260.002(3) and Chapter 114.012 and any other statute or applicable law, if the Provider's claim for breach of contract cannot be resolved by the parties in the ordinary course of business, Provider may make a claim against the GLO for breach of contract and the GLO may assert a counterclaim against the Provider as is contemplated by Texas Government Code, Chapter 2260, Subchapter B. In such event, Provider must provide written notice to the GLO of a claim for breach of the Contract not later than the 180th day after the date of the event giving rise to the claim. The notice must state with particularity: (1) the nature of the alleged breach; (2) the amount the Provider seeks as damages; and (3) the legal theory of recovery.
 - b. The chief administrative officer, or if designated in the Contract, another officer of the GLO, shall examine the claim and any counterclaim and negotiate with the Provider in an effort to resolve them. The negotiation must begin no later than the 120th day after the date the claim is received, as is contemplated by Texas Government Code, Chapter 2260, Section 2260.052.
 - c. If the negotiation under paragraph (b) above results in the resolution of some disputed issues by agreement or in a settlement, the parties shall reduce the agreement or settlement to writing and each party shall sign the agreement or settlement. A partial settlement or resolution of a claim does not waive a party's rights under this Contract as to the parts of the claim that are not resolved.

- d. If a claim is not entirely resolved under paragraph (b) above, on or before the 270th day after the date the claim is filed with the GLO, unless the parties agree in writing to an extension of time, the parties may agree to mediate a claim made under this dispute resolution procedure. This dispute resolution procedure is the Provider's sole and exclusive process for seeking a remedy for an alleged breach of contract by the GLO if the parties are unable to resolve their disputes as described in this section.
 - e. Nothing in the Contract shall be construed as a waiver of the state's or the GLO's sovereign immunity. This Contract shall not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to the State of Texas. The failure to enforce, or any delay in the enforcement, of any privileges, rights, defenses, remedies, or immunities available to the State of Texas under this Contract or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies or immunities or be considered as a basis for estoppel. The GLO does not waive any privileges, rights, defenses, or immunities available to it by entering into this Contract or by its conduct, or by the conduct of any representative of the GLO, prior to or subsequent to entering into this Contract.
 - f. Compliance with the dispute resolution process provided for in Texas Government Code, Chapter 2260, subchapter B and incorporated by reference in subsection (a)-(d) above is a condition precedent to the Provider: (1) filing suit pursuant to Chapter 114 of the Civil Practices and Remedies Code; or (2) initiating a contested case hearing pursuant to Subchapter C of Chapter 2260 of the Texas Government Code.
12. Provider represents and warrants that, pursuant to Section 2270.002 of the Texas Government Code, Provider does not boycott Israel and will not boycott Israel during the term of the Contract.
 13. This Contract is contingent upon the continued availability of lawful appropriations by the Texas Legislature. Provider understands that all obligations of the GLO under this Contract are subject to the availability of state funds. If such funds are not appropriated or become unavailable, the GLO may terminate the Contract. The Contract shall not be construed as creating a debt on behalf of the GLO in violation of Article III, Section 49a of the Texas Constitution.
 14. Provider certifies that it is not listed on the federal government's terrorism watch list as described in Executive Order 13224.
 15. In accordance with Section 669.003 of the Texas Government Code, relating to contracting with the executive head of a state agency, Provider certifies that it is not (1) the executive head of the GLO, (2) a person who at any time during the four years before the effective date of the Contract was the executive head of the GLO, or (3) a person who employs a current or former executive head of the GLO.

16. Provider represents and warrants that all statements and information prepared and submitted in connection with this Contract are current, complete, true, and accurate. Submitting a false statement or making a material misrepresentation during the performance of this Contract is a material breach of contract and may void the Contract or be grounds for its termination.
17. Pursuant to Section 2155.004(a) of the Texas Government Code, Provider certifies that neither Provider nor any person or entity represented by Provider has received compensation from the GLO to participate in the preparation of the specifications or solicitation on which this Contract is based. Under Section 2155.004(b) of the Texas Government Code, Provider certifies that the individual or business entity named in this Contract is not ineligible to receive the specified contract and acknowledges that the Contract may be terminated and payment withheld if this certification is inaccurate. This Section does not prohibit Provider from providing free technical assistance.
18. Provider represents and warrants that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization, as prohibited by Section 2252.152 of the Texas Government Code.
19. If the Contract is for professional or consulting services governed by Texas Government Code Chapter 2254, Provider represents and warrants that none of its employees including, but not limited to, those authorized to provide services under the Contract, were former employees of the GLO during the twelve (12) month period immediately prior to the date of execution of the Contract.
20. The Contract shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflicts of law provisions. The venue of any suit arising under the Contract is fixed in any court of competent jurisdiction of Travis County, Texas, unless the specific venue is otherwise identified in a statute which directly names or otherwise identifies its applicability to the GLO.
21. IF THE CONTRACT IS NOT FOR ARCHITECTURE OR ENGINEERING SERVICES GOVERNED BY TEXAS GOVERNMENT CODE CHAPTER 2254, PROVIDER, TO THE EXTENT PERMITTED BY LAW, SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND THE GLO, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES ARISING OUT OF, OR RESULTING FROM ANY ACTS OR OMISSIONS OF PROVIDER OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT AND ANY PURCHASE ORDERS ISSUED UNDER THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY PROVIDER WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND PROVIDER MAY NOT AGREE

TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL. PROVIDER AND THE GLO SHALL FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

22. IF THE CONTRACT IS FOR ARCHITECTURE OR ENGINEERING SERVICES GOVERNED BY TEXAS GOVERNMENT CODE CHAPTER 2254, PROVIDER, TO THE EXTENT PERMITTED BY LAW, SHALL INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND THE GLO, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED DAMAGES, COSTS, ATTORNEY FEES, AND EXPENSES TO THE EXTENT CAUSED BY, ARISING OUT OF, OR RESULTING FROM ANY ACTS OF NEGLIGENCE, INTENTIONAL TORTS, WILLFUL MISCONDUCT, PERSONAL INJURY OR DAMAGE TO PROPERTY, AND/OR OTHERWISE RELATED TO PROVIDER'S PERFORMANCE, AND/OR FAILURES TO PAY A SUBCONTRACTOR OR SUPPLIER BY THE PROVIDER OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, CONSULTANTS UNDER CONTRACT TO PROVIDER, OR ANY OTHER ENTITY OVER WHICH THE CONTRACTOR EXERCISES CONTROL, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY PROVIDER WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN Texas STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND PROVIDER MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL. PROVIDER AND THE GLO SHALL FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM

23. TO THE EXTENT PERMITTED BY LAW, PROVIDER SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE GLO AND THE STATE OF TEXAS FROM AND AGAINST ANY AND ALL CLAIMS, VIOLATIONS, MISAPPROPRIATIONS OR INFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHTS AND/OR OTHER INTANGIBLE PROPERTY, PUBLICITY OR PRIVACY RIGHTS, AND/OR IN CONNECTION WITH OR ARISING FROM: (1) THE PERFORMANCE OR ACTIONS OF PROVIDER PURSUANT TO THIS CONTRACT; (2) ANY DELIVERABLE, WORK PRODUCT, CONFIGURED SERVICE OR OTHER SERVICE PROVIDED HEREUNDER; AND/OR (3) THE GLO'S AND/OR PROVIDER'S USE OF OR ACQUISITION OF ANY REQUESTED SERVICES OR OTHER ITEMS PROVIDED TO THE GLO BY PROVIDER OR OTHERWISE TO WHICH THE GLO HAS ACCESS AS A RESULT OF PROVIDER'S PERFORMANCE UNDER THE CONTRACT. PROVIDER AND THE GLO shall FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. PROVIDER SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE, INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY PROVIDER

WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL (OAG) WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND PROVIDER MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM OAG. IN ADDITION, PROVIDER WILL REIMBURSE THE GLO AND THE STATE OF TEXAS FOR ANY CLAIMS, DAMAGES, COSTS, EXPENSES OR OTHER AMOUNTS, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES AND COURT COSTS, ARISING FROM ANY SUCH CLAIM, IF THE GLO DETERMINES THAT A CONFLICT EXISTS BETWEEN ITS INTERESTS AND THOSE OF PROVIDER OR IF THE GLO IS REQUIRED BY APPLICABLE LAW TO SELECT SEPARATE COUNSEL, THE GLO WILL BE PERMITTED TO SELECT SEPARATE COUNSEL AND PROVIDER WILL PAY ALL REASONABLE COSTS OF THE GLO'S COUNSEL.

24. Provider has disclosed in writing to the GLO all existing or potential conflicts of interest relative to the performance of the Contract.
25. Sections 2155.006 and 2261.053 of the Texas Government Code, prohibit state agencies from accepting a solicitation response or awarding a contract that includes proposed financial participation by a person who, in the past five years, has been convicted of violating a federal law or assessed a penalty in connection with a contract involving relief for Hurricane Rita, Hurricane Katrina, or any other disaster, as defined by Section 418.004 of the Texas Government Code, occurring after September 24, 2005. Under Sections 2155.006 and 2261.053 of the Texas Government Code, Provider certifies that the individual or business entity named in this Contract is not ineligible to receive the specified contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.
26. Provider understands that the GLO will comply with the Texas Public Information Act (Chapter 552 of the Texas Government Code) as interpreted by judicial rulings and opinions of the Attorney General of the State of Texas. Information, documentation, and other material related to this Contract may be subject to public disclosure pursuant to the Texas Public Information Act. In accordance with Section 2252.907 of the Texas Government Code, Provider shall make any information created or exchanged with the State/GLO pursuant to the Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State or the GLO.
27. The person executing this Contract certifies that he/she is duly authorized to execute this Contract on his/her own behalf or on behalf of Provider and legally empowered to contractually bind Provider to the terms and conditions of the Contract and related documents.
28. If the Contract is for architectural or engineering services, pursuant to Section 2254.0031 of the Texas Government Code, which incorporates by reference Section 271.904(d) of the Texas Local Government Code, Provider shall perform services (1) with professional skill and care ordinarily provided by competent engineers or architects practicing under

the same or similar circumstances and professional license, and (2) as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer or architect.

29. The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the Contract or indirectly through a subcontract under the Contract. The acceptance of funds directly under the Contract or indirectly through a subcontract under the Contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. Provider shall ensure that this paragraph concerning the authority to audit funds received indirectly by subcontractors through the Contract and the requirement to cooperate is included in any subcontract it awards. The GLO may unilaterally amend the Contract to comply with any rules and procedures of the state auditor in the implementation and enforcement of Section 2262.154 of the Texas Government Code.
30. Provider certifies that neither it nor its principals are debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from participation in the Contract by any state or federal agency.
31. Provider expressly acknowledges that state funds may not be expended in connection with the purchase of an automated information system unless that system meets certain statutory requirements relating to accessibility by persons with visual impairments. Accordingly, Provider represents and warrants to the GLO that any technology provided to the GLO for purchase pursuant to this Contract is capable, either by virtue of features included within the technology or because it is readily adaptable by use with other technology, of: providing equivalent access for effective use by both visual and non-visual means; presenting information, including prompts used for interactive communications, in formats intended for non-visual use; and being integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired. For purposes of this Section, the phrase "equivalent access" means a substantially similar ability to communicate with or make use of the technology, either directly by features incorporated within the technology or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans With Disabilities Act or similar state or federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands and other means of navigating graphical displays, and customizable display appearance.
32. If the Contract is for the purchase or lease of covered television equipment, as defined by Section 361.971(3) of the Texas Health and Safety Code, Provider certifies its compliance with Subchapter Z, Chapter 361 of the Texas Health and Safety Code, related to the Television Equipment Recycling Program.

ATTACHMENT D

NONEXCLUSIVE LIST OF APPLICABLE LAWS, RULES, AND REGULATIONS

If applicable to the Project, Provider must be in compliance with the following laws, rules, and regulations; and any other state, federal, or local laws, rules, and regulations as may become applicable throughout the term of the Contract, and Provider acknowledges that this list may not include all such applicable laws, rules, and regulations.

Provider is deemed to have read and understands the requirements of each of the following, if applicable to the Project under this Contract:

GENERALLY

The Acts and Regulations specified in this Contract;

Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act (Public Law No. 114-223);

Further Continuing and Security Assistance Appropriations Act, 2017 (Public Law No. 114-254);

Consolidated Appropriations Act, 2017 (Public Law No. 115-31);

The Housing and Community Development Act of 1974 (12 U.S.C. § 5301, *et seq.*);

The United States Housing Act of 1937, as amended, 42 U.S.C. § 1437f(o)(13) (2016) and related provisions governing Public Housing Authority project-based assistance, and implementing regulations at 24 C.F.R. Part 983 (2016);

Cash Management Improvement Act regulations (31 C.F.R. Part 205);

Community Development Block Grants (24 C.F.R. Part 570);

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200);

Disaster Recovery Implementation Manual; and

Guidance Documents: State of Texas Plan for Disaster Recovery ("2016 Action Plan") dated March 10, 2017, as amended.

CIVIL RIGHTS

Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d, *et seq.*); 24 C.F.R. Part 1, "Nondiscrimination in Federally Assisted Programs of the Department of Housing and Urban Development - Effectuation of Title VI of the Civil Rights Act of 1964";

Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972 (42 U.S.C. § 2000e, *et seq.*);

Title VIII of the Civil Rights Act of 1968, "The Fair Housing Act of 1968" (42 U.S.C. § 3601, *et seq.*), as amended;

Executive Order 11063, as amended by Executive Order 12259, and 24 C.F.R. Part 107, "Nondiscrimination and Equal Opportunity in Housing under Executive Order 11063"; The failure or refusal of Provider to comply with the requirements of Executive Order 11063 or 24 C.F.R. Part 107 shall be a proper basis for the imposition of sanctions

specified in 24 C.F.R. 107.60;

The Age Discrimination Act of 1975 (42 U.S.C. § 6101, *et seq.*); and

Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794.) and "Nondiscrimination Based on Handicap in Federally-Assisted Programs and Activities of the Department of Housing and Urban Development", 24 C.F.R. Part 8. By signing this Contract, Provider understands and agrees that the activities funded shall be performed in accordance with 24 C.F.R. Part 8; and the Architectural Barriers Act of 1968 (42 U.S.C. § 4151, *et seq.*), including the use of a telecommunications device for deaf persons (TDDs) or equally effective communication system.

LABOR STANDARDS

The Davis-Bacon Act, as amended (originally, 40 U.S.C. §§ 276a-276a-5 and re-codified at 40 U.S.C. §§ 3141-3148); 29 C.F.R. Part 5;

The Copeland "Anti-Kickback" Act (originally, 18 U.S.C. § 874 and re-codified at 40 U.S.C. § 3145); 29 C.F.R. Part 3;

Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (originally, 40 U.S.C. §§ 327A and 330 and re-codified at 40 U.S.C. §§ 3701-3708);

Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act) (29 C.F.R. Part 5); and

Federal Executive Order 11246, as amended.

EMPLOYMENT OPPORTUNITIES

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. § 1701u); 24 C.F.R. §§ 135.3(a)(2) and (a)(3);

The Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. § 4212);

Title IX of the Education Amendments of 1972 (20 U.S.C. §§ 1681-1688); and

Federal Executive Order 11246, as amended.

GRANT AND AUDIT STANDARDS

Single Audit Act Amendments of 1996, 31 U.S.C. § 7501;

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200);

Uniform Grant and Contract Management Act (Texas Government Code Chapter 783) and the Uniform Grant Management Standards issued by Governor's Office of Budget and Planning; and

Title 1 Texas Administrative Code § 5.167(c).

LEAD-BASED PAINT

Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831(b)).

HISTORIC PROPERTIES

The National Historic Preservation Act of 1966 as amended (16 U.S.C. § 470, *et seq.*), particularly sections 106 and 110 (16 U.S.C. §§ 470 and 470h-2), except as provided in §58.17 for Section 17 projects;

Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921), 3 C.F.R., 1971-1975 Comp., p. 559, particularly section 2(c);

Federal historic preservation regulations as follows: 36 C.F.R. Part 800 with respect to HUD programs; and

The Reservoir Salvage Act of 1960 as amended by the Archeological and Historic Preservation Act of 1974 (16 U.S.C. § 469, *et seq.*), particularly section 3 (16 U.S.C. § 469a-1).

ENVIRONMENTAL LAW AND AUTHORITIES

Environmental Review Procedures for Recipients assuming HUD Environmental Responsibilities (24 C.F.R. Part 58, as amended);

National Environmental Policy Act of 1969, as amended (42 U.S.C. §§ 4321-4347); and
Council for Environmental Quality Regulations for Implementing NEPA (40 C.F.R. Parts 1500-1508).

FLOODPLAIN MANAGEMENT AND WETLAND PROTECTION

Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951), 3 C.F.R., 1977 Comp., p. 117, as interpreted in HUD regulations at 24 C.F.R. Part 55, particularly Section 2(a) of the Order (For an explanation of the relationship between the decision-making process in 24 C.F.R. Part 55 and this part, see § 55.10.); and

Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961), 3 C.F.R., 1977 Comp., p. 121, particularly Sections 2 and 5.

COASTAL ZONE MANAGEMENT

The Coastal Zone Management Act of 1972 (16 U.S.C. § 1451, *et seq.*), as amended, particularly sections 307(c) and (d) (16 U.S.C. § 1456(c) and (d)).

SOLE SOURCE AQUIFERS

The Safe Drinking Water Act of 1974 (42 U.S.C. §§ 201, 300(f), *et seq.*, and 21 U.S.C. § 349) as amended; particularly section 1424(e)(42 U.S.C. § 300h-3(e)); and

Sole Source Aquifers (Environmental Protection Agency-40 C.F.R. Part 149).

ENDANGERED SPECIES

The Endangered Species Act of 1973 (16 U.S.C. § 1531, *et seq.*) as amended, particularly section 7 (16 U.S.C. § 1536).

WILD AND SCENIC RIVERS

The Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271, *et seq.*) as amended,

particularly sections 7(b) and (c) (16 U.S.C. § 1278(b) and (c)).

AIR QUALITY

The Clean Air Act (42 U.S.C. § 7401, *et seq.*) as amended, particularly sections 176(c) and (d) (42 U.S.C. § 7506(c) and (d)); and

Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency—40 C.F.R. Parts 6, 51, and 93).

FARMLAND PROTECTION

Farmland Protection Policy Act of 1981 (7 U.S.C. § 4201, *et seq.*), particularly sections 1540(b) and 1541 (7 U.S.C. §§ 4201(b) and 4202); and

Farmland Protection Policy (Department of Agriculture—7 C.F.R. Part 658).

HUD ENVIRONMENTAL STANDARDS

Applicable criteria and standards specified in HUD environmental regulations (24 C.F.R. Part 51)(other than the runway clear zone and clear zone notification requirement in 24 C.F.R. § 51.303(a)(3)); and

HUD Notice 79-33, Policy Guidance to Address the Problems Posed by Toxic Chemicals and Radioactive Materials, September 10, 1979.

ENVIRONMENTAL JUSTICE

Executive Order 12898 of February 11, 1994--Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, (59 FR 7629), 3 C.F.R., 1994 Comp. p. 859.

SUSPENSION AND DEBARMENT

Use of debarred, suspended, or ineligible contractors or subrecipients (24 C.F.R. § 570.609);

General HUD Program Requirements; Waivers (24 C.F.R. Part 5); and

Nonprocurement Suspension and Debarment (2 C.F.R. Part 2424).

OTHER REQUIREMENTS

Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (24 C.F.R. Part 58).

ACQUISITION / RELOCATION

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601, *et seq.*), 24 C.F.R. Part 42, and 24 C.F.R. § 570.606.

FAITH-BASED ACTIVITIES

Executive Order 13279 of December 12, 2002 - Equal Protection of the Laws for Faith-Based and Community Organizations, (67 FR 77141).

ATTACHMENT E

SPECIAL CONDITIONS

If applicable to the Activity, Subrecipient must be in compliance with the following Special Conditions and any other State, Federal, or local laws, rules, and regulations as may be applicable, throughout the term of the Contract, prior to the release of any grant funds for the Activities anticipated

Subrecipient is deemed to have read and to understand the requirements of each of the following, if applicable to the Activity under this Contract:

A. REIMBURSEMENT, GENERALLY

As provided for in Public Laws 114-223, 114-254, and 115-31, the Contract funds may not be used for activities that are eligible to be reimbursed by, or for which funds are made available by, (a) the Federal Emergency Management Agency (FEMA); (b) the Army Corps of Engineers (Corps); (c) any other federal funding source; or (d) covered by insurance, and Subrecipient shall ensure compliance with all such requirements.

B. NATIONAL FLOOD INSURANCE PROGRAM COMPLIANCE

- (1) Subrecipient must provide documentation which indicates they have received approval from the Texas Water Development Board (TWDB), the National Flood Insurance Program (NFIP) State Coordinating Agency, that appropriate ordinances or orders necessary for Subrecipient to be eligible to participate in the NFIP have been adopted.
- (2) Where activities specified in Attachment A, Performance Statement, involve structures that are located in Special Flood Hazard Areas (SFHA), flood insurance may be required, and Subrecipient shall obtain such insurance, and shall maintain documentation evidencing compliance with such requirements.
- (3) Subrecipient acknowledges and agrees that if any property that is the subject of an Activity under this Contract located within a floodplain, that the following terms and conditions shall apply:
 - a. Under the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001-4128), Federal financial assistance for acquisition and construction purposes (including rehabilitation) may not be used in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:
 - i. The community in which the area is situated is participating in the National Flood Insurance Program ("NFIP") (44 CFR parts 59 through 79), or less than one (1) year has passed since the FEMA notification regarding such hazards; and
 - ii. The community is participating in the NFIP, or that flood insurance protection is to be obtained as a condition of the approval of financial assistance to the property owner.
 - b. Where the community is participating in the NFIP and the recipient provides financial assistance for acquisition or construction purposes (including rehabilitation) for property located in an area identified by FEMA as having special flood hazards, Subrecipient is responsible for ensuring that flood insurance under the NFIP is obtained and maintained.
 - c. Under Section 582 of the National Flood Insurance Reform Act of 1994, 42 U.S.C. 515a, HUD disaster assistance that is made available in a special flood hazard area may not be used to make a payment (including any loan assistance payment) to a

person for repair, replacement, or restoration for flood damage to any personal, residential, or commercial property if:

- i. The person had previously received Federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and
 - ii. The person failed to obtain and maintain flood insurance.
- d. Subrecipient understands and agrees that it has a responsibility to inform homeowners receiving disaster assistance that triggers the flood insurance purchase requirement of their statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance, and that the transferring owner may be liable if he or she fails to do so.

C. PROJECT MAPPING/DESIGN INFORMATION

For construction projects, Subrecipient shall require and maintain copies, in written and/or digital format, of final Project record drawing(s) and engineering schematics, as constructed.

D. WATER SYSTEM IMPROVEMENTS

- (1) Prior to the GLO's release of funds for the construction of any water system improvements, Subrecipient shall provide certification to the GLO that plans, specifications, and related documents for the specified water system improvements have been prepared by the engineer selected for such activities, or the engineer's duly authorized representative, and that the review of such plans, specifications, and related documents meet the applicable Texas Commission on Environmental Quality (TCEQ) review requirements described in Title 30 of the Texas Administrative Code.
- (2) Prior to construction, Subrecipient shall provide documentation to the GLO that an approved new or amended Certificate of Convenience and Necessity (CCN), or the equivalent permit or authority for the area to be served, has been issued by the TCEQ.
- (3) Prior to Subrecipient submission of the Project Completion Report for any water system improvements described in Attachment A, Subrecipient shall provide a letter from the TCEQ that the constructed well is approved for interim use and may be temporarily placed into service pursuant to 30 Texas Administrative Code, Chapter 290—Rules and Regulations for Public Water Systems.

E. SEWER SYSTEM IMPROVEMENTS

Prior to the construction of any sewer system improvements described, Subrecipient shall provide certification that plans, specifications, and related documents for the specified sewer system improvements have been prepared by the engineer selected for such activities, or the engineer's duly authorized representative, and that the review of such plans, specifications, and related documents meet the Texas Commission on Environmental Quality (TCEQ) review requirements described in 30 Texas Administrative Code, Chapter 217, Subchapter D.

Further, prior to the construction of any sewer lines or additional service connections described in Attachment A, Subrecipient shall provide notification of the start of construction on any sewer treatment plant or other system-related improvements included in this Contract.

F. WASTEWATER TREATMENT CONSTRUCTION

Prior to incurring costs for any wastewater treatment construction in Attachment A, Subrecipient shall provide documentation of an approved permit or amendment(s) to an existing permit for such activities from the TCEQ's Water Quality Division.

In addition, Subrecipient shall provide documentation to the GLO that an approved new or amended Certificate of Convenience and Necessity (CCN), or equivalent permit or authority for the area to be served has been issued by the TCEQ.

G. SEPTIC SYSTEM IMPROVEMENTS

- (1) Subrecipient shall provide documentation that final plans, specifications, and installation of its septic system improvements have been reviewed and approved by the City or County Health Department through authority granted by the TCEQ.
- (2) Subrecipient shall mitigate all existing septic systems in accordance with 30 Texas Administrative Code Chapter 285, Subchapter D, §285.36(b), which states, "All tanks, boreholes, cesspools, seepage pits, holding tanks, and pump tanks shall have the wastewater removed by a waste transporter, holding a current registration with the executive director. All tanks, boreholes, cesspools, seepage pits, holding tanks, and pump tanks shall be filled to ground level with fill material (less than three inches in diameter), which is free of organic and construction debris."
- (3) Prior to the selection of program recipients for proposed On-Site Sewer Facilities (OSSF), Subrecipient shall provide a copy of its proposed program guidelines to for GLO review. All proposed OSSF programs must meet or exceed guidelines set forth in 30 Texas Administrative Code Chapter 285 Subchapter D.

H. BUILDING CONSTRUCTION

Subrecipient shall provide documentation that the construction of a new building and facilities are in compliance with the Texas Accessibility Standards (TAS) of the Architectural Barriers Act, Chapter 469, Texas Government Code, and the Texas Department of Licensing and Regulation (TDLR) Architectural Barriers Administrative Rules, 16 Texas Administrative Code, Part 4, Chapter 68. If estimated construction costs exceed Fifty Thousand Dollars (\$50,000.00), Construction Documents must be submitted to the Texas Department of Licensing and Regulation (TDLR) for an accessibility plan review.

I. BRIDGE CONSTRUCTION/REHABILITATION

Subrecipient shall use the minimum design requirements of the Texas Department of Transportation (TxDOT) for bridge construction/rehabilitation. Final plans and specifications must be submitted to TxDOT for review and approval prior to the start of construction, and documentation of such approval must be provided to the GLO.

J. DISASTER SHELTERS

Subrecipient shall ensure that the primary purpose of the facility, as described in Attachment A, is to serve as a disaster shelter, and shall ensure the facility is operated at all times in a manner that ensures that the priority use is to serve as a disaster shelter regardless of any other scheduled uses or commitments that existed at the time of the disaster or emergency situation. In addition Subrecipient shall prepare or be incorporated into an approved emergency management plan, as

prescribed by the Governor's Division of Emergency Management, identifying the shelter as a facility that provides short-term lodging for evacuees during and immediately after an emergency situation. Subrecipient shall submit a copy of Subrecipient's Emergency Management Plan Annex for Shelter and Mass Care to the GLO.

K. DEBRIS REMOVAL

Subrecipient shall ensure that any debris to be removed consists primarily of vegetation, construction and demolition materials from damaged or destroyed structures, and personal property. Only debris identified as the responsibility of the local jurisdiction will be eligible for the reimbursement of cost of removal.

Prior to beginning debris collection operations, Subrecipient shall address all pertinent environmental concerns, adhere to all applicable regulations, and obtain all required permits. Further, Subrecipient shall adhere to the methods described herein for the collection and storage of debris prior to proper disposal.

While construction and demolition debris may be collected and disposed of at an appropriately rated landfill, woody and/or vegetative debris must be stored prior to disposal by use of temporary debris storage and reduction sites (TDSR). Subrecipient will prepare and operate the TDSR sites, or local jurisdictions choosing to conduct their own debris operations may review Chapter 7 of the FEMA Debris Management Guide regarding the use of TDSR sites. This document may be obtained at <https://www.fema.gov/pdf/government/grant/pa/demagde.pdf>.

In order to maintain the life expectancy of landfills, Subrecipients disposing of woody and/or vegetative debris must choose burning, chipping, or grinding as the method of disposal. Any project disposing of woody and/or vegetative debris must be approved in writing by the GLO.

L. USE OF BONDS

Subrecipient must notify the GLO of its issuance and sale of bonds for completion of the project funded under this Contract.

M. NON-RENTAL HOUSING REHABILITATION ASSISTANCE PROGRAM GUIDELINES

Prior to the selection of program recipients, Subrecipient shall provide a copy of its proposed housing rehabilitation assistance program guidelines for GLO review and approval. The guidelines must include provisions for compliance with the Federal Fire Prevention and Control Act of 1974 (which requires that any housing unit rehabilitated with grant funds be protected by a hard-wired or battery-operated smoke detector) and provisions for compliance with 24 CFR 35 (HUD lead-based paint regulation).

N. HOUSING REHABILITATION OR RECONSTRUCTION ASSISTANCE:

The housing rehabilitation or reconstruction assistance provided by Subrecipient shall be in the form of a three-year unsecured forgivable promissory Note at zero interest. Provided all terms and conditions under which the assistance was provided continue to be fulfilled, the Note will be forgiven at a rate of 33 percent per year, for the first two years, and 34 percent after the third year, until the applicant fulfills their note requirement (the requirements are defined in the promissory note document).

- (1) If the homeowner occupies the home for the full three-year term, the Note expires and no repayment is required, nor will any conditions be imposed relative to the disposition of the property. If any of the terms and conditions under which the assistance was provided are

breached or if the property is sold, leased, transferred or vacated by the homeowner for any consecutive thirty (30) day period during the three-year Note term, the repayment provisions of the promissory note and DOT shall be enforced.

- (2) If, during the three-year Note term, the homeowner vacates the unit for any consecutive thirty (30) day period, the locality may forgive, as evidenced by the program director, city council, or commissioner court action, the remaining loan balance. Prior to forgiveness of all or any portion of the assistance provided, the request for forgiveness must be approved by the local governing body and be based on documented and justifiable conditions or circumstances that would result in an unnecessary hardship to the homeowner and the determination that the national objective of benefiting low to moderate-income persons was met.
- (3) The national objective will be considered met only when the program director, city council, or county commissioners court determines that a low- to moderate-income person has occupied the rehabilitated or reconstructed home for a time sufficient to meet the national objective. If the national objective was not achieved, Subrecipient is liable for repayment of an amount equal to the difference in the appraised value of the home prior to reconstruction and the sales price when the home is sold during the term of the three-year forgivable Note.
- (4) If the property is sold or transferred to a person other than an eligible LMI person, the remaining pro-rated balance of the DPL must be repaid by the Subrecipient from the sales proceeds. Notwithstanding the preceding, Subrecipient shall be held liable for any balance remaining over and above the sales proceeds. In all instances, upon completion of the three-year note or repayment of the assistance (in full or in part), the Subrecipient shall prepare and record a release of lien document in the land records of the applicable county.
- (5) Monitoring of the three-year Note is performed during and after the grant is closed. Subrecipient must utilize non-CDBG-DR funds to fulfill the monitoring obligations for its impacted recovered community.
- (6) The subrecipient will maintain a list of homeowners that do not maintain flood insurance as documented in their promissory note. These applicants will not be allowed to receive future assistance as outlined in Section B of this document.

O. RENTAL HOUSING REHABILITATION, RECONSTRUCTION, OR NEW CONSTRUCTION ASSISTANCE

The rental housing rehabilitation, reconstruction, or new construction assistance will be provided in the form of a twenty (20) year forgivable loan or grant at zero interest. Provided all terms and conditions under which the assistance was provided continue to be fulfilled, the note will be forgiven at a rate of 5 percent per year until the applicant fulfills their note requirement (the requirements are defined in the promissory note document).

The purpose of the Program is to facilitate the rehabilitation, reconstruction, and/or new construction of affordable rental housing needs within the service area of the disaster event. A minimum of 51% of the multi-family units must be restricted during the affordability period of twenty (20) years for low to moderate income (LMI) persons. The rents, at a minimum, must comply with High HOME Investment Partnership (HOME) Rents and other existing Land Use Restriction Agreement (LURA) restrictions if applicable. HOME rent limits are defined by HUD and must equal the lesser of fair market rents or 30% of the adjusted income for people earning 65% of the AMFI.

P. COASTAL MANAGEMENT

Subrecipient acknowledges and agrees that any Project that may impact a Coastal Natural Resource Area must be consistent with the goals and policies of the Texas Coastal Management Program as described in 31 Texas Administrative Code, Part 16, Chapter 501.

ATTACHMENT F

GLO Information Security Appendix

1. Definitions

"Breach of Security" or "Breach" means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of sensitive personal information including data that is encrypted if the person accessing the data has the key required to decrypt the data.

"Personal Identifying Information" or "PII" means information that alone or in conjunction with other information identifies an individual, as defined at Tex. Bus. & Com. Code § 521.002(1) as of the Effective Date of this Contract.

"Sensitive Personal Information" or "SPI" means the information categories listed at Tex. Bus. & Com. Code § 521.002(2), which as of the Effective Date of this Contract, reads as follows: (A) an individual's first name or first initial and last name in combination with any one or more of the following items, if the name and the items are not encrypted: (i) social security number; (ii) driver's license number or government-issued identification number; or (iii) account number or credit or debit card number in combination with any required security code, access code, or password that would permit access to an individual's financial account; or (B) information that identifies an individual and relates to: (i) the physical or mental health or condition of the individual; (ii) the provision of health care to the individual; or (iii) payment for the provision of health care to the individual. "Sensitive Personal Information" does not include publicly available information that is lawfully made available to the public from the federal government or a state or local government.

2. Security and Privacy Compliance

- 2.1. Subrecipient shall keep all PII and SPI received or generated under the Contract and any documents containing PII or SPI strictly confidential.
- 2.2. Subrecipient shall comply with all applicable federal and state privacy and data protection laws, as well as all other applicable regulations and directives.
- 2.3. Subrecipient shall implement administrative, physical, and technical safeguards to protect PII and SPI that are consistent with the guidelines in the National Institute of Standards and Technology ("NIST") Cybersecurity Framework Version 1.1. All such safeguards shall comply with applicable data protection and privacy laws.
- 2.4. Subrecipient will legally bind any contractors and their subcontractors to the same requirements stated herein and obligations stipulated in the Contract and documents related thereto. Subrecipient shall ensure that the requirements stated herein are imposed on any subcontractor of Provider's subcontractor(s).
- 2.5. Subrecipient will not share PII or SPI with any third parties, except as necessary for Subrecipient's performance under the Contract.

- 2.6. Subrecipient will ensure that initial privacy and security training, and annual training thereafter, is completed by its employees and contractors, including any subcontractor, that have access to PII or SPI or who create, collect, use, process, store, maintain, disseminate, disclose, dispose, or otherwise personally handle PII or SPI on behalf of Subrecipient. Subrecipient agrees to maintain and, upon request, provide documentation of training completion. The requirement for initial privacy and security training may be satisfied by verifiable existing security awareness training.
- 2.7. Any PII or SPI maintained or stored by Subrecipient or any contractor, including any subcontractor, must be stored on servers or other hardware located within the physical borders of the United States and shall not be accessed outside of the United States.

3. Data Ownership

- 3.1. The GLO shall retain full ownership of all data, including PII and SPI, provided to Subrecipient by the GLO.
- 3.2. Upon termination of the Contract, Subrecipient shall promptly return to the GLO all GLO-owned data possessed by Subrecipient and its employees, agents, or contractors, including any subcontractor. Subrecipient shall retain no copies or back-up records of GLO-owned data. If such return is infeasible or causes undue business hardship, as mutually determined by the GLO and Subrecipient, the obligations set forth in this **Attachment F**, with respect to GLO-owned data, shall survive termination of the Contract and Subrecipient shall limit any further use and disclosure of GLO Data to the purposes that make the return of or GLO-owned data infeasible or causes undue business hardship. However, no provision in this Section 3.2 in no event shall circumvent the record-keeping and access requirements of 24 C.F.R. Part 570. In lieu of the requirements in this Section 3.2, the GLO may direct Subrecipient to destroy any GLO-owned data in Subrecipient's possession. Any such destruction shall be certified by Subrecipient.

4. Data Mining

- 4.1. Subrecipient agrees not to use PII or SPI for unrelated purposes, advertising or advertising-related services, or for any other purpose not explicitly authorized by the GLO in the Contract or any document related thereto.
- 4.2. Subrecipient agrees to take all reasonably feasible physical, technical, administrative, and procedural measures to ensure that no unauthorized use of PII or SPI occurs.

5. Breach of Security

- 5.1. Subrecipient agrees to provide the GLO with the name and contact information for a Subrecipient employee which shall serve as the GLO's primary data security contact.

- 5.2. Upon discovery of a Breach of Security or suspected Breach of Security by the Subrecipient, Subrecipient agrees to use commercially reasonable efforts to notify the GLO as soon as possible upon discovery of the Breach of Security or suspected Breach of Security, but in no event shall notification occur later than twenty-four (24) hours after discovery. Notification of a Breach of Security or suspected Breach of Security shall be provided by telephone to one of the following GLO Information Security team members: Brandon Rogers, GLO Information Security Officer, at (512) 463-5763; Larissa Cameron, GLO Privacy Officer, at (512) 475-1438; Arturo Montalvo, Director of Information Security, at (512) 463-5316; and the GLO Office of Information Security (OIS) Monitoring Desk at (512) 839-7021. Within five (5) business days, Subrecipient agrees to provide, at minimum, a written preliminary report regarding the Breach or suspected Breach to the GLO with root cause analysis including a log detailing the data affected.
 - 5.3. The initial notification and preliminary report shall be submitted to the GLO Information Security Officer at brandon.rogers@glo.texas.gov.
 - 5.4. Subrecipient agrees to take all reasonable steps to promptly mitigate a Breach of Security and reduce the risk of any further Breach of Security.
 - 5.5. If the Breach of Security includes SPI, including Social Security Numbers, payment card information, or health information, Subrecipient agrees to provide affected individuals complimentary access for one (1) year of credit monitoring services.
- 6. Right to Audit**
- 6.1. At the GLO's request, Subrecipient agrees to promptly and accurately complete a NIST based information security questionnaire provided by the GLO regarding Subrecipient's business practices and information technology environment. Subrecipient would also agree to provide any external IT service provider's (that they use) SSAE16 SOC Type II, Cloud Security Alliance Cloud Controls Matrix, or similar certification.
 - 6.2. In conducting any audit under this section GLO shall keep Subrecipient's business practices and information technology environment ("City Security Information") strictly confidential and shall not use the City Security Information for any other purpose not expressly authorized by the City under this Contract and shall not disclose City Security Information to third parties. GLO shall destroy and certify to such destruction of all City Security Information and any other documents and materials related thereto within five business days of the expiration or termination of this Contract or when the need to know no longer exists, whichever is earlier.
 - 6.3. In the event of a breach of system security, subject to applicable laws, Subrecipient shall use reasonable efforts to provide full access and cooperation for all activities determined by HUD and the GLO to be required to ensure an effective incident response, including providing all requested images, log files, and event information to facilitate rapid

resolution of data breaches. All information disclosed, gathered, or accessible to the GLO, or other agency of the State of Texas, the State of Texas or HUD pursuant to this Contract, is considered City Security Information and, subject to applicable laws, is subject to the confidentiality obligations set forth in this Section 6.

ATTACHMENT G

EXHIBIT "A-2"

GLO AGREEMENT DR-17



GLO CONTRACT NO. 19-147-001-B489
COMMUNITY DEVELOPMENT BLOCK GRANT
DISASTER RECOVERY PROGRAM PROJECTS
NON-RESEARCH & DEVELOPMENT
HARVEY ROUND 1 FUNDING

The **GENERAL LAND OFFICE** (“the GLO”), a Texas state agency, and **CITY OF HOUSTON**, DUNS No. 832431985 (“Subrecipient”), each a “Party” and collectively “the Parties,” enter into this Subrecipient agreement (the “Contract”) under the U.S. Department of Housing and Urban Development Community Development Block Grant Disaster Recovery (“CDBG-DR”) program to provide financial assistance with funds appropriated under the Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Public Law 115-56), enacted on September 8, 2017, to facilitate disaster recovery, restoration, and economic revitalization and to affirmatively further fair housing, in accordance with Executive Order 12892, in areas affected by the Texas Hurricane Harvey (DR-4332), which are Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121, *et seq.*).

Through CDBG-DR Federal Award Number B-17-DM-48-0001, awarded February 9, 2018, as amended August 14, 2018, and as may be further amended from time to time, the GLO administers grant funds as Community Development Block Grants (Catalog of Federal Domestic Assistance Number 14.228, “Community Development Block Grants/State’s program and Non-Entitlement Grants in Hawaii”), as approved by the Texas Land Commissioner, and limited to use for facilitating recovery efforts in Presidentially-declared major disaster areas.

ARTICLE I - GENERAL PROVISIONS

1.01 SCOPE OF PROJECT AND SUBAWARD

(a) Scope of Project

The purpose of this Contract is to set forth the terms and conditions of Subrecipient’s participation in the CDBG-DR program. In strict conformance with the terms and conditions of this Contract, Subrecipient shall perform, or cause to be performed, the Programs listed in **Attachment A**, as applicable, in the City of Houston (the “Project”). Subrecipient shall conduct the Project in strict accordance with this Contract, including all Contract Documents listed in **SECTION 1.02** below, and any Amendments, Revisions, or Technical Guidance Letters issued by the GLO. The aggregate use of CDBG-DR funds shall benefit low- and moderate-income families in a manner that ensures that at least 70 percent of the Subaward

is expended for Activities that benefit such persons, unless another percentage is permitted by HUD in a published waiver as specified in the Federal Registers.

(b) Subaward

Subrecipient submitted a Grant Application under the CDBG-DR program. The GLO enters into this Contract based on Subrecipient's approved Grant Application.

Subject to the terms and conditions of this Contract and Subrecipient's approved Grant Application, the GLO shall issue a subaward to Subrecipient in the amount of **\$1,175,954,338.00**, payable as reimbursement of Subrecipient's allowable expenses, to be used in strict conformance with the terms of this Contract, the Program Budgets listed in **Attachment A**, and the **Performance Statements** for the Programs, attached hereto and incorporated herein for all purposes.

The GLO, in its sole discretion, may reimburse Subrecipient for allowable Project costs incurred from August 25, 2017 until the Effective Date of this Contract, in accordance with federal law, but the GLO is not liable to Subrecipient for any costs incurred prior to August 25, 2017 or after the expiration or termination of this Contract.

All funds obtained by Subrecipient from the GLO and utilized on Subrecipient's CDBG-DR Activities are subject to compliance with all Federal and State regulations governing this Contract.

1.02 CONTRACT DOCUMENTS

This Contract and the following Attachments, attached hereto and incorporated herein in their entirety for all purposes, shall govern this Contract:

ATTACHMENT A: Program Budgets

ATTACHMENT B: Federal Assurances and Certifications

ATTACHMENT C: General Affirmations

ATTACHMENT D: Nonexclusive List of Applicable Laws, Rules, and Regulations

ATTACHMENT E: Special Conditions

ATTACHMENT F: GLO Information Security Appendix

ATTACHMENT G: Program Completion Report

PERFORMANCE STATEMENT 1: Buyout Program

PERFORMANCE STATEMENT 2: Economic Revitalization Program

PERFORMANCE STATEMENT 3: Homebuyer Assistance Program

PERFORMANCE STATEMENT 4: Homeowner Assistance Program

PERFORMANCE STATEMENT 5: Housing Administration Program and Planning Program

PERFORMANCE STATEMENT 6: Multifamily Rental Program

PERFORMANCE STATEMENT 7: Public Services Program

PERFORMANCE STATEMENT 8: Single Family Development Program

PERFORMANCE STATEMENT 9: Small Rental Program

1.03 GUIDANCE DOCUMENTS

Subrecipient is deemed to have read and understood, and shall abide by, all guidance documents applicable to the CDBG-DR program, including, without limitation:

- (1) 2 C.F.R. Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- (2) The Federal Registers;
- (3) The State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1, as amended, found at <http://recovery.texas.gov/hud-requirements-reports/hurricane-harvey/index.html>; and
- (4) Federal Register publications and other relevant guidance documents posted at: <http://recovery.texas.gov/hud-requirements-reports/hurricane-harvey/index.html>.

1.04 DEFINITIONS

“Act” means Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5301, *et seq.*).

“Activity” or “Activities” means a defined class of works or services eligible to be accomplished using CDBG-DR funds. Activities are specified in a Subrecipient Performance Statement.

“Administrative and Audit Regulations” means all applicable statutes, regulations, and other laws governing administration or audit of this Contract, including Title 2, Part 200, Code of Federal Regulations and Chapters 321 and 2155 of the Texas Government Code.

“Amendment” means a written agreement, signed by the Parties hereto, which documents alterations to the Contract other than those permitted by Technical Guidance Letters or Revisions, as herein defined.

“Application” or “Grant Application” means the information Subrecipient provided to the GLO, which is the basis for the award of funding under this Contract.

“Benchmark” means the reimbursement milestones identified in a Performance Statement required for release of Administrative and Project Delivery funding throughout the life of the Contract.

“Budget” means the budget for the Programs and Activities funded by the Contract, as specified in **Attachment A** and the **Performance Statements**, respectively.

“C.F.R.” means the United States Code of Federal Regulations.

“CDBG-DR” means the U.S. Department of Housing and Urban Development’s Community Development Block Grant Disaster Recovery program.

“Construction Documents” means the engineering specifications, construction plans, and/or architectural plans for the construction of improvements funded under the Contract.

“Contract” means this entire document, along with any Performance Statement or Attachments, both physical and incorporated by reference; and any Amendments, Revisions, or Technical Guidance Letters the GLO may issue, to be incorporated by reference herein for all purposes as they are issued and provided to Subrecipient, if any.

“Contract Documents” means the documents listed in **SECTION 1.02**.

“Equipment” means tangible personal property with a useful life of more than one (1) year and an acquisition cost of Five Thousand Dollars (\$5,000.00) or more per unit, as further defined at 2 CFR § 200.313.

“Event of Default” means the occurrence of any of the events set forth in **SECTION 3.03** herein.

“Federal Assurances” means Standard Form 424B (non-construction projects) or Standard Form 424D (construction projects), as applicable, in **Attachment B**, attached hereto and incorporated herein for all purposes.

“Federal Certifications” means the “Certification Regarding Lobbying – Compliant with Appendix A to 24 C.F.R. Part 87” and Standard Form LLL, Disclosure of Lobbying Activities, also in **Attachment B**, attached hereto and incorporated herein for all purposes.

“Federal Register(s)” means the official journal of the federal government of the United States that contains government agency rules, proposed rules, and public notices including U.S. Department of Housing and Urban Development Federal Register Docket Nos. FR-6066-N-01 and FR-6109-N-01 and any other publication affecting Hurricane Harvey – Round 1 CDBG-DR funding allocations.

“Final Inspection Report” means the document submitted by a housing inspector to a Subrecipient under a CDBG-DR Housing contract, indicating the completed construction of one Housing Unit (as defined herein).

“Fiscal Year” means the period beginning July 1 and ending June 30 each year, which is the annual accounting period for the City of Houston.

“GAAP” means “generally accepted accounting principles.”

“GASB” means accounting principles as defined by the Governmental Accounting Standards Board.

“General Affirmations” means the affirmations in **Attachment C**, which Subrecipient certifies by signing this Contract.

“GLO” means the Texas General Land Office, its officers, employees, and designees.

“Housing” refers to a project involving home repair, home reconstruction, new home construction, down payment assistance, and buyout and acquisition, including housing for single-family and multi-family rental units under a CDBG-DR contract.

“Housing Unit” means one single-family dwelling or one unit in a multi-family residential complex.

“HUD” means the United States Department of Housing and Urban Development.

“Minimum Property Standards” or “MPS” means the Minimum Property Standards (MPS) established in HUD Handbook 4910.1, as amended or superseded. MPS, as read in the context of this Contract, encompasses housing quality standards established by HUD to provide “decent, safe and sanitary” housing.

“Performance Statement” means a statement of work for each Program listed in **Attachment A**, which includes specific Benchmarks and Activities required under the

Program. The Performance Statements for this Contract are listed in Section 1.02 as **Performance Statement 1, Performance Statement 2, Performance Statement 3, Performance Statement 4, Performance Statement 5, Performance Statement 6, Performance Statement 7, Performance Statement 8, and Performance Statement 9** and are substantially the forms attached hereto and incorporated herein.

“Program” means each Community Development Block Grant Disaster Recovery program administered by the City of Houston and listed in **Attachment A** (collectively, the “Programs”).

“Program Completion Report” means a report created by the GLO and included in **Attachment G**, containing an as-built accounting of all Programs completed under a CDBG-DR program, and all information required for final acceptance of deliverables and Contract closeout.

“Program Guidelines” means, collectively, the individual sets of guidelines adopted by Subrecipient and approved by the GLO governing the implementation of each Program under this Contract, as applicable.

“Project” means the work to be performed under this Contract, as described in Section 1.01(a), above and including all Programs listed in **Attachment A** and further described in the **Performance Statements**.

“Project Manager” means a representative of the GLO Community Development and Revitalization (“CDR”) Program designated to oversee the Project.

“Public Information Act” or “PIA” means Chapter 552 of the Texas Government Code.

“Revision” means the GLO’s written approval of changes to Benchmarks, movement of funds among budget categories, and other Contract adjustments the Subrecipient’s Director of Housing and Community Development and the GLO may approve without a formal Amendment.

“Setup” means documentation, submitted by a Subrecipient, necessary for the GLO to determine that housing sites meet minimum eligibility criteria, resulting in approval for the Subrecipient to move forward with the projects.

“Subrecipient” means the City of Houston, a recipient of federal CDBG-DR funds through the GLO as the pass-through funding agency. Subrecipient may also be referred to as “Provider” herein.

“Technical Guidance Letter” or “TGL” means an instruction, clarification, or interpretation of the requirements of this Contract, issued by the GLO and provided to Subrecipient, applicable to specific subject matter pertaining to this Contract, and to which the addressed Program participants shall be subject as of a specific date.

“U.S.C.” means the United States Code.

1.05 INTERPRETIVE PROVISIONS

- (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms;

- (b) The words “hereof,” “herein,” “hereunder,” and similar words refer to this Contract as a whole and not to any particular provision, section, attachment, work order, or schedule of this Contract, unless otherwise specified;
- (c) The term “including” is not limiting, and means “including, without limitation” and, unless otherwise expressly provided in this Contract,
- (d) References to contracts (including this Contract) and other contractual instruments shall be deemed to include all subsequent Amendments and other modifications thereto, but only to the extent that such Amendments and other modifications are not prohibited by the terms of this Contract:
- (e) References to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing, or interpreting the statute or regulation, as may be amended from time to time;
- (f) The captions and headings of this Contract are for convenience of reference only and shall not affect the interpretation of this Contract;
- (g) All Attachments within this Contract, including those incorporated by reference, and any Amendments, are considered part of the terms of this Contract;
- (h) This Contract may use several different limitations, regulations, or policies to regulate the same or similar matters, which will be clearly identified in the Contract. All such limitations, regulations, and policies are cumulative and each shall be performed in accordance with its terms;
- (i) Unless otherwise expressly provided, reference to any action of the GLO or by the GLO by way of consent, approval, or waiver shall be deemed modified by the phrase “in the sole discretion of the GLO”;
Notwithstanding the preceding sentence, any approval, consent, or waiver required by, or requested of, the GLO shall not be unreasonably withheld or delayed;
- (j) All due dates and/or deadlines referenced in this Contract that occur on a weekend or holiday shall be considered as if occurring on the next business day of Subrecipient;
- (k) All time periods in this Contract shall commence on the day after the date on which the applicable event occurred, report is submitted, or request is received;
- (l) Time is of the essence in this Contract;
- (m) In the event of conflicts or inconsistencies between this contract and its attachments, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority: 1) any and all applicable federal and state laws, rules, and regulations; 2) the Contract; 3) GLO-approved Program guidelines; 4) **Performance Statements**; and 5) Attachments to the Contract: **Attachment A, Attachment B, Attachment E, Attachment C, Attachment D, Attachment F, and Attachment G.**

ARTICLE II – REIMBURSEMENT, ADVANCE PAYMENT, BUDGET VARIANCE, AND INCOME

2.01 REIMBURSEMENT REQUESTS

Each invoice submitted by Subrecipient shall be supported by actual receipts, cancelled checks, and/or such other documentation that, in the judgment of the GLO, allows for full substantiation of the costs incurred. The GLO shall issue and provide to Subrecipient a Technical Guidance Letter containing the GLO-established invoice submission procedures required under this Contract. Prior to the issuance of the Technical Guidance Letter, the GLO will provide Subrecipient instructions for interim invoicing processes.

With the exception of GLO-approved allowable Project costs incurred after August 25, 2017 and before the Effective Date of this Contract, the GLO must acknowledge the successful completion by Subrecipient of a specific Benchmark, which will require the submission by Subrecipient and approval by the GLO of invoices related to said Benchmark, including invoices for expenses incurred by any subcontractor, before Subrecipient may access additional Administrative and Project Delivery funds for reimbursement as outlined in the Performance Statements.

2.02 TIMELY EXPENDITURES

In accordance with the Federal Register and to ensure timely expenditure of grant funds, Subrecipient shall submit reimbursement requests under this contract, at a minimum, quarterly.

Subrecipient shall make timely payments to its subcontractors in accordance with Chapter 2251, Texas Government Code.

Subrecipient shall submit final reimbursement requests to the GLO no later than ninety (90) days after the Contract expires or is terminated. The GLO, in its sole discretion, may deny payment and deobligate remaining funds from the Contract ninety (90) days after expiration or termination of the Contract. The GLO's ability to deobligate funds under this Section 2.02 notwithstanding, the GLO shall pay all eligible reimbursement requests.

2.03 VARIANCE

Amendments to decrease or increase the subaward amount or to add or delete a Program may be made only by written agreement of the Parties, under the formal Amendment process described in Section 8.15, below. Upon completion of any Program, the GLO shall formally close out the Program by issuing a close-out letter to Subrecipient. The GLO may, in its sole discretion and in conformance with federal law, approve other adjustments required during Project performance through a Revision or Technical Guidance Letter. Such approvals must be in writing, and may be delivered by regular mail, electronic mail, or facsimile transmission.

SUBRECIPIENT SHALL SUBMIT FINAL BUDGETS AND ACTUAL EXPENDITURES AS PART OF THE PROGRAM COMPLETION REPORTS TO THE GLO NO LATER THAN SIXTY (60) DAYS AFTER THE CONTRACT TERMINATES OR EXPIRES OR AT THE CONCLUSION OF ALL CONTRACT ACTIVITIES, WHICHEVER OCCURS FIRST. THE PROGRAM COMPLETION

REPORTS SHALL BE IN A FORMAT PRESCRIBED BY THE GLO AND SHALL CONFIRM COMPLETION OF ALL ACTIVITIES PERFORMED UNDER THIS CONTRACT.

2.04 PROGRAM INCOME

In accordance with 2 C.F.R. § 200.307, Subrecipient shall maintain records of the receipt and accrual of all Program Income, as Program Income is defined at 2 C.F.R. § 200.80. Subrecipient shall report Program Income to the GLO in accordance with **ARTICLE 4** of this Contract. Any GLO-authorized use of Program Income by Subrecipient shall be subject to GLO or HUD restrictions.

ARTICLE III - DURATION, EXTENSION, AND TERMINATION OF CONTRACT

3.01 DURATION OF CONTRACT AND EXTENSION OF TERM

This Contract shall become effective on the date signed by the last Party (“Effective Date”) and shall continue until August 16, 2024 or the Project has been fully completed and closed out, whichever date is earlier (“Contract Period”). **ANY REQUEST FOR EXTENSION MUST BE RECEIVED BY THE GLO AT LEAST SIXTY (60) DAYS BEFORE THE ORIGINAL TERMINATION DATE OF THIS CONTRACT AND, IF APPROVED, SUCH EXTENSION SHALL BE BY FORMAL WRITTEN AMENDMENT.**

Subrecipient must meet all Program Benchmarks stated in the Performance Statements. Subrecipient’s failure to meet any Benchmark may result in suspension of payment or termination under SECTION 3.02, 3.03 or 3.04 below.

3.02 EARLY TERMINATION

In the event the State of Texas or HUD eliminates funding under this Contract or the CDBG-DR Program is assigned to another state agency, the GLO may terminate this Contract by giving written notice specifying a termination date at least thirty (30) days after the date of the notice. Upon receipt of such notice, Subrecipient shall cease work, terminate any subcontracts, and incur no further expense related to this Contract. **Such early termination shall be subject to the equitable settlement of the respective interests of the Parties, accrued up to the date of termination.**

3.03 EVENTS OF DEFAULT

Each of the following events shall constitute an Event of Default under this Contract: (i) Subrecipient fails to comply with any term, covenant, or provision contained in this Contract; (ii) Subrecipient makes a general assignment for the benefit of creditors or takes any similar action for the protection or benefit of creditors; (iii) Subrecipient makes a materially incorrect representation or warranty in a Performance Statement, a reimbursement request for payment, or any report submitted to the GLO under the Contract; or (iv) notwithstanding the GLO’s option to terminate the Contract early under Section 3.02, the GLO fails to comply with any term, covenant, or provision contained in this Contract. Prior to a determination of an Event of Default, the Parties shall allow a thirty (30) day period to cure any deficiency or potential cause of an Event of Default. The Parties may extend the time allowed to cure any deficiency or potential cause of an Event

of Default. The Parties shall not arbitrarily withhold approval of an extension of the time allowed to cure a deficiency or potential cause of an Event of Default. In no event shall the amount of time allowed to cure a deficiency or potential cause of an Event of Default extend beyond the Contract Period.

3.04 REMEDIES; NO WAIVER

Upon the occurrence of any Event of Default, the Parties may avail themselves of any equitable or legal remedy available to them, including without limitation, the withholding of payment, disallowing all or part of noncompliant Activities, or suspending or terminating the Contract.

The Parties' rights or remedies under this Contract are not intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Contract, or hereafter legally existing, upon the occurrence of an Event of Default. The failure of either Party to insist upon the strict observance or performance of any of the provisions of this Contract, or to exercise any right or remedy provided in this Contract, shall not impair, waive, or relinquish any such right or remedy with respect to another Event of Default.

ARTICLE IV - CONTRACT ADMINISTRATION

4.01 SUBMISSIONS – GENERALLY

Except for legal notices that must be sent by specific instructions pursuant to **SECTION 8.10** of the Contract and all other reports and documentation the GLO requires, any report, form, or request required to be submitted to the GLO under this Contract shall be sent in the format prescribed by the GLO.

If the Subrecipient fails to timely submit documentation to the GLO in the time and manner required by the Contract, the GLO may, in its sole discretion, withhold any payments pending Subrecipient's correction of the deficiency.

(a) PROGRAM GUIDELINES

No later than the close of business sixty (60) days subsequent to the Effective Date of this Contract, Subrecipient must submit Program Guidelines to the GLO for approval.

(b) FORMS

Subrecipient must execute the forms included in **Attachment B** and certifies by the execution of this Contract to all affirmations in **Attachment C**, confirming compliance with required state and federal laws applicable to the Contract.

(i) General Affirmations are found in **Attachment C** and Subrecipient certifies by the execution of this Contract to all statements therein.

(ii) The Federal Assurances for Construction Programs (Standard Form 424D), as applicable to the Project, is found at Page 1 of **Attachment B** and must be executed by Subrecipient.

- (iii) The “Certification Regarding Lobbying – Compliant with Appendix A to 24 C.F.R. Part 87” is found at Page 3 of **Attachment B** and must be executed by Subrecipient.
- (iv) If any funds granted under this Contract have been used for lobbying purposes, Subrecipient must complete and execute Standard Form LLL, Disclosure of Lobbying Activities, found at Page 4 of **Attachment B**.

4.02 MONTHLY ACTIVITY STATUS REPORTS

Subrecipient must provide monthly Activity status reporting, in a format to be specified by the GLO for each Program identified in **Attachment A**, on or before on the fifteenth day of the month following the month in which the reported Activities were performed for the duration of the Contract. Any licenses or permits required for the work identified in the Performance Statements shall be included as a part of the monthly Activity status reports for the period during which they are obtained, pursuant to Article 8.01 herein.

ARTICLE V - FEDERAL AND STATE FUNDING, RECAPTURE OF FUNDS, AND OVERPAYMENT

5.01 FEDERAL FUNDING

- (a) Funding for this Contract is appropriated under the Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Public Law 115-56), enacted on September 8, 2017, to facilitate disaster recovery, restoration, economic revitalization, and to affirmatively further fair housing in accordance with Executive Order 12892, in areas affected by the Texas Hurricane Harvey (DR-4332), which are Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121, *et seq.*). The fulfillment of this Contract is based on those funds being made available to the GLO as the lead administrative state agency. All expenditures under this Contract must be made in accordance with this Contract, the rules and regulations promulgated under the CDBG-DR Program and any other applicable laws. **Funds disbursed under each Activity may be subject to recapture and repayment for non-compliance.**
- (b) To participate in the CDBG-DR program, Subrecipient must have a data universal numbering system (DUNS) number, and a Commercial And Government Entity (CAGE) Code.
- (c) Subrecipient must report its DUNS number and CAGE Code to the GLO for use in various reporting documents. A DUNS number and CAGE Code may be obtained by visiting the Central Contractor Registration website at:

<https://www.sam.gov>

Assistance with this web site is available by calling **866-606-8220**.

5.02 STATE FUNDING

- (a) This Contract shall not be construed as creating any debt on behalf of the State of Texas and/or the GLO in violation of Article III, Section 49, of the Texas Constitution.

In compliance with Article VIII, Section 6 of the Texas Constitution, all obligations of the GLO hereunder are subject to the availability of state funds. If such funds are not appropriated or become unavailable, the GLO may terminate this Contract. In that event, the Parties shall be discharged from further obligations, subject to the equitable settlement of their respective interests, accrued up to the date of termination.

- (b) Any claim by Subrecipient for damages under this Contract may not exceed the amount due and owing Subrecipient under the Contract or the amount of funds appropriated for payment, but not yet paid to Subrecipient, under the annual budget in effect at the time of the breach. Nothing in this provision shall be construed as a waiver of sovereign immunity.

5.03 RECAPTURE OF FUNDS

SUBRECIPIENT SHALL CARRY OUT THE ACTIVITIES UNDER THE CONTRACT IN A MANNER THAT COMPLIES WITH THE TERMS AND CONDITIONS OF THE CONTRACT AND ALL APPLICABLE LAWS. THE GLO MAY RECAPTURE AND BE REIMBURSED BY SUBRECIPIENT FOR ANY PAYMENTS MADE BY THE GLO (I) THAT EXCEED THE MAXIMUM ALLOWABLE HUD RATE; (II) THAT ARE NOT ALLOWED UNDER APPLICABLE LAWS, RULES, AND REGULATIONS; OR (III) THAT ARE OTHERWISE INCONSISTENT WITH THIS CONTRACT, INCLUDING ANY UNAPPROVED EXPENDITURES. THIS RECAPTURE PROVISION APPLIES TO ANY FUNDS EXPENDED FOR THE PROJECT OR ANY PROGRAM OR ACTIVITY THAT DOES NOT MEET A CDBG-DR PROGRAM NATIONAL OBJECTIVE AS SPECIFIED IN EACH PERFORMANCE STATEMENT OR THAT IS NOT OTHERWISE ELIGIBLE UNDER CDBG-DR REGULATIONS.

5.04 OVERPAYMENT AND DISALLOWED COSTS

Subrecipient shall be liable to the GLO for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under this Contract. Subrecipient shall reimburse disallowed costs from funds which were not provided or otherwise made available to Subrecipient under this Contract.

5.05 FINAL BENCHMARKS

To ensure all programmatic requirements are met for each Program, the GLO shall only release the final five percent (5%) of each Program Budget upon submittal of completion and acceptance by the GLO of all Activities and Benchmarks identified in each Program's Performance Statement. The GLO shall disburse each Program's retained funds within thirty (30) days following approval of each Program Completion Report and all related closeout documentation necessary to determine that Subrecipient has completed all Activities in accordance with the terms and requirements of the Performance Statement, the Contract Documents, and all applicable laws, rules, and regulations.

ARTICLE VI - INTELLECTUAL PROPERTY

6.01 OWNERSHIP AND USE

- (a) Except for City Materials (as defined below in 6.01(c)), and except for any third-party proprietary intellectual property or information for which the City does not have a legal ownership right, the Parties shall jointly own all right, title, and interest in and to all reports, or other material, data, drawings, computer programs, and codes created under this Contract by either Party, and/or any copyright or other intellectual property rights, and any material or information developed and/or required to be delivered under this Contract, with each Party having the right to use, reproduce, or publish any or all of such information and other materials without obtaining permission from the other Party and without expense or charge. For any City or third-party proprietary intellectual property or information for which the City has a license to use or access, the City shall provide the GLO at least one (1) user license.
- (b) Except for City Materials, and except for any third-party proprietary intellectual property or information for which the City and/or the GLO do not have a legal ownership right, Subrecipient grants the GLO and HUD, and GLO and HUD grants to Subrecipient, a royalty free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, for governmental purposes, all reports, or other material, data, drawings, computer programs, and codes created under this Contract by either Party, and/or any copyright or other intellectual property rights, and any material or information developed and/or required to be delivered under this Contract by either Party.
- (c) "City Materials" means all works of authorship, materials, information, and other intellectual property created prior to the performance of any City obligation under this Contract, plus any modifications or enhancements thereto and derivative works based thereon, unless any such modifications, enhancements, or derivative works were funded using CDBG-DR funds. For clarity, if modifications, enhancements, or derivative works were funded using CDBG-DR funds, then only the applicable modification, enhancements, or derivative works are not included in the definition of City Materials.

6.02 NON-ENDORSEMENT BY STATE AND THE UNITED STATES

Subrecipient shall not publicize or otherwise circulate promotional material (such as advertisements, sales brochures, press releases, speeches, still or motion pictures, articles, manuscripts, or other publications) that states or implies the GLO, State of Texas, U.S. Government, or any government employee endorses a product, service, or position the Subrecipient represents. Subrecipient may not state or imply that the GLO, the State of Texas, or the U.S. Government approves of Subrecipient's work products or considers Subrecipient's work product to be superior to other products or services.

6.03 PUBLICATION DISCLAIMER REQUIRED

Subrecipient shall include a disclaimer on all public information releases issued pursuant to this Contract stating that the funds for this Project or any Program are provided by the City of Houston and the Texas General Land Office through HUD's CDBG Program.

ARTICLE VII - RECORDS, AUDIT, AND RETENTION

7.01 BOOKS AND RECORDS

Subrecipient shall keep and maintain, under GAAP or GASB, as applicable, full, true, and complete records sufficient to allow the GLO, the Texas State Auditor's Office, the United States Government, and/or their authorized representatives to determine Subrecipient's compliance with this Contract and all applicable laws, rules, and regulations, including the applicable laws and regulations provided in **Attachment D**.

7.02 INSPECTION AND AUDIT

- (a) All records related to this Contract, including records of Subrecipient and its Subcontractors, shall be subject to the Administrative and Audit Regulations. Accordingly, such records and work product shall be subject, at any time, to inspection, examination, audit, and copying at the Subrecipient's primary location or any location where such records and work product may be found, with or without notice from the GLO or other government entity with necessary legal authority. Subrecipient shall cooperate fully with any federal or state entity in the conduct of inspection, examination, audit, and copying, including providing all information requested. Subrecipient will ensure that this clause concerning federal and state entities' authority to inspect, examine, audit, and copy records and work product, and the requirement to fully cooperate with the federal and state entities, is included in any subcontract it awards.
- (b) The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the Contract or indirectly through a subcontract under the Contract. Acceptance of funds directly under the Contract or indirectly through a subcontract under the Contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. **The Office of the Comptroller General of the United States, the Government Accountability Office, the Office of Inspector General, or any authorized representative of the U.S. Government shall also have this right of inspection.** Subrecipient shall ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Subrecipient and the requirement to cooperate is included in any subcontract it awards.

- (c) Subrecipient will be deemed to have read and know of all applicable federal, state, and local laws, regulations, and rules pertaining to the Project, including those identified in **Attachment D**, governing audit requirements.

7.03 SUBRECIPIENT SELF-AUDIT AND TARGETED AUDITS

(a) Subrecipient Self-Audit

Upon the GLO's or HUD's approval, Subrecipient may conduct an annual financial and compliance audit of funds received and performance rendered under this Contract. Subrecipient may use funds budgeted under this Contract to pay for that portion of the cost of such audit services properly allocable to the Activities funded under this Contract, provided that the GLO shall not pay the cost of such audit services until the GLO has received Subrecipient's satisfactory audit report and invoice, as determined by the GLO. The invoice submitted for reimbursement must clearly show the percentage of cost allocable to the Activities funded under this Contract relative to the total cost of the audit services. Therefore, Subrecipient shall submit an invoice showing the total cost of the audit and the corresponding prorated charge per funding source. If applicable, Subrecipient shall submit an explanation with the reimbursement request, explaining why the percentage of audit fees exceeds the prorated amount allowable.

(b) Targeted Audits & Monitoring Visits

The GLO may at any time perform, or instruct the performance of, an annual program and/or fiscal audit, or conduct a special or targeted audit of any aspect of the Subrecipient's operation, using an auditor of the GLO's choice. Subrecipient shall maintain financial and other records prescribed by the GLO or by applicable federal or state laws, rules, and regulations.

7.04 PERIOD OF RETENTION

All records relevant to this Contract shall be retained for a period of three (3) years subsequent to the final closeout of the overall Project, in accordance with federal regulations set forth at 2 CFR § 200.333. **The GLO will notify all CDBG-DR program participants of the date upon which local records may be destroyed.**

ARTICLE VIII - MISCELLANEOUS PROVISIONS

8.01 LEGAL OBLIGATIONS

Subrecipient shall procure and maintain for the duration of this Contract any license, authorization, insurance, waiver, permit, qualification, or certification required by federal, state, county, or city statute, ordinance, law, or regulation to be held by Subrecipient to provide the goods or services required by this Contract. Subrecipient shall pay all taxes, assessments, fees, premiums, permits, and licenses required by law. Subrecipient shall pay any such government obligations not paid by its subcontractors during performance of this Contract. **Subrecipient shall include copies of such licenses and permits as a part of the monthly Activity status reports for the period during which they are obtained.**

8.02 INDEMNITY

To the extent permitted under the law, except for damages directly or proximately caused by the gross negligence of the GLO, Subrecipient shall indemnify and hold harmless the State of Texas, the GLO, and the officers, representatives, agents, and employees of the State of Texas and the GLO from any losses, claims, suits, actions, damages, or liability (including all costs and expenses of defending against all of the aforementioned) arising in connection with:

- (a) This Contract;
- (b) Any negligence, act, omission, or misconduct in the performance of the services referenced herein; or
- (c) Any claims or amounts arising or recoverable under federal or state workers' compensation laws, the Texas Tort Claims Act, or any other such laws.

Subrecipient shall be responsible for the safety and well-being of its employees, customers, and invitees. These requirements shall survive the term of this Contract until all claims have been settled or resolved and suitable evidence to that effect has been furnished to the GLO. The provisions of this Section shall survive termination of this Contract. Subrecipient has not appropriated any money for payment under this Contract and nothing in this provision requires that funds be assessed or collected or that a sinking fund be created for any Claims arising under this Contract.

8.03 INSURANCE AND BOND REQUIREMENTS

- (a) Unless Subrecipient is a self-insured governmental entity pursuant to Chapter 2259 of the Texas Government Code to self-insure, Subrecipient shall carry insurance for the duration of this Contract in types and amounts necessary and appropriate for the Project.
- (b) Subrecipient shall require all contractors, subcontractors, vendors, service providers, or any other person or entity performing work described in **Attachment A** to carry insurance for the duration of the Project in the types and amounts customarily carried by a person or entity providing such goods or services. Subrecipient shall require any person or entity required to obtain insurance under this Section to complete and file the declaration pages from the insurance policies with Subrecipient whenever a previously identified policy period expires during the term of Subrecipient's contract with the person or entity, as proof of continuing coverage. Subrecipient's contract with any such person or entity shall clearly state that acceptance of the insurance policy declaration pages by the Subrecipient shall not relieve or decrease the liability of the person or entity. **Persons or entities shall be required to update all expired policies before Subrecipient's acceptance of an invoice for monthly payment from such parties.**
- (c) Subrecipient shall require performance and payment bonds to the extent they are required under Chapter 2253 of the Texas Government Code.

- (d) **Subrecipient shall require, on all construction projects, that any person or entity required to provide Federal Construction Assurances shall complete form SF-424D, entitled “Assurances – Construction Programs,” and Subrecipient shall maintain such documentation.**

8.04 ASSIGNMENT AND SUBCONTRACTS

Subrecipient shall not assign, transfer, or delegate any rights, obligations, or duties under this Contract without the GLO's prior written consent. Notwithstanding this provision, Subrecipient may subcontract some or all of the services to be performed under this Contract. In any subcontracts, Subrecipient shall legally bind the subcontractor to perform and make such subcontractor subject to all the duties, requirements, and obligations of Subrecipient as specified in this Contract. Nothing in this Contract shall be construed to relieve Subrecipient of the responsibility for ensuring that the goods delivered, and/or the services rendered by Subrecipient and/or any of its subcontractors, comply with all the terms and provisions of this Contract.

For all construction contracts or subcontracts to which Federal Labor Standards requirements apply, Subrecipient shall submit to the GLO all labor related documentation required to ensure compliance. Subrecipient shall retain five percent (5%) of the payment due under each of Subrecipient's construction or rehabilitation subcontracts until the GLO determines that the Federal Labor Standards requirements applicable to each such contract or subcontract have been satisfied.

8.05 PROCUREMENT

Subrecipient must comply with the procurement procedures stated at 2 C.F.R. §§ 200.318 through 200.326 and all other applicable federal, state, and local procurement procedures and laws, regulations, and rules. Subrecipient must confirm that its vendors and subcontractors are not debarred from receiving state or federal funds at each of the following web addresses:

Texas Comptroller's Vendor Performance Program at:

[https://comptroller.texas.gov/purchasing/;](https://comptroller.texas.gov/purchasing/)

and the Federal General Services Administration's System for Award Management (SAM):

<https://www.sam.gov>.

8.06 PURCHASES AND EQUIPMENT

Any purchase of Equipment under this Contract shall be made in accordance with all applicable laws, regulations, and rules including those listed in **Attachment D**. Subrecipient shall retain title to and possession of any Equipment unless and until transferred to the GLO or disposed of in accordance with federal regulations. Subrecipient shall furnish, with its final request for reimbursement, a list of all Equipment purchased with Program funds under the Contract, including the name of the manufacturer, the model

number, and the serial number, if applicable. The disposition of any Equipment shall be in accordance with all applicable laws, regulations, and rules, including those listed in **Attachment D**.

8.07 COMMUNICATION WITH THIRD PARTIES

The GLO and the authorities named in **ARTICLE 7**, above, may initiate, in accordance with any legal authority granted by statute, regulation, or rule, communications with any subcontractor, and may request access to any books, documents, personnel, papers, and records of a subcontractor which are pertinent to this Contract. Such communications may be required to conduct audits, examinations, Davis-Bacon Labor Standards interviews, and gather additional information as provided in **ARTICLE 7** herein. The results of such communication will be shared with Subrecipient, in writing, prior to any publication.

8.08 RELATIONSHIP OF THE PARTIES

The Parties to this Contract are associated only for the purposes and to the extent specified in this Contract. Subrecipient is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract creates a partnership or joint venture, employer-employee or principal-agent relationships, or any liability whatsoever with respect to the indebtedness, liabilities, or obligations of Subrecipient or any other party. If applicable, Subrecipient shall be solely responsible for and the GLO shall have no obligation with respect to: withholding of income taxes, FICA, or any other taxes or fees; industrial or workers' compensation insurance coverage; accumulation of vacation leave or sick leave; or unemployment compensation coverage provided by the State.

8.09 COMPLIANCE WITH OTHER LAWS

In the performance of this Contract, Subrecipient shall comply with all applicable federal, state, and local laws, ordinances, and regulations, including those listed in **Attachments B, C, and D**. Subrecipient is deemed to know and understand all applicable laws, statutes, ordinances, and regulations affecting its performance under this Contract.

8.10 NOTICES

Any notices required under this Contract shall be deemed delivered when deposited either in the United States mail, postage paid, certified, return receipt requested; or with a common carrier, overnight, signature required, to the appropriate address below:

GLO
Texas General Land Office
1700 N. Congress Avenue, 7th Floor
Austin, TX 78701
Attention: Contracts Management Division

Subrecipient

City of Houston
900 Bagby St., 4th Floor
Houston, TX 77002
Attention: Director of Housing and Community Development Department

Notice given in any other manner shall be deemed effective only if and when received by the Party to be notified. Either Party may change its address for notice by written notice to the other Party as herein provided.

8.11 GOVERNING LAW AND VENUE

This Contract and the rights and obligations of the Parties hereto shall be governed by, and construed according to, the laws of the State of Texas, exclusive of conflicts of law provisions. Venue of any suit brought under this Contract shall be in a court of competent jurisdiction in Travis County, Texas. Subrecipient irrevocably waives any objection, including any objection to personal jurisdiction or the laying of venue or based on the grounds of *forum non conveniens*, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction with respect to this Contract or any document related hereto. **NOTHING IN THIS CONTRACT SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY THE GLO OR A WAIVER OF GOVERNMENTAL IMMUNITY BY SUBRECIPIENT.**

8.12 SEVERABILITY

If a court of competent jurisdiction determines any provision of this Contract is invalid, void, or unenforceable, the remaining terms, provisions, covenants, and conditions of this Contract shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated.

8.13 DISPUTE RESOLUTION

Subrecipient shall use the dispute resolution process established in Chapter 2260 of the Texas Government Code and related rules to attempt to resolve any dispute under this Contract, including a claim for breach of contract by the GLO, that the Parties cannot resolve in the ordinary course of business. Neither the occurrence of an event giving rise to a breach of contract claim nor the pendency of such a claim constitute grounds for Subrecipient to suspend performance under this Contract of Programs unaffected by the claim(s) at issue. Notwithstanding this provision, the GLO and Subrecipient reserves all legal and equitable rights and remedies available to it.

8.14 PUBLIC RECORDS

Information related to the performance of this Contract may be subject to the Public Information Act ("PIA") and will be withheld from public disclosure or released only in accordance therewith. Subrecipient shall make any information created or exchanged with the state pursuant to the Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the state/the GLO. Subrecipient shall make any information required

under the PIA available to the GLO in portable document file (“.pdf”) format or any other format agreed between the Parties. Subrecipient’s failure to mark as “confidential” or a “trade secret” any information it believes to be excepted from disclosure waives all claims Subrecipient may make against the GLO for releasing such information without prior notice to Subrecipient.

Subrecipient shall release the following information upon receipt of an open records request:

- The amount of CDBG-DR funds expected to be made available;
- The range of Programs or Activities that may be undertaken with CDBG-DR funds;
- The estimated amount of CDBG-DR funds proposed to be used for Activities that will meet the national objective of benefit to low- and moderate-income persons; and
- The proposed CDBG-DR Activities likely to result in displacement and the Subrecipient’s anti-displacement and relocation plan.

8.15 AMENDMENTS TO THE CONTRACT

Amendments to decrease or increase the subaward, to add or delete a Program, to extend the term of the Contract, and/or to make other substantial amendments to the Contract may be made only by written agreement of the Parties, under the formal amendment process except that, upon completion of a Program, the GLO shall issue a close-out letter pursuant to **SECTION 2.03**. The formal amendment process requires submission by the GLO Project Manager of the proposed amended language or amount to the GLO Contract Management Division for the preparation of a formal Amendment and circulation for necessary GLO and Subrecipient signatures. In the sole discretion of the GLO, and in conformance with federal law, the GLO may approve other adjustments required during Project performance by the GLO by way of a Revision or Technical Guidance Letter unilaterally issued by the GLO and acknowledged by the Subrecipient. Such approvals must be in writing and may be delivered by U.S. mail or electronic mail.

Pursuant to **SECTION 2.03** hereof, final **Program Completion Reports** for all Programs performed under this Contract shall be submitted to the GLO and shall include all such informal revisions agreed to by the Subrecipient and GLO over the life of the Contract.

8.16 REVISIONS TO PERFORMANCE STATEMENTS

Performance Statements may be revised by the Subrecipient quarterly and submitted to the GLO for approval. A proposed Revision to any Performance Statement does not require application of the formal Amendment process established in Section 8.15, above, but must be approved by the GLO, in writing, in order to take effect.

8.17 ENTIRE CONTRACT AND MODIFICATIONS

This Contract, its Attachment(s), any Amendment(s) Technical Guidance Letter(s), and/or Revision(s) issued in conjunction with this Contract, if any, constitute the entire agreement of the Parties and are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements made in connection with the

subject matter hereof. Any additional or conflicting terms in Attachment(s), Technical Guidance Letter(s), and/or Revision(s) shall be harmonized with this Contract to the extent possible. Unless an Attachment, Technical Guidance Letter, or Revision specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language shall be construed consistently with the Contract.

8.18 PROPER AUTHORITY

Each Party hereto represents and warrants that the person executing this Contract on its behalf has full power and authority to legally bind its respective entity. Subrecipient acknowledges that this Contract is effective for the period of time specified in the Contract. Any work performed by Subrecipient after the Contract terminates is performed at the sole risk of Subrecipient.

8.19 COUNTERPARTS

This Contract may be executed in any number of counterparts, each of which shall be an original, and all such counterparts shall together constitute but one and the same Contract.

8.20 SURVIVAL

The provisions of **ARTICLES 5, 6, AND 7; AND SECTIONS 1.01, 1.03, 2.05, 3.02, 3.04, 8.02, 8.03, 8.07, 8.08, 8.09, 8.10, 8.11, 8.13, 8.14, 8.15** of this Contract, and any other continuing obligations of Subrecipient shall survive the termination or expiration of this Contract.

8.21 CONTRACT CLOSEOUT

Upon completion of all Programs and Activities required for the Contract, and pursuant to **SECTION 2.03** hereof, Subrecipient shall prepare final **Program Completion Reports** confirming final performance measures, budgets, and expenses and the GLO will close the Contract in accordance with 2 C.F.R. §§ 200.343 through 200.345 and GLO CDBG-DR guidelines consistent therewith. The GLO will notify Subrecipient via official closeout letter upon review of the final Program Completion Report.

8.22 INDIRECT COST RATES

Unless Subrecipient has negotiated or does negotiate an indirect cost rate with the federal government, subject to periodic renegotiations of the rate during the Contract Period, Subrecipient's indirect cost rate shall be set by 2 C.F.R. § 200.414(f), i.e., ten percent (10%).

8.23 CONFLICT OF INTEREST

- (a) Subrecipient shall abide by the provisions of this Section and include the provisions in all subcontracts. Subrecipient shall comply with all conflict of interest laws and regulations applicable to the Program.
- (b) Subrecipient shall maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts, which standards may be located in various

Subrecipient governing documents, including but not limited to, the Subrecipient's Charter, Code of Ordinances, Administrative Procedures, Executive Orders, and Policies and Procedures.

8.24 ENVIRONMENTAL CLEARANCE REQUIREMENTS

- (a) Subrecipient is responsible for conducting environmental reviews and for obtaining any environmental clearance necessary for successful completion of the Project. Subrecipient shall prepare environmental review or assessment of each Activity in accordance with applicable laws, regulations, rules, and guidance. Subrecipient shall maintain a written Environmental Review Record ("ERR") for each Activity, including all supporting source documentation and documentation to support any project mitigation. Subrecipient shall provide a copy of the ERR and all related source documentation to the GLO.
- (b) Subrecipient shall address inquiries and complaints and shall provide appropriate redress related to environmental Activities. Subrecipient shall document each communication issued or received hereunder in the related ERR.
- (c) The GLO may, in its sole discretion, reimburse Subrecipient for certain exempt environmental Activities, as defined in federal regulations. Reimbursement requests for exempt environmental Activities must be supported by the proper HUD-prescribed form.
- (d) The Parties acknowledge and understand that the GLO may enter into Interagency agreements with the Texas Historical Commission, including GLO Contract No. 19-127-000-B465, and other entities in order to facilitate any necessary environmental or historic review. The GLO may incorporate one or more Interagency agreement into this contract via a Technical Guidance Letter.

8.25 CITIZEN PARTICIPATION AND ALTERNATIVE REQUIREMENTS

- (a) Subrecipient must ensure that all citizens have equal and ongoing access to information about the Programs, including ensuring that Program information is available in the appropriate languages for the geographical area served by the Subrecipient. Information furnished to citizens shall include, without limitation:
 - 1. The amount of CDBG-DR funds expected to be made available;
 - 2. The range of Activities that may be undertaken with the CDBG-DR funds;
 - 3. The estimated amount of the CDBG-DR funds proposed to be used for Activities meeting the national objective of benefiting low-to-moderate income persons; and
 - 4. A clear statement if any proposed CDBG-DR Activities are likely to result in displacement and the entity's anti-displacement and relocation plan.

- (b) Complaint Procedures: Subrecipient must have written citizen complaint procedures that provide a timely written response (within fifteen (15) working days) to complaints and grievances. Subrecipient shall notify citizens of the location and the days and hours when the location is open for business, so they may obtain a copy of these written procedures.
- (c) Technical Assistance: Subrecipient shall provide technical assistance to all Program participants, regardless of income, abilities, or LMI status, and shall make reasonable accommodations for any potential Program participant who requires assistance to access any Program. For example, Subrecipient shall provide an alternative means for completing a Program application for any applicant who is unable to access an online application.
- (d) Subrecipient shall maintain a citizen participation file which includes a copy of the Subrecipient's complaint procedures, documentation and evidence of opportunities provided for citizen participation (e.g., public notices, advertisements, flyers, etc.), documentation of citizen participation events (e.g., meeting minutes, attendance lists, sign-in sheets, news reports, etc.), and documentation of any technical assistance requested and/or provided.

8.26 SIGNAGE REQUIREMENTS

On any public building or public facility funded under this Contract, Subrecipient shall place permanent signage. Signs shall be placed in a prominent, visible public location. Subrecipient shall format each sign to best fit the architectural design of the building or facility but should be legible from at least three (3) feet distance.

For other construction projects (e.g., water transmission lines, sewer collection lines, drainage, roadways, housing rehabilitation) funded under this Contract, Subrecipient shall place temporary signage erected in a prominent location at the construction project site or along a major thoroughfare within the locality.

All signage required under this Section 8.25 shall contain the following:

“This project is funded by the City of Houston, the Texas General Land Office of the State of Texas, and the United States Department of Housing and Urban Development through the Community Development Block Grant Program to provide for disaster recovery and restoration of infrastructure for communities impacted by Hurricane Harvey.”

8.27 PROCUREMENT OF RECOVERED MATERIALS

- (a) To the extent applicable, the Provider shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired—
 - i. Competitively within a timeframe providing for compliance with the contract performance schedule;
 - ii. That meet contract performance requirements; or
 - iii. At a reasonable price.
- (b) To ensure maximum use of recovered/recycled materials per 2 CFR § 200.322,

information about this requirement is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensiveprocurement-guideline-cpg-program>, along with the list of EPA-designated items.

8.28 INFORMATION AND DATA SECURITY STANDARDS

Subrecipient shall comply with all terms specified in the **GLO Information Security Appendix**, incorporated herein for all purposes as **Attachment F**.

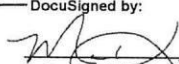
8.29 STATEMENTS OR ENTRIES

Except as otherwise provided under federal law, any person who knowingly and willfully falsifies, conceals, or covers up a material fact by any trick, scheme or device or who makes any materially false, fictitious, or fraudulent statement or representation or who makes or uses any false writing or document knowing the writing or document to contain any materially false, fictitious, or fraudulent statement or entry shall be prosecuted under Title 18, United States Code, § 1001. Under penalties of 18 U.S.C. § 1001, the undersigned Provider representative hereby declares that he/she has examined this Contract and Attachments, including without limitation, the Solicitation and Solicitation Response, and to the best of his/her knowledge and belief any statements, entries, or claims made by Provider are, correct, accurate and complete.

SIGNATURE PAGES FOLLOW

**GLO SIGNATURE PAGE FOR GLO CONTRACT NO. 19-147-001-B489
SUBRECIPIENT AGREEMENT – HURRICANE HARVEY – ROUND 1**

GENERAL LAND OFFICE

DocuSigned by:

Mark A. Havens, Chief Clerk/
Deputy Land Commissioner

Date of execution: 1/5/2019

OGC ^{DS} gm
DD ^{DS} HL
SDD ^{DS} HL
DGC ^{DS} MB
GC ^{DS} JG


ATTACHED TO THIS CONTRACT:

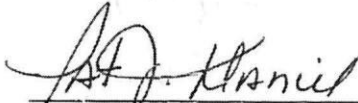
- ATTACHMENT A:** Program Budgets
- ATTACHMENT B:** Federal Assurances and Certifications
- ATTACHMENT C:** General Affirmations
- ATTACHMENT D:** Nonexclusive List of Applicable Laws, Rules, and Regulations
- ATTACHMENT E:** Special Conditions
- ATTACHMENT F:** GLO Information Security Appendix
- ATTACHMENT G:** Program Completion Report
- PERFORMANCE STATEMENT 1: Buyout Program**
- PERFORMANCE STATEMENT 2:** Economic Revitalization Program
- PERFORMANCE STATEMENT 3:** Homebuyer Assistance Program
- PERFORMANCE STATEMENT 4:** Homeowner Assistance Program
- PERFORMANCE STATEMENT 5:** Housing Administration Program and Planning Program
- PERFORMANCE STATEMENT 6:** Multifamily Rental Program
- PERFORMANCE STATEMENT 7:** Public Services Program
- PERFORMANCE STATEMENT 8:** Single Family Development Program
- PERFORMANCE STATEMENT 9: Small Rental Program**

CITY OF HOUSTON SIGNATURE PAGE FOLLOWS

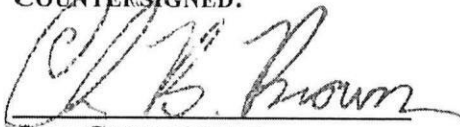
CITY OF HOUSTON SIGNATURE PAGE FOR GLO CONTRACT NO. 19-147-001-B489
SUBRECIPIENT AGREEMENT – HURRICANE HARVEY – ROUND 1

CITY OF HOUSTON


MAYOR 1-4-19


CITY SECRETARY Assistant

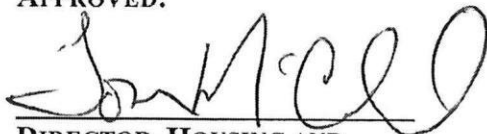
COUNTERSIGNED:


CITY CONTROLLER
Jenell Volk

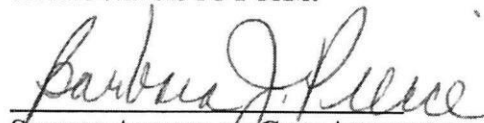
DATE OF COUNTERSIGNATURE:

1-4-19

APPROVED:


DIRECTOR, HOUSING AND
COMMUNITY DEVELOPMENT
DEPARTMENT

APPROVED AS TO FORM:


SENIOR ASSISTANT CITY ATTORNEY

ATTACHMENTS FOLLOW

**CITY OF HOUSTON SIGNATURE PAGE FOR GLO CONTRACT No. 19-147-001-B489
SUBRECIPIENT AGREEMENT – HURRICANE HARVEY – ROUND 1**

CITY OF HOUSTON

MAYOR

CITY SECRETARY

COUNTERSIGNED:

DATE OF COUNTERSIGNATURE:

CITY CONTROLLER

APPROVED:

APPROVED AS TO FORM:

DocuSigned by:

Tom McLasland

**DIRECTOR, HOUSING AND
COMMUNITY DEVELOPMENT
DEPARTMENT**

SENIOR ASSISTANT CITY ATTORNEY

ATTACHMENTS FOLLOW

CITY OF HOUSTON PROGRAM BUDGETS

Activity No.	HUD Activity Type	Other Funds	Total
	Homeowner Assistance Program		\$ 392,729,436
	Single Family Development Program		\$ 204,000,000
	Multifamily Rental Program		\$ 321,278,580
	Small Rental Program		\$ 61,205,100
	Homebuyer Assistance Program		\$ 21,741,300
	Buyout Program		\$ 40,800,000
	Public Services		\$ 60,000,000
	Economic Revitalization Program		\$ 30,264,834
	Houston Planning		\$ 23,100,000
	Houston Housing Administration		\$ 20,835,088
	Total		\$ 1,175,954,338

Draft – For review/discussion purposes only. Final Programs and Budgets to be approved by the U.S. Department of Housing and Urban Development.

ASSURANCES - CONSTRUCTION PROGRAMSOMB Approval No. 4040-0009
Expiration Date: 01/31/2019

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.


PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681- 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other non-discrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL DocuSigned by: 	TITLE Director
APPLICANT ORGANIZATION City of Houston, Housing and Community Development	DATE SUBMITTED 1/4/2019

Disclosure of Lobbying Activities

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure)

<p>1. Type of Federal Action: a. contract _____ b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance</p>	<p>2. Status of Federal Action: a. bid/offer/application _____ b. initial award c. post-award</p>	<p>3. Report Type: a. initial filing _____ b. material change</p> <p>For material change only: Year _____ quarter _____ Date of last report _____</p>
<p>4. Name and Address of Reporting Entity: _____ Prime _____ Subawardee Tier _____, if Known:</p> <p>Congressional District, if known:</p>	<p>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</p> <p>Congressional District, if known:</p>	
<p>6. Federal Department/Agency:</p>	<p>7. Federal Program Name/Description:</p> <p>CFDA Number, if applicable: _____</p>	
<p>8. Federal Action Number, if known:</p>	<p>9. Award Amount, if known: \$ _____</p>	
<p>10. a. Name and Address of Lobbying Registrant <i>(if individual, last name, first name, MI):</i></p>	<p>b. Individuals Performing Services <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i></p>	
<p>11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>	<p>Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____</p>	
<p>Federal Use Only</p>	<p>Authorized for Local Reproduction Standard Form - LLL (Rev. 7-97)</p>	

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity 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 a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitations for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Included prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB control Number. The valid OMB control number for this information collection is OMB No. 4040-0013. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (4040-0013), Washington, DC 20503.

General Affirmations

To the extent they apply, Subrecipient affirms and agrees to the following, without exception:

1. Subrecipient represents and warrants that, in accordance with Section 2155.005 of the Texas Government Code, neither Subrecipient nor the firm, corporation, partnership, or institution represented by Subrecipient, or anyone acting for such a firm, corporation, partnership, or institution has (1) violated any provision of the Texas Free Enterprise and Antitrust Act of 1983, Chapter 15 of the Texas Business and Commerce Code, or the federal antitrust laws, or (2) communicated directly or indirectly the contents of this Contract or any solicitation response upon which this Contract is based to any competitor or any other person engaged in the same line of business as Subrecipient.
2. If the Contract is for services, Subrecipient shall comply with Section 2155.4441 of the Texas Government Code, requiring the purchase of products and materials produced in the State of Texas in performing service contracts.
3. Under Section 231.006 of the Family Code, the Subrecipient certifies that Provider's legal entity named in this Contract, bid or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate.
4. A bid or an application for a contract, grant, or loan paid from state funds must include the name and social security number of the individual or sole proprietor and each partner, shareholder, or owner with an ownership interest of at least 25 percent of the business entity submitting the bid or application. Subrecipient certifies it has submitted this information to the GLO.
5. If the Contract is for the purchase or lease of computer equipment, as defined by Texas Health and Safety Code Section 361.952(2), Subrecipient certifies that it is in compliance with Subchapter Y, Chapter 361 of the Texas Health and Safety Code, related to the Computer Equipment Recycling Program and the Texas Commission on Environmental Quality rules in Title 30 Texas Administrative Code Chapter 328.
6. Pursuant to Section 2155.003 of the Texas Government Code, Subrecipient represents and warrants that it has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the Contract.
7. Payments due under the Contract shall be directly applied towards eliminating any debt or delinquency Subrecipient owes to the State of Texas including, but not limited to, delinquent taxes, delinquent student loan payments, and delinquent child support.
8. Upon request of the GLO, Subrecipient shall provide copies of its most recent business continuity and disaster recovery plans.

9. If the Contract is for consulting services governed by Texas Government Code Chapter 2254, Subchapter B, in accordance with Section 2254.033 of the Texas Government Code, relating to consulting services, Subrecipient certifies that it does not employ an individual who has been employed by The GLO or another agency at any time during the two years preceding the Subrecipient's submission of its offer to provide consulting services to the GLO or, in the alternative, Subrecipient, in its offer to provide consulting services to the GLO, disclosed the following: (i) the nature of the previous employment with the GLO or other state agency; (ii) the date the employment was terminated; and (iii) the annual rate of compensation for the employment at the time of its termination.
10. If the Contract is not for architecture, engineering, or construction services, Subrecipient must use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to attempt to resolve any dispute arising under the Contract.
11. If the Contract is for architecture, engineering, or construction services, subject to Texas Government Code, Section 2260.002 and Texas Civil Practice and Remedies Code Chapter 114, Subrecipient shall use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to attempt to resolve all disputes arising under this Contract. In accordance with the Texas Civil Practice and Remedies Code, Section 114.005, claims encompassed by Texas Government Code, Section 2260.002(3) and Texas Civil Practice and Remedies Code Section 114.002 shall be governed by the dispute resolution process set forth below in subsections (a)-(d).
 - a. Notwithstanding Texas Government Code, Chapter 2260.002(3) and Chapter 114.012 and any other statute or applicable law, if the Subrecipient's claim for breach of contract cannot be resolved by the parties in the ordinary course of business, Subrecipient may make a claim against the GLO for breach of contract and the GLO may assert a counterclaim against the Subrecipient as is contemplated by Texas Government Code, Chapter 2260, Subchapter B. In such event, Subrecipient must provide written notice to the GLO of a claim for breach of the Contract not later than the 180th day after the date of the event giving rise to the claim. The notice must state with particularity: (1) the nature of the alleged breach; (2) the amount the Subrecipient seeks as damages; and (3) the legal theory of recovery.
 - b. The chief administrative officer, or if designated in the Contract, another officer of the GLO, shall examine the claim and any counterclaim and negotiate with the Subrecipient in an effort to resolve them. The negotiation must begin no later than the 120th day after the date the claim is received, as is contemplated by Texas Government Code, Chapter 2260, Section 2260.052.
 - c. If the negotiation under paragraph (b) above results in the resolution of some disputed issues by agreement or in a settlement, the parties shall reduce the agreement or settlement to writing and each party shall sign the agreement or settlement. A partial settlement or resolution of a claim does not waive a party's rights under this Contract as to the parts of the claim that are not resolved.

- d. If a claim is not entirely resolved under paragraph (b) above, on or before the 270th day after the date the claim is filed with the GLO, unless the parties agree in writing to an extension of time, the parties may agree to mediate a claim made under this dispute resolution procedure. This dispute resolution procedure is the Subrecipient's sole and exclusive process for seeking a remedy for an alleged breach of contract by the GLO if the parties are unable to resolve their disputes as described in this section.
 - e. Nothing in the Contract shall be construed as a waiver of the state's or the GLO's sovereign immunity. This Contract shall not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to the State of Texas. The failure to enforce, or any delay in the enforcement, of any privileges, rights, defenses, remedies, or immunities available to the State of Texas under this Contract or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies or immunities or be considered as a basis for estoppel. The GLO does not waive any privileges, rights, defenses, or immunities available to it by entering into this Contract or by its conduct, or by the conduct of any representative of the GLO, prior to or subsequent to entering into this Contract.
 - f. Compliance with the dispute resolution process provided for in Texas Government Code, Chapter 2260, subchapter B and incorporated by reference in subsection (a)-(d) above is a condition precedent to the Subrecipient: (1) filing suit pursuant to Chapter 114 of the Civil Practices and Remedies Code; or (2) initiating a contested case hearing pursuant to Subchapter C of Chapter 2260 of the Texas Government Code.
12. Subrecipient represents and warrants that, pursuant to Section 2270.002 of the Texas Government Code, Subrecipient does not boycott Israel and will not boycott Israel during the term of the Contract.
 13. This Contract is contingent upon the continued availability of lawful appropriations by the Texas Legislature. Subrecipient understands that all obligations of the GLO under this Contract are subject to the availability of state funds. If such funds are not appropriated or become unavailable, the GLO may terminate the Contract. The Contract shall not be construed as creating a debt on behalf of the GLO in violation of Article III, Section 49a of the Texas Constitution.
 14. Subrecipient certifies that it is not listed on the federal government's terrorism watch list as described in Executive Order 13224.
 15. In accordance with Section 669.003 of the Texas Government Code, relating to contracting with the executive head of a state agency, Subrecipient certifies that it is not (1) the executive head of the GLO, (2) a person who at any time during the four years before the effective date of the Contract was the executive head of the GLO, or (3) a person who employs a current or former executive head of the GLO.

16. Subrecipient represents and warrants that all statements and information prepared and submitted in connection with this Contract are current, complete, true, and accurate. Submitting a false statement or making a material misrepresentation during the performance of this Contract is a material breach of contract and may void the Contract or be grounds for its termination.
17. Pursuant to Section 2155.004(a) of the Texas Government Code, Subrecipient certifies that neither Subrecipient nor any person or entity represented by Subrecipient has received compensation from the GLO to participate in the preparation of the specifications or solicitation on which this Contract is based. Under Section 2155.004(b) of the Texas Government Code, Subrecipient certifies that the individual or business entity named in this Contract is not ineligible to receive the specified contract and acknowledges that the Contract may be terminated and payment withheld if this certification is inaccurate. This Section does not prohibit Subrecipient from providing free technical assistance.
18. Subrecipient represents and warrants that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization, as prohibited by Section 2252.152 of the Texas Government Code.
19. If the Contract is for professional or consulting services governed by Texas Government Code Chapter 2254, Subrecipient represents and warrants that none of its employees including, but not limited to, those authorized to provide services under the Contract, were former employees of the GLO during the twelve (12) month period immediately prior to the date of execution of the Contract.
20. The Contract shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflicts of law provisions. The venue of any suit arising under the Contract is fixed in any court of competent jurisdiction of Travis County, Texas, unless the specific venue is otherwise identified in a statute which directly names or otherwise identifies its applicability to the GLO.
21. IF THE CONTRACT IS NOT FOR ARCHITECTURE OR ENGINEERING SERVICES GOVERNED BY TEXAS GOVERNMENT CODE CHAPTER 2254, SUBRECIPIENT SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND THE GLO, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES ARISING OUT OF, OR RESULTING FROM ANY ACTS OR OMISSIONS OF SUBRECIPIENT OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT AND ANY PURCHASE ORDERS ISSUED UNDER THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY SUBRECIPIENT WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND

SUBRECIPIENT MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL. SUBRECIPIENT AND THE GLO SHALL FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

22. IF THE CONTRACT IS FOR ARCHITECTURE OR ENGINEERING SERVICES GOVERNED BY TEXAS GOVERNMENT CODE CHAPTER 2254, SUBRECIPIENT SHALL INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND THE GLO, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED DAMAGES, COSTS, ATTORNEY FEES, AND EXPENSES TO THE EXTENT CAUSED BY, ARISING OUT OF, OR RESULTING FROM ANY ACTS OF NEGLIGENCE, INTENTIONAL TORTS, WILLFUL MISCONDUCT, PERSONAL INJURY OR DAMAGE TO PROPERTY, AND/OR OTHERWISE RELATED TO SUBRECIPIENT'S PERFORMANCE, AND/OR FAILURES TO PAY A SUBCONTRACTOR OR SUPPLIER BY THE SUBRECIPIENT OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, CONSULTANTS UNDER CONTRACT TO SUBRECIPIENT, OR ANY OTHER ENTITY OVER WHICH THE CONTRACTOR EXERCISES CONTROL, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY SUBRECIPIENT WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN Texas STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND SUBRECIPIENT MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL. SUBRECIPIENT AND THE GLO SHALL FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM
23. SUBRECIPIENT SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE GLO AND THE STATE OF TEXAS FROM AND AGAINST ANY AND ALL CLAIMS, VIOLATIONS, MISAPPROPRIATIONS OR INFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHTS AND/OR OTHER INTANGIBLE PROPERTY, PUBLICITY OR PRIVACY RIGHTS, AND/OR IN CONNECTION WITH OR ARISING FROM: (1) THE PERFORMANCE OR ACTIONS OF SUBRECIPIENT PURSUANT TO THIS CONTRACT; (2) ANY DELIVERABLE, WORK PRODUCT, CONFIGURED SERVICE OR OTHER SERVICE PROVIDED HEREUNDER; AND/OR (3) THE GLO'S AND/OR SUBRECIPIENT'S USE OF OR ACQUISITION OF ANY REQUESTED SERVICES OR OTHER ITEMS PROVIDED TO THE GLO BY SUBRECIPIENT OR OTHERWISE TO WHICH THE GLO HAS ACCESS AS A RESULT OF SUBRECIPIENT'S PERFORMANCE UNDER THE CONTRACT. SUBRECIPIENT AND THE GLO shall FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. SUBRECIPIENT SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE, INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY SUBRECIPIENT WITH THE

OFFICE OF THE TEXAS ATTORNEY GENERAL (OAG) WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND SUBRECIPIENT MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM OAG. IN ADDITION, SUBRECIPIENT WILL REIMBURSE THE GLO AND THE STATE OF TEXAS FOR ANY CLAIMS, DAMAGES, COSTS, EXPENSES OR OTHER AMOUNTS, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES AND COURT COSTS, ARISING FROM ANY SUCH CLAIM. IF THE GLO DETERMINES THAT A CONFLICT EXISTS BETWEEN ITS INTERESTS AND THOSE OF SUBRECIPIENT OR IF THE GLO IS REQUIRED BY APPLICABLE LAW TO SELECT SEPARATE COUNSEL, THE GLO WILL BE PERMITTED TO SELECT SEPARATE COUNSEL AND SUBRECIPIENT WILL PAY ALL REASONABLE COSTS OF THE GLO'S COUNSEL.

24. Subrecipient has disclosed in writing to the GLO all existing or potential conflicts of interest relative to the performance of the Contract.
25. Sections 2155.006 and 2261.053 of the Texas Government Code prohibit state agencies from accepting a solicitation response or awarding a contract that includes proposed financial participation by a person who, in the past five years, has been convicted of violating a federal law or assessed a penalty in connection with a contract involving relief for Hurricane Rita, Hurricane Katrina, or any other disaster, as defined by Section 418.004 of the Texas Government Code, occurring after September 24, 2005. Under Sections 2155.006 and 2261.053 of the Texas Government Code, Subrecipient certifies that the individual or business entity named in this Contract is not ineligible to receive the specified contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.
26. Subrecipient understands that the GLO will comply with the Texas Public Information Act (Chapter 552 of the Texas Government Code) as interpreted by judicial rulings and opinions of the Attorney General of the State of Texas. Information, documentation, and other material related to this Contract may be subject to public disclosure pursuant to the Texas Public Information Act. In accordance with Section 2252.907 of the Texas Government Code, Subrecipient shall make any information created or exchanged with the State/GLO pursuant to the Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State or the GLO.
27. The person executing this Contract certifies that he/she is duly authorized to execute this Contract on his/her own behalf or on behalf of Subrecipient and legally empowered to contractually bind Subrecipient to the terms and conditions of the Contract and related documents.
28. If the Contract is for architectural or engineering services, pursuant to Section 2254.0031 of the Texas Government Code, which incorporates by reference Section 271.904(d) of the Texas Local Government Code, Subrecipient shall perform services (1) with professional skill and care ordinarily provided by competent engineers or architects

practicing under the same or similar circumstances and professional license, and (2) as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer or architect.

29. The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the Contract or indirectly through a subcontract under the Contract. The acceptance of funds directly under the Contract or indirectly through a subcontract under the Contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. Subrecipient shall ensure that this paragraph concerning the authority to audit funds received indirectly by subcontractors through the Contract and the requirement to cooperate is included in any subcontract it awards. The GLO may unilaterally amend the Contract to comply with any rules and procedures of the state auditor in the implementation and enforcement of Section 2262.154 of the Texas Government Code.
30. Subrecipient certifies that neither it nor its principals are debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from participation in the Contract by any state or federal agency.
31. Subrecipient expressly acknowledges that state funds may not be expended in connection with the purchase of an automated information system unless that system meets certain statutory requirements relating to accessibility by persons with visual impairments. Accordingly, Subrecipient represents and warrants to the GLO that any technology provided to the GLO for purchase pursuant to this Contract is capable, either by virtue of features included within the technology or because it is readily adaptable by use with other technology, of: providing equivalent access for effective use by both visual and non-visual means; presenting information, including prompts used for interactive communications, in formats intended for non-visual use; and being integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired. For purposes of this Section, the phrase "equivalent access" means a substantially similar ability to communicate with or make use of the technology, either directly by features incorporated within the technology or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans With Disabilities Act or similar state or federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands and other means of navigating graphical displays, and customizable display appearance.
32. If the Contract is for the purchase or lease of covered television equipment, as defined by Section 361.971(3) of the Texas Health and Safety Code, Subrecipient certifies its compliance with Subchapter Z, Chapter 361 of the Texas Health and Safety Code, related to the Television Equipment Recycling Program.

33. Pursuant to Section 572.069 of the Texas Government Code, Subrecipient certifies it has not employed and will not employ a former state officer or employee who participated in a procurement or contract negotiations for the GLO involving Subrecipient within two (2) years after the date that the contract is signed, or the procurement is terminated or withdrawn. This certification only applies to former state officers or employees whose state service or employment ceased on or after September 1, 2015.

NONEXCLUSIVE LIST OF APPLICABLE LAWS, RULES, AND REGULATIONS

If applicable to a Program or Activity, Provider must be in compliance with the following laws, rules, and regulations; and any other state, federal, or local laws, rules, and regulations as may become applicable throughout the term of the Contract, and Provider acknowledges that this list may not include all such applicable laws, rules, and regulations.

Provider and is deemed to have read and understands the requirements of each of the following, if applicable to the Project under this Contract:

GENERALLY

The Acts and Regulations specified in this Contract;

Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Public Law 115-56);

The Housing and Community Development Act of 1974 (12 U.S.C. § 5301 *et seq.*);

The United States Housing Act of 1937, as amended, 42 U.S.C. § 1437f(o)(13) (2016) and related provisions governing Public Housing Authority project-based assistance, and implementing regulations at 24 C.F.R. Part 983 (2016);

Cash Management Improvement Act regulations (31 C.F.R. Part 205);

Community Development Block Grants (24 C.F.R. Part 570);

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200);

Disaster Recovery Implementation Manual;

GLO Housing Guidelines; and

State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1, dated April 6, 2018, as amended.

CIVIL RIGHTS

Title VI of the Civil Rights Act of 1964, (42 U.S.C. § 2000d *et seq.*); 24 C.F.R. Part 1, "Nondiscrimination in Federally Assisted Programs of the Department of Housing and Urban Development - Effectuation of Title VI of the Civil Rights Act of 1964";

Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972 (42 U.S.C. § 2000e, *et seq.*);

Title VIII of the Civil Rights Act of 1968, "The Fair Housing Act of 1968" (42 U.S.C. § 3601, *et seq.*), as amended;

Executive Order 11063, as amended by Executive Order 12259, and 24 C.F.R. Part 107, "Nondiscrimination and Equal Opportunity in Housing under Executive Order 11063"; The failure or refusal of Provider to comply with the requirements of Executive Order 11063 or 24 C.F.R. Part 107 shall be a proper basis for the imposition of sanctions specified in 24 C.F.R. 107.60;

The Age Discrimination Act of 1975 (42 U.S.C. § 6101, *et seq.*); and

Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794.) and "Nondiscrimination

Based on Handicap in Federally-Assisted Programs and Activities of the Department of Housing and Urban Development", 24 C.F.R. Part 8. By signing this Contract, Provider understands and agrees that the activities funded shall be performed in accordance with 24 C.F.R. Part 8; and the Architectural Barriers Act of 1968 (42 U.S.C. § 4151, *et seq.*), including the use of a telecommunications device for deaf persons (TDDs) or equally effective communication system.

LABOR STANDARDS

The Davis-Bacon Act, as amended (originally, 40 U.S.C. §§ 276a-276a-5 and re-codified at 40 U.S.C. §§ 3141-3148); 29 C.F.R. Part 5;

The Copeland "Anti-Kickback" Act (originally, 18 U.S.C. § 874 and re-codified at 40 U.S.C. § 3145); 29 C.F.R. Part 3;

Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (originally, 40 U.S.C. §§ 327A and 330 and re-codified at 40 U.S.C. §§ 3701-3708);

Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Non-construction Contracts Subject to the Contract Work Hours and Safety Standards Act) (29 C.F.R. Part 5); and

Federal Executive Order 11246, as amended.

EMPLOYMENT OPPORTUNITIES

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. § 1701u); 24 C.F.R. §§ 135.3(a)(2) and (a)(3);

The Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. § 4212);

Title IX of the Education Amendments of 1972 (20 U.S.C. §§ 1681-1688); and

Federal Executive Order 11246, as amended.

GRANT AND AUDIT STANDARDS

Single Audit Act Amendments of 1996, 31 U.S.C. § 7501;

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200);

Uniform Grant and Contract Management Act (Texas Government Code Chapter 783) and the Uniform Grant Management Standards, issued by Governor's Office of Budget and Planning; and

Title 1 Texas Administrative Code § 5.167(c).

LEAD-BASED PAINT

Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831(b)).

HISTORIC PROPERTIES

The National Historic Preservation Act of 1966 as amended (16 U.S.C. § 470, *et seq.*), particularly sections 106 and 110 (16 U.S.C. §§ 470 and 470h-2), except as provided in §58.17 for Section 17 projects;

Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921), 3 C.F.R., 1971-1975 Comp., p. 559, particularly section 2(c);

Federal historic preservation regulations as follows: 36 C.F.R. Part 800 with respect to HUD programs; and

The Reservoir Salvage Act of 1960, as amended by the Archeological and Historic Preservation Act of 1974 (16 U.S.C. § 469, *et seq.*), particularly section 3 (16 U.S.C. § 469a-1).

ENVIRONMENTAL LAW AND AUTHORITIES

Environmental Review Procedures for Recipients assuming HUD Environmental Responsibilities (24 C.F.R. Part 58, as amended);

National Environmental Policy Act of 1969, as amended (42 U.S.C. §§ 4321-4347); and

Council for Environmental Quality Regulations for Implementing NEPA (40 C.F.R. Parts 1500-1508).

FLOODPLAIN MANAGEMENT AND WETLAND PROTECTION

Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951), 3 C.F.R., 1977 Comp., p. 117, as interpreted in HUD regulations at 24 C.F.R. Part 55, particularly Section 2(a) of the Order (For an explanation of the relationship between the decision-making process in 24 C.F.R. Part 55 and this part, see § 55.10.); and

Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961), 3 C.F.R., 1977 Comp., p. 121 particularly Sections 2 and 5.

COASTAL ZONE MANAGEMENT

The Coastal Zone Management Act of 1972 (16 U.S.C. § 1451, *et seq.*), as amended, particularly sections 307(c) and (d) (16 U.S.C. § 1456(c) and (d)).

SOLE SOURCE AQUIFERS

The Safe Drinking Water Act of 1974 (42 U.S.C. §§ 201, 300(f), *et seq.*, and 21 U.S.C. § 349) as amended; particularly section 1424(e)(42 U.S.C. § 300h-3(e)); and

Sole Source Aquifers (Environmental Protection Agency-40 C.F.R. part 149.).

ENDANGERED SPECIES

The Endangered Species Act of 1973 (16 U.S.C. § 1531, *et seq.*) as amended, particularly section 7 (16 U.S.C. § 1536).

WILD AND SCENIC RIVERS

The Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271, *et seq.*) as amended, particularly sections 7(b) and (c) (16 U.S.C. § 1278(b) and (c)).

AIR QUALITY

The Clean Air Act (42 U.S.C. § 7401, *et seq.*) as amended, particularly sections 176(c) and (d) (42 U.S.C. §7506(c) and (d)).

Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency-40 C.F.R. Parts 6, 51, and 93).

FARMLAND PROTECTION

Farmland Protection Policy Act of 1981 (7 U.S.C. § 4201, *et seq.*) particularly sections 1540(b) and 1541 (7 U.S.C. §§ 4201(b) and 4202); and

Farmland Protection Policy (Department of Agriculture-7 C.F.R. part 658).

HUD ENVIRONMENTAL STANDARDS

Applicable criteria and standards specified in HUD environmental regulations (24 C.F.R. Part 51)(other than the runway clear zone and clear zone notification requirement in 24 C.F.R. § 51.303(a)(3); and

HUD Notice 79-33, Policy Guidance to Address the Problems Posed by Toxic Chemicals and Radioactive Materials, September 10, 1979.

ENVIRONMENTAL JUSTICE

Executive Order 12898 of February 11, 1994—Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, (59 FR 7629), 3 C.F.R., 1994 Comp. p. 859.

SUSPENSION AND DEBARMENT

Use of debarred, suspended, or ineligible contractors or subrecipients (24 C.F.R. § 570.609);

General HUD Program Requirements; Waivers (24 C.F.R. Part 5); and

Nonprocurement Suspension and Debarment (2 C.F.R. Part 2424).

OTHER REQUIREMENTS

Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (24 C.F.R. Part 58).

ACQUISITION / RELOCATION

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601, *et seq.*), 24 C.F.R. Part 42, and 24 C.F.R. § 570.606.

FAITH-BASED ACTIVITIES

Executive Order 13279 of December 12, 2002 - Equal Protection of the Laws for Faith-Based and Community Organizations, (67 FR 77141).

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SPECIAL CONDITIONS

If applicable to a Program or Activity, Subrecipient must be in compliance with the following Special Conditions and any other State, Federal, or local laws, rules, and regulations as may be applicable, throughout the term of the Contract, prior to the release of any grant funds for the Programs or Activities anticipated.

Subrecipient is deemed to have read and to understand the requirements of each of the following, if applicable to the Program or Activity under this Contract:

A. REIMBURSEMENT, GENERALLY

As provided for in Public Law 115-56, the Contract funds may not be used for activities that are eligible to be reimbursed by, or for which funds are made available by, (a) the Federal Emergency Management Agency (FEMA); (b) the Army Corps of Engineers (Corps); (c) any other federal funding source; or (d) covered by insurance, and Subrecipient shall ensure compliance with all such requirements.

B. NATIONAL FLOOD INSURANCE PROGRAM COMPLIANCE

- (1) Subrecipient must provide documentation which indicates they have received approval from the Texas Water Development Board (TWDB), the National Flood Insurance Program (NFIP) State Coordinating Agency, that appropriate ordinances or orders necessary for Subrecipient to be eligible to participate in the NFIP have been adopted.
- (2) Where Activities specified in a Performance Statement, involve structures that are located in Special Flood Hazard Areas (SFHA), flood insurance may be required, and Subrecipient shall obtain such insurance, and shall maintain documentation evidencing compliance with such requirements.
- (3) Subrecipient acknowledges and agrees that if any property that is the subject of an Activity under this Contract located within a floodplain, that the following terms and conditions shall apply:
 - a. Under the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001- 4128), Federal financial assistance for acquisition and construction purposes (including rehabilitation) may not be used in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:
 - i. The community in which the area is situated is participating in the National Flood Insurance Program ("NFIP") (44 CFR parts 59 through 79), or less than one (1) year has passed since the FEMA notification regarding such hazards; and
 - ii. The community is participating in the NFIP, or that flood insurance protection is to be obtained as a condition of the approval of financial assistance to the property owner.
 - b. Where the community is participating in the NFIP and the recipient provides financial assistance for acquisition or construction purposes (including rehabilitation) for property located in an area identified by FEMA as having special flood hazards, Subrecipient is responsible for ensuring that flood insurance under the NFIP is obtained and maintained.
 - c. Under Section 582 of the National Flood Insurance Reform Act of 1994, 42 U.S.C. 515a, HUD disaster assistance that is made available in a special flood hazard area may not be used to make a payment (including any loan assistance payment) to a person for repair, replacement, or restoration for flood damage to any personal, residential, or commercial property if:
 - i. The person had previously received Federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and

- ii. The person failed to obtain and maintain flood insurance.
- d. Subrecipient understands and agrees that it has a responsibility to inform homeowners receiving disaster assistance that triggers the flood insurance purchase requirement of their statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance, and that the transferring owner may be liable if he or she fails to do so.

C. PROJECT MAPPING/DESIGN INFORMATION

For construction projects, Subrecipient shall require and maintain copies, in written and/or digital format, of final Project record drawing(s) and engineering schematics, as constructed.

D. WATER SYSTEM IMPROVEMENTS

- (1) Prior to the GLO's release of funds for the construction of any water system improvements, Subrecipient shall provide certification to the GLO that plans, specifications, and related documents for the specified water system improvements have been prepared by the engineer selected for such activities, or the engineer's duly authorized representative, and that the review of such plans, specifications, and related documents meet the applicable Texas Commission on Environmental Quality (TCEQ) review requirements described in Title 30 of the Texas Administrative Code.
- (2) Prior to construction, Subrecipient shall provide documentation to the GLO that an approved new or amended Certificate of Convenience and Necessity (CCN), or the equivalent permit or authority for the area to be served, has been issued by the TCEQ.
- (3) Prior to Subrecipient submission of the Project Completion Report for any water system improvements described in Attachment A, Subrecipient shall provide a letter from the TCEQ that the constructed well is approved for interim use and may be temporarily placed into service pursuant to 30 Texas Administrative Code, Chapter 290—Rules and Regulations for Public Water Systems.

E. SEWER SYSTEM IMPROVEMENTS

Prior to the construction of any sewer system improvements described, Subrecipient shall provide certification that plans, specifications, and related documents for the specified sewer system improvements have been prepared by the engineer selected for such activities, or the engineer's duly authorized representative, and that the review of such plans, specifications, and related documents meet the Texas Commission on Environmental Quality (TCEQ) review requirements described in 30 Texas Administrative Code, Chapter 217, Subchapter D.

Further, prior to the construction of any sewer lines or additional service connections described in Attachment A, Subrecipient shall provide notification of the start of construction on any sewer treatment plant of other system-related improvements included in this Contract.

F. WASTEWATER TREATMENT CONSTRUCTION

Prior to incurring costs for any wastewater treatment construction in Attachment A, Subrecipient shall provide documentation of an approved permit or amendment(s) to an existing permit for such activities from the TCEQ's Water Quality Division.

In addition, Subrecipient shall provide documentation to the GLO that an approved new or amended Certificate of Convenience and Necessity (CCN), or equivalent permit or authority for the area to be served has been issued by the TCEQ.

G. SEPTIC SYSTEM IMPROVEMENTS

- (1) Subrecipient shall provide documentation that final plans, specifications, and installation of its septic system improvements have been reviewed and approved by the City or County Health Department through authority granted by the TCEQ.
- (2) Subrecipient shall mitigate all existing septic systems in accordance with 30 Texas Administrative Code Chapter 285, Subchapter D, §285.36(b), which states, "All tanks, boreholes, cesspools, seepage pits, holding tanks, and pump tanks shall have the wastewater removed by a waste transporter, holding a current registration with the executive director. All tanks, boreholes, cesspools, seepage pits, holding tanks, and pump tanks shall be filled to ground level with fill material (less than three inches in diameter), which is free of organic and construction debris."
- (3) Prior to the selection of program recipients for proposed On-Site Sewer Facilities (OSSF), Subrecipient shall provide a copy of its proposed program guidelines to for GLO review. All proposed OSSF programs must meet or exceed guidelines set forth in 30 Texas Administrative Code Chapter 285 Subchapter D.

H. BUILDING CONSTRUCTION

Subrecipient shall provide documentation that the construction of a new building and facilities are in compliance with the Texas Accessibility Standards (TAS) of the Architectural Barriers Act, Chapter 469, Texas Government Code, and the Texas Department of Licensing and Regulation (TDLR) Architectural Barriers Administrative Rules, 16 Texas Administrative Code, Part 4, Chapter 68. If estimated construction costs exceed Fifty Thousand Dollars (\$50,000.00), Construction Documents must be submitted to the Texas Department of Licensing and Regulation (TDLR) for an accessibility plan review.

I. BRIDGE CONSTRUCTION/REHABILITATION

Subrecipient shall use the minimum design requirements of the Texas Department of Transportation (TxDOT) for bridge construction/rehabilitation. Final plans and specifications must be submitted to TxDOT for review and approval prior to the start of construction, and documentation of such approval must be provided to the GLO.

J. DISASTER SHELTERS

Subrecipient shall ensure that the primary purpose of a facility designated a "disaster shelter" is to serve as a disaster shelter, and shall ensure the facility is operated at all times in a manner that ensures that the priority use is to serve as a disaster shelter regardless of any other scheduled uses or commitments that existed at the time of the disaster or emergency situation. In addition, Subrecipient shall prepare or be incorporated into an approved emergency management plan, as prescribed by the Texas Division of Emergency Management, identifying the shelter as a facility that provides short-term lodging for evacuees during and immediately after an emergency situation. Subrecipient shall submit a copy of Subrecipient's Emergency Management Plan Annex for Shelter and Mass Care to the GLO.

K. DEBRIS REMOVAL

Subrecipient shall ensure that any debris to be removed consists primarily of vegetation, construction and demolition materials from damaged or destroyed structures, and personal property. Only debris identified as the responsibility of the local jurisdiction will be eligible for the reimbursement of cost of removal.

Prior to beginning debris collection operations, Subrecipient shall address all pertinent environmental concerns, adhere to all applicable regulations, and obtain all required permits. Further, Subrecipient

shall adhere to the methods described herein for the collection and storage of debris prior to proper disposal.

While construction and demolition debris may be collected and disposed of at an appropriately rated landfill, woody and/or vegetative debris must be stored prior to disposal by use of temporary debris storage and reduction sites (TDSR). Subrecipient will prepare and operate the TDSR sites, or local jurisdictions choosing to conduct their own debris operations may review Chapter 7 of the FEMA Debris Management Guide regarding the use of TDSR sites. This document may be obtained at <https://www.fema.gov/pdf/government/grant/pa/demagde.pdf>.

In order to maintain the life expectancy of landfills, Subrecipients disposing of woody and/or vegetative debris must choose burning, chipping, or grinding as the method of disposal. Any project disposing of woody and/or vegetative debris must be approved in writing by the GLO.

L. USE OF BONDS

Subrecipient must notify the GLO of its issuance and sale of bonds for completion of the Project funded under this Contract.

M. PROGRAM GUIDELINES

Prior to the selection of Program beneficiaries for each Program, Subrecipient shall provide to the GLO, for GLO review and approval, a copy of its proposed guidelines for the Program. The guidelines must meet or exceed the requirements in the Federal Registers. The guidelines must include provisions for compliance with the Federal Fire Prevention and Control Act of 1974 (which requires that any housing unit rehabilitated with grant funds be protected by a hard-wired or battery-operated smoke detector) and provisions for compliance with 24 CFR 35 (HUD lead-based paint regulation), as applicable.

N. COMPLIANCE PERIODS FOR PROGRAMS

Subrecipient shall adopt appropriate compliance periods for each Program or Activity, as applicable, in accordance with Federal Register regulations. The specific compliance period and loan term requirements will be recorded in the Program Guidelines, subject to GLO approval.

O. COASTAL MANAGEMENT

Subrecipient acknowledges and agrees that any Project that may impact a Coastal Natural Resource Area must be consistent with the goals and policies of the Texas Coastal Management Program as described in 31 Texas Administrative Code, Part 16, Chapter 501.

P. INELIGIBLE HOUSING ACTIVITIES

The following are ineligible housing activities:

- (1) Forced mortgage payoff
- (2) Incentive payments to households that move to disaster-impacted floodplains
- (3) Properties that served as second homes at the time of the disaster, or following the disaster, are not eligible for rehabilitation assistance or housing incentives
- (4) Rehabilitation/reconstruction of homes located in the floodway
- (5) Rehabilitation/reconstruction of a home where:
 - i. the combined household income is greater than 120 percent AMI or the national median, and
 - ii. the property was as located in a floodplain at the time of the disaster, and

- iii. the property owner did not maintain flood insurance on the damaged property, even when the property owner was not required to obtain and maintain such insurance.
- (6) Assistance for the repair, replacement, or restoration of a property to a person who has failed to meet Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a), which states that no Federal disaster relief assistance made available in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for “repair, replacement, or restoration” for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditional on the person first having obtained flood insurance under applicable Federal law and the person has subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property.

GLO Information Security Appendix

1. Definitions

“Breach of Security” or “Breach” means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of sensitive personal information including data that is encrypted if the person accessing the data has the key required to decrypt the data.

“Personal Identifying Information” or “PII” means information that alone or in conjunction with other information identifies an individual, as defined at Tex. Bus. & Com. Code § 521.002(1) as of the Effective Date of this Contract.

“Sensitive Personal Information” or “SPI” means the information categories listed at Tex. Bus. & Com. Code § 521.002(2), which as of the Effective Date of this Contract, reads as follows: (A) an individual's first name or first initial and last name in combination with any one or more of the following items, if the name and the items are not encrypted: (i) social security number; (ii) driver's license number or government-issued identification number; or (iii) account number or credit or debit card number in combination with any required security code, access code, or password that would permit access to an individual's financial account; or (B) information that identifies an individual and relates to: (i) the physical or mental health or condition of the individual; (ii) the provision of health care to the individual; or (iii) payment for the provision of health care to the individual. “Sensitive Personal Information” does not include publicly available information that is lawfully made available to the public from the federal government or a state or local government.

2. Security and Privacy Compliance

- 2.1. Subrecipient shall keep all PII and SPI received or generated under the Contract and any documents containing PII or SPI strictly confidential.
- 2.2. Subrecipient shall comply with all applicable federal and state privacy and data protection laws, as well as all other applicable regulations and directives.
- 2.3. Subrecipient shall implement administrative, physical, and technical safeguards to protect PII and SPI that are consistent with the guidelines in the National Institute of Standards and Technology (“NIST”) Cybersecurity Framework Version 1.1. All such safeguards shall comply with applicable data protection and privacy laws.
- 2.4. Subrecipient will legally bind any contractors and their subcontractors to the same requirements stated herein and obligations stipulated in the Contract and documents related thereto. Subrecipient shall ensure that the requirements stated herein are imposed on any subcontractor of Provider’s subcontractor(s).
- 2.5. Subrecipient will not share PII or SPI with any third parties, except as necessary for Subrecipient’s performance under the Contract.

- 2.6. Subrecipient will ensure that initial privacy and security training, and annual training thereafter, is completed by its employees and contractors, including any subcontractor, that have access to PII or SPI or who create, collect, use, process, store, maintain, disseminate, disclose, dispose, or otherwise personally handle PII or SPI on behalf of Subrecipient. Subrecipient agrees to maintain and, upon request, provide documentation of training completion. The requirement for initial privacy and security training may be satisfied by verifiable existing security awareness training.
- 2.7. Any PII or SPI maintained or stored by Subrecipient or any contractor, including any subcontractor, must be stored on servers or other hardware located within the physical borders of the United States and shall not be accessed outside of the United States.

3. Data Ownership

- 3.1. The GLO shall retain full ownership of all data, including PII and SPI, provided to Subrecipient by the GLO.
- 3.2. Upon termination of the Contract, Subrecipient shall promptly return to the GLO all GLO-owned data possessed by Subrecipient and its employees, agents, or contractors, including any subcontractor. Subrecipient shall retain no copies or back-up records of GLO-owned data. If such return is infeasible or causes undue business hardship, as mutually determined by the GLO and Subrecipient, the obligations set forth in this **Attachment G**, with respect to GLO-owned data, shall survive termination of the Contract and Subrecipient shall limit any further use and disclosure of GLO Data to the purposes that make the return of or GLO-owned data infeasible or causes undue business hardship. However, no provision in this Section 3.2 in no event shall circumvent the record-keeping and access requirements of 24 C.F.R. Part 570. In lieu of the requirements in this Section 3.2, the GLO may direct Subrecipient to destroy any GLO-owned data in Subrecipient's possession. Any such destruction shall be certified by Subrecipient.

4. Data Mining

- 4.1. Subrecipient agrees not to use PII or SPI for unrelated purposes, advertising or advertising-related services, or for any other purpose not explicitly authorized by the GLO in the Contract or any document related thereto.
- 4.2. Subrecipient agrees to take all reasonably feasible physical, technical, administrative, and procedural measures to ensure that no unauthorized use of PII or SPI occurs.

5. Breach of Security

- 5.1. Subrecipient agrees to provide the GLO with the name and contact information for a Subrecipient employee which shall serve as the GLO's primary data security contact.

- 5.2. Upon discovery of a Breach of Security or suspected Breach of Security by the Subrecipient, Subrecipient agrees to use commercially reasonable efforts to notify the GLO as soon as possible upon discovery of the Breach of Security or suspected Breach of Security, but in no event shall notification occur later than twenty-four (24) hours after discovery. Notification of a Breach of Security or suspected Breach of Security shall be provided by telephone to one of the following GLO Information Security team members: Brandon Rogers, GLO Information Security Officer, at (512) 463-5763; Larissa Cameron, GLO Privacy Officer, at (512) 475-1438; Arturo Montalvo, Director of Information Security, at (512) 463-5316; and the GLO Office of Information Security (OIS) Monitoring Desk at (512) 839-7021. Within five (5) business days, Subrecipient agrees to provide, at minimum, a written preliminary report regarding the Breach or suspected Breach to the GLO with root cause analysis including a log detailing the data affected.
- 5.3. The initial notification and preliminary report shall be submitted to the GLO Information Security Officer at brandon.rogers@glo.texas.gov.
- 5.4. Subrecipient agrees to take all reasonable steps to promptly mitigate a Breach of Security and reduce the risk of any further Breach of Security.
- 5.5. If the Breach of Security includes SPI, including Social Security Numbers, payment card information, or health information, Subrecipient agrees to provide affected individuals complimentary access for one (1) year of credit monitoring services.

6. Right to Audit

- 6.1. At the GLO's request, Subrecipient agrees to promptly and accurately complete a NIST based information security questionnaire provided by the GLO regarding Subrecipient's business practices and information technology environment. Subrecipient would also agree to provide any external IT service provider's (that they use) SSAE16 SOC Type II, Cloud Security Alliance Cloud Controls Matrix, or similar certification.
- 6.2. In conducting any audit under this section GLO shall keep Subrecipient's business practices and information technology environment ("City Security Information") strictly confidential and shall not use the City Security Information for any other purpose not expressly authorized by the City under this Contract and shall not disclose City Security Information to third parties. GLO shall destroy and certify to such destruction of all City Security Information and any other documents and materials related thereto within five business days of the expiration or termination of this Contract or when the need to know no longer exists, whichever is earlier.
- 6.3. In the event of a breach of system security, subject to applicable laws, Subrecipient shall use reasonable efforts to provide full access and cooperation for all activities determined by HUD and the GLO to be required to ensure an effective incident response, including providing all requested images, log files, and event information to facilitate rapid

resolution of data breaches. All information disclosed, gathered, or accessible to the GLO, or other agency of the State of Texas, the State of Texas or HUD pursuant to this Contract, is considered City Security Information and, subject to applicable laws, is subject to the confidentiality obligations set forth in this Section 6.



Texas General Land Office

Community Development & Revitalization Program

HOUSING

Program Completion Report

Subrecipient/Grant Administrator:

GLO Contract Number:

DUNS No.

Contract Start Date:

Contract End Date:

HOUSING

Part I. General Reports

Certificate of Expenditures:

Activity	GLO-CDR Budget	GLO-CDR Funds Drawn To-Date	GLO-CDR Funds not Received (including pending draws)		Local Contribution	Percent Matched
			GLO-CDR Reserved Funds	Unutilized Funds (Deob)		
Total						0 %

Civil Rights & Citizen Participation:

Requirements met and forms attached: Equal Employment Opportunity Section 3 Excessive Force Policy and Resolution Section 504

Fair Housing Activity (describe):

Work Completed Date:

Certifications:

As Executive Director, I certify that:

- a. All activities undertaken with funds provided under the contract identified in this report, have, to the best of my knowledge, been carried out in accordance with the contract agreement;
- b. The information contained in this Project Completion Report is accurate to the best of my knowledge;
- c. All records related to contractor activities are available for review;
- d. GLO-DR funds were not used to reduce the level of local financial support for housing and community development activities;
- e. The persons to benefit from the activities described in Exhibit A, Performance Statement, of this contract are receiving service or a benefit from the use of the new or improved facilities and activities;
- f. For all activities undertaken with funds provided under the contract identified in this report, promotion of MBE participation has been undertaken;
- e. All requirements to Affirmatively Further Fair Housing have been met; and
- f. Proper provision has been made for the payment of all unpaid costs and unsettled third-party claims and the State of Texas is under no obligation to make any further payment to the recipient under the contract agreement in excess of the amount identified in the Certificate of Expenditures table as "GLO-CDR Reserved Funds".

Name and Title (Print)	Signature	Date
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Attachments: The following documents support this report.

Original Submittal,
also submitted via email

Revision Date revised:

Part II. Performance Report

Report work performed, performance measures and beneficiary data for each contract budget activity.

Actual Accomplishments:

Activity/Project:	<input style="width:100%;" type="text"/>		
Project Description/Location:	<input style="width:100%;" type="text"/>		
Project Accomplishments:	<input style="width:100%;" type="text"/>	Total #:	<input style="width:100%;" type="text"/>

HUD Performance Measures:

Activity	Objective	Outcome
<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>
Benefit Indicator	<input style="width:100%;" type="text"/>	
Special Category	<input style="width:100%;" type="text"/>	

Beneficiary Detail - Activities

Identify all activities that benefit the persons reported on this sheet; report beneficiary details for those persons and households.

Activity:

Beneficiaries by Demographic:

	No. of Persons			No. of Households (demographics of the Head of Household)		
	Male	Female	Total	Male	Female	Total
Gender	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>
Race	Non-Hispanic	Hispanic	Sub-Total	Non-Hispanic	Hispanic	Sub-Total
	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>
Grand Total:	<input style="width:100%;" type="text"/>			<input style="width:100%;" type="text"/>		

Beneficiaries by Income:

Income Level	No. of Persons	No. of Owner Occupied Households	No. of Renter Occupied Households
Very Low (at or below 30% of the AMFI)	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>
Low (31-50% of the AMFI)	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>
Moderate (51-80% of the AMFI)	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>
Non-Low/Moderate (above 80% of the AMFI)	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>
Total	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>	<input style="width:100%;" type="text"/>

Subtotal - All Low/Mod		
Percent Low/Mod	0.00%	0

Click "+" button to include another Activity/Project.

Part III Final Financial Interest Report

Report all contracts executed under this CDBG-DR contract that are valued at or above \$2,000.

Contracts with no subcontractors

Type of Services	Business Name	Contract Amount			Qtr Executed
		CDBG-DR Funds	Other Funds	Total Dollars	

At least one contract executed under this CDBG-DR contract includes subcontracts valued at or above \$10,000.

No contracts executed under this CDBG-DR contract include subcontracts valued at or above \$10,000.

CITY OF HOUSTON

BUYOUT PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following housing activities in the City of Houston in strict accordance with the terms of the Subrecipient's approved Buyout Program Guidelines, Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

The Subrecipient will provide a Buyout Program to remove homes from the housing stock that are in areas with a high risk of flooding or in areas at a high risk of flooding for Low- to Moderate-Income ("LMI") individual households affected by Hurricane Harvey. The Subrecipient may offer buyouts to Low- to Moderate Income individual households under the Low- to Moderate Buyout (LMB) or Low- to Moderate Income Housing Incentive (LMHI) or urgent need (UN), thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5304(b)(3)). Project Delivery and Administration costs, as defined in the State of Texas Plan for Disaster Recovery, enacted May 1, 2018, as amended, will not exceed ten percent (10%) and two percent (2%), respectively, of the total grant allocation. An environmental review must be conducted at all locations prior to the execution and commencement of work.

Eligible activities for the funds are as listed in HCDA section 105(a)(1), 105(a)(7-9) 105(a)(24-25), 5305(a)(8), 24 CFR 570.20(b)(4), and; 24 CFR 570.201(g) including but are not limited to Buyouts; Demolition; Relocation Assistance; Payment of Non-Federal Share; Housing incentives. A waiver eligible under FR-6066-N-01 permits housing incentives and other requirements for one-for one replacement housing, relocation, and Real property acquisition requirements.

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Buyout Program	LMHI	100
Buyout Program	UN	100

Buyout Program

The Subrecipient will offer a Buyout Program that will remove approximately two hundred (200) single family or multifamily homes from areas with high flood risk. The maximum assistance provided to each property will be two hundred fifty thousand dollars (\$250,000) for buyout assistance including incentives/moving and settlement costs and other eligible project costs. The

Subrecipient will purchase residential structures that have flooded and demolish them to create park amenities, open space, or detention areas. The program is voluntary and is intended to assist residents to move out of areas that have been impacted by multiple disasters or are at high risk of flooding from future disasters. The program is also intended to reduce the impact of future disasters, while encouraging targeted revitalization efforts and the creation of open space.

The Subrecipient may work with subrecipients, such as the Harris County Flood Control District or other City Departments to implement this program. If a designee of the Subrecipient is selected, the Subrecipient will work with the designee to choose buyout project locations. Buyouts under this program may be part of a larger City or County buyout strategy, in accordance with a long-term plan for the property to become future open space or detention, to avoid removing a viable property from the housing market. It may include the buyout of impacted single and multifamily housing. Buyout property will be maintained in perpetuity as greenspace, as applicable to buyouts.

To be eligible for Assistance the Residential Structure Homeowner Properties must be Owner-occupied at the time of the storm; served as homeowner's primary residence; sustained damage from Hurricane Harvey; the property is environmentally cleared; and the property is located in a Disaster Risk Reduction Area (DRRA), repetitive flood risk area or Floodplain. The Homeowner applicants and co-applicants must be current on payments for child support; furnish evidence that property taxes are current, under an approved payment plan, or that they have an exemption under current laws and Homeowner applicants must agree to a limited subrogation of any future awards related to Hurricane Harvey, to ensure duplication of benefits compliance.

To be eligible for assistance, the Rental Property must be Renter-occupied at the time of the storm; sustained damage from Hurricane Harvey; the property is environmentally cleared; and the property is located in DRRA, repetitive flood risk area or Floodplain. The Rental Property owners must furnish evidence that property taxes are current, they are under an approved payment plan, or that they have an exemption under current laws.

Buyout Program guidelines will detail applicant or project eligibility requirements, application process, compliance with Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) regulations, and other information.

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City of Houston
Buyout Program Benchmarks

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Housing Guidelines	15%	15%
15% of Program Funds drawn by Subrecipient	15%	30%
25% of Program Funds drawn by Subrecipient	15%	45%
50% of Program Funds drawn by Subrecipient	15%	60%
75% of Program Funds drawn by Subrecipient	15%	75%
100% of Program Funds drawn or activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

City of Houston
Buyout Program Budget

Activity No	HUD Activity Type	Grant Award	Other Funds	Total
18-###-###_MI_BP-LMI_CityofHouston	Buyout Program – LMHI	\$18,360,000	\$0	\$18,360,000
18-###-###_MI_BP-UN_CityofHouston	Buyout Program - UN	\$18,360,000	\$0	\$18,360,000
18-###-###_MI_BP-LMI_CityofHouston	Project Delivery- BP-LMHI	\$2,040,000	\$0	\$2,040,000
18-###-###_MI_BP-UN_CityofHouston	BP-Project Delivery - UN	\$2,080,000	\$0	\$2,080,000
	TOTAL	\$40,800,000	\$0	\$40,800,000

CITY OF HOUSTON

ECONOMIC REVITALIZATION PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following economic revitalization activities in the City of Houston in strict accordance with the terms of the Subrecipient's approved Program Guidelines, Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

The Subrecipient will provide an Economic Revitalization Program to help create job for Low to Moderate Income ("LMI") individuals and to improve the economic viability of areas affected by Hurricane Harvey in order to meet the National Objective of benefiting low- to moderate-income persons, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5304(b)(3)). Project Delivery costs will be not exceed six percent (6%).

Economic Revitalization activities that are eligible for funding are listed in HCDA section 105(a)(17), 105(a)(19), 105(a)(22). Economic revitalization activities must contribute to the long-term recovery and restoration of housing. A waiver eligible under FR-6066-N-01 permits other national objective documentation and public benefit standards.

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Economic Revitalization Program	LMI	813 jobs created/ retained

Economic Revitalization Program

The Subrecipient will offer an Economic Revitalization Program, which will support a comprehensive recovery by creating or retaining eight hundred thirteen (813) jobs at or below fifty thousand (\$50,000) per job created or retained for low and moderate-income persons through the provision of capital, credit and technical assistance to businesses, including microenterprises. Assistance may be provided through loans or grants, and assistance may be part of a revolving loan fund. It is intended that this program will support small businesses that include, but is not limited to, those providing housing construction services, to work with and complement the housing programs funded with Community Development Block Grant-Disaster Recovery funds. Economic revitalization activities must contribute to the long-term recovery and restoration of housing. The Subrecipient may utilize public and private nonprofit agencies, authorities, or

organizations and for-profit organizations to carry out the program. The application or Notice of Funding Availability/ Request for Proposal (NOFA/ RFP) process will clearly establish the process and acceptance period, threshold criteria, and the award process. Selection criteria will likely include: the need for program, cost reasonableness and effectiveness, activity management and implementation, and experience/past performance. Eligible subrecipients include public or private nonprofit agencies, authorities, or organizations and for-profit organizations.

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City of Houston
Economic Revitalization Program Benchmarks

Benchmark	Incremental Cap for Charges by Benchmark for Project Delivery Funds	Cumulative Billing Cap by Benchmark for Project Delivery Funds
Approval of Notice Housing Guidelines, or NOFA/RFP.	15%	15%
15% of Program Funds drawn by Subrecipient	15%	30%
25% of Program Funds drawn by Subrecipient	15%	45%
50% of Program Funds drawn by Subrecipient	15%	60%
75% of Program Funds drawn by Subrecipient	15%	75%
100% of Program Funds drawn or activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

City of Houston
Economic Revitalization Program Budget

Activity No	HUD Activity Type	Grant Award	Other Funds	Total
18-###-###_MI_ER-LMI_CityofHouston	Economic Revitalization - LMI	\$28,448,944	\$0	\$28,448,944
18-###-###_MI_ER-LMI_CityofHouston	ER-Project Delivery-LMI	\$1,815,890	\$0	\$1,815,890
	TOTAL	\$30,264,834	\$0	\$30,264,834

CITY OF HOUSTON

HOMEBUYER ASSISTANCE PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following housing activities in the City of Houston in strict accordance with the terms of the Subrecipient’s approved Homebuyer Assistance Program Guidelines, Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

The Subrecipient will provide a Homebuyer Assistance Program to provide funds for down payment, closing cost, principal buydown, and other direct financial assistance for Low- to Moderate-Income (“LMI”) individual households and households earning between eighty percent (80%) and one hundred twenty percent (120%) Area Median Income (AMI), in order to meet the dual National Objectives of benefiting low- to moderate-income persons and meeting an urgent need, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5304(b)(3)). Project Delivery and Administration costs, as defined in the State of Texas Plan for Disaster Recovery, enacted May 1, 2018, as amended, will not exceed ten percent (10%) and two percent (2%), respectively, of the total grant allocation for both Non-Rental and Rental Activities. An environmental review must be conducted at all locations prior to the execution and commencement of work.

This activity is eligible for Community Development Block Grant – Disaster Recovery funds as listed in 24 CFR 570.201(n) and HCDA section 105(a)(24). A waiver eligible under FR-6066-N-01 permits Homeownership assistance for households earning up to one hundred twenty percent (120%) Area Median Income and down payment assistance for up to one hundred percent (100%) of the down payment.

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Homebuyer Assistance Program	LMI	200
Homebuyer Assistance Program	UN	452

Homebuyer Assistance Program

The Subrecipient will provide a Homebuyer Assistance Program, which will assist eligible applicant households earning up to one hundred twenty percent (120%) of the area median income (AMI) to purchase a home. The program will assist approximately six hundred fifty-two (652) eligible households, of which it is estimated two hundred (200) will be low to moderate income households. The Homebuyer Assistance Program will prioritize households that were impacted by Hurricane Harvey, to facilitate the movement of low to moderate income households into new homes after their homes were damaged by Hurricane Harvey. Assistance may include down payment assistance, closing cost assistance, principal buydown, and other direct financial assistance to homebuyers to finance the purchase of a home. Direct homeownership assistance under 570.201(n) allows the Subrecipient to pay up to one hundred percent (100%) of the down payment amount required by the lender. The City may also utilize other forms of direct homebuyer assistance such as subsidizing interest rates and mortgage principal amounts, including making grants to reduce the effective interest rate on the amount needed by the eligible household to achieve an affordable mortgage payment level. The maximum amount per unit is thirty thousand dollars (\$30,000). Refer to the Homebuyer Assistance Program Guidelines for additional technical guidance.

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City of Houston
Homebuyer Assistance Program Benchmarks

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Homebuyer Assistance Guidelines	15%	15%
15% of Program Funds drawn by Subrecipient	15%	30%
25% of Program Funds drawn by Subrecipient	15%	45%
50% of Program Funds drawn by Subrecipient	15%	60%
75% of Program Funds drawn by Subrecipient	15%	75%
100% of Program Funds drawn or activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

City of Houston
Homebuyer Assistance Program Budget

Activity No	HUD Activity Type	Grant Award	Other Funds	Total
18-###-###_MI_HBA-LMI_CityOfHouston	Homebuyer Assistance Program - LMI	\$6,000,000	\$0	\$6,000,000
18-###-###_MI_HBA-UN_CityOfHouston	Homebuyer Assistance Program - UN	\$13,567,170	\$0	\$13,567,170
18-###-###_MI_HBA-UN_CityOfHouston	HBA-Project Delivery-LMI	\$666,667	\$0	\$666,667
18-###-###_MI_HBA-UN_CityOfHouston	HBA-Project Delivery-UN	\$1,507,463	\$0	\$1,507,463
	TOTAL	\$21,741,300	\$0	\$21,741,300

CITY OF HOUSTON

HOMEOWNER ASSISTANCE PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following housing activities in the City of Houston in strict accordance with the terms of the Subrecipient's approved Homeowner Assistance Program Guidelines, Contract, and all Attachments, whether attached physically or incorporated by reference.

Homeowner Assistance Program (HoAP)

The Subrecipient will provide City Managed Rehabilitation, Elevation and Reconstruction, Reimbursement, Acquisition, Homeowner Managed Rehabilitation, and Interim Mortgage Assistance. Activities are for Low to Moderate Income ("LMI") individual households and non-Low to Moderate Income individuals that were affected by Hurricane Harvey in order to meet the dual National Objectives of benefiting low-to moderate-income persons and meeting an Urgent Need, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5304(b)(3)). Project Delivery and Administration costs, as defined in the State of Texas Plan for Disaster Recovery, enacted May 1, 2018, as amended, will not exceed ten (10%) and two percent (2%), respectively, of the total grant allocation. An environmental review must be conducted at all locations prior to the execution and commencement of work.

Eligible housing activities allowed under CDBG-DR; HCDA Section 105(a)(1), 105(a)(3-4), 105(a)(8) 105(a)(11), 105(a)(18), and 105(a)(25), 24 CFR 570.201(g) include but are not limited to single family owner-occupied rehabilitation and reconstruction; Hazard mitigation; Relocation assistance; demolition only; other activities associated with the recovery of impacted single family housing stock; payment of non-federal share. A waiver eligible under FR-6066-N-01 permits housing incentives and other requirements for one-for-one replacement housing, relocation, and Real property acquisition requirements. A modification to the limitation on emergency grant payments for interim mortgage assistance will also be used as stated in the same Federal Register.

The following estimated activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
City Managed Rehabilitation	LMI	1,348
City Managed Rehabilitation	UN	67
Reimbursement	LMI	177
Reimbursement	UN	1,519

Acquisition	LMI	35
Homeowner Managed Rehabilitation	LMI	221
Homeowner Managed Rehabilitation	UN	259
Interim Mortgage Assistance	LMI	353
Interim Mortgage Assistance	UN	88
Total		4,067

The City of Houston will be performing the following housing activities as part of the Homeowner Assistance Program (HoAP) within the city limits of Houston. Refer to the Homeowner Assistance Program Guidelines for further technical guidance regarding each program. Guidelines must be posted on the Subrecipient's website.

City Managed, Elevation, Rehabilitation and Reconstruction

The Subrecipient will provide homeowner rehabilitation and reconstruction assistance activities for an estimated one thousand four hundred fifteen (1,415) households of which it is anticipated that one thousand three hundred forty-eight (1,348) will be Low to Moderate Income households. The City will manage and complete the construction process for the rehabilitation or reconstruction of damaged homes on behalf of homeowners. The City anticipates contracting with a firm(s) to provide design and construction services for the rehabilitation or reconstruction of damaged properties.

Subrecipient must ensure that, upon completion, the rehabilitated, repaired, or reconstructed portion of each property complies with local building codes, and that the entire structure complies with local health and safety codes and standards and all applicable federal, state, and local building codes, the City's Minimum Property Standards (MPS), and compliance with one of the Green Building Standards as required by the Harvey Federal Register.

All reconstructed and newly constructed housing units must comply with the universal design features in new construction, as established by the GLO's Construction Standards, RESCHECK Certification, the International Residential Codes, as required by Subchapter G, Chapter 214, Local Government Code and one of the following Specifications, such as Energy Standards verified by a U.S. Department of Energy Building Energy Codes Program. All replacement housing, including manufactured housing units or modular homes, must comply with Housing and Urban

Development (HUD), program guidelines, construction standards and state, local, or regional building codes, as applicable.

Subrecipient shall conduct at a minimum a 50% inspection and final inspection as required by the GLO rehabilitation and reconstruction standards to meet the International Residential Code 2012, or the Local, County, State, or Federal Code, whichever is most stringent. If any Housing Units are located within a Catastrophe Area, as defined in Section 2210.005 of the Texas Insurance Code and suffer damage due to windstorms and/or hail, Subrecipient obtain certificates of completion from the Texas Department of Insurance pursuant to the requirements of Section 2210.2515 of the Texas Insurance Code and City's permitting office.

Reimbursement

The Subrecipient will offer a reimbursement option to an estimated one thousand six hundred ninety-six (1,696) households of which it is estimated that one hundred seventy-seven (177) will be Low to Moderate Income households. The assisted households will have completed partial or full repairs on their home before applying to the program. Households may be eligible for reimbursement of eligible expenses incurred, prior to application to the program, for work performed to minimum program standards, following an environmental clearance. Xactimate or a similar industry standard tool will be used to ensure cost reasonableness and the work will be verified through an on-site inspection by subrecipient or subrecipient's designee.

Subrecipient must ensure that, upon completion, the rehabilitated, repaired, or reconstructed portion of each property complies with local building codes, and that the entire structure complies with local health and safety codes and standards and all applicable federal, state, and local building codes, including the City's Minimum Property Standards (MPS).

Subrecipient shall conduct a final inspection (site inspection verifying completion of repairs).

Homeowner Managed Rehabilitation, Elevation and Reconstruction

The Subrecipient will provide a Homeowner Managed Rehabilitation option for four hundred eighty (480) households of which it is estimated that two hundred twenty-one (221) will be Low to Moderate Income households. The Subrecipient will assist homeowners to manage their own rehabilitation process and will provide construction advisory services for homeowners. The program will allow homeowners who have started the process and are under contract with a contractor at the time of application but need financial assistance to complete repairs. Homeowners will select their own licensed and insured contractor(s) and contract verifications, subject to approval and verification by the Subrecipient. Xactimate® or similar industry standard tools will be used to ensure cost reasonableness and the work will be validated through an on-site inspection. Homeowner managed rehabilitation, elevation, and reconstruction will only be available to homeowners who have initiated the repair process and are under contract with a contractor at the time of application.

Subrecipient must ensure that, upon completion, the rehabilitated, repaired, or reconstructed portion of each property complies with local building codes, and that the entire structure complies with local health and safety codes and standards and all applicable federal, state, and local building codes, including the City's Minimum Property Standards (MPS)

Subrecipient shall conduct progress inspections to verify repairs are completed and requirements are satisfied.

Acquisition

The Subrecipient may elect to voluntarily acquire single family homes for rehabilitation or reconstruction. The home acquired may then be reconstructed through the Single-Family Development Program or rehabilitated or reconstructed by partners. These homes would then be offered for sale to Low to Moderate homebuyers or to another homeowner with a damaged home. It is estimated that the Acquisition option may acquire an estimated thirty-five (35) homes. Assistance will be provided to homeowners located in a floodplain or residing in a repetitive flood area that agree to relocate outside of the floodplain. The Relocation incentive assistance will be offered. Applicant may receive post-disaster fair market value, which may include incentives. However, incentives may not be given to applicants that move into disaster-impacted floodplains.

Interim Mortgage Assistance

The Subrecipient will offer interim mortgage assistance for an estimated four hundred forty-one (441) households of which it is estimated that three hundred fifty-three (353) will be Low to Moderate Income households. Assistance will be provided to homeowners being served under the Homeowner Assistance Program who are making both a mortgage payment on their storm-damaged home and making a rental payment for their temporary home. These homeowners may be eligible to receive up to twenty (20) months of assistance based on the lesser of their monthly mortgage and temporary rental housing payments. This option may be considered when the rehabilitation or reconstruction of a home extends beyond three (3) months, during which mortgage payments may be due, but the home remains uninhabitable. Determination of reasonable and necessary award amounts, including duplication of benefits calculation, retroactive eligibility, and specific performance milestones for the rehabilitation/reconstruction of homes, will be established in the program guidelines.

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City of Houston
Homeowner Assistance Program Benchmarks

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Housing Guidelines	15%	15%
15% of Program Funds drawn by Subrecipient	15%	30%
25% of Program Funds drawn by Subrecipient	15%	45%
50% of Program Funds drawn by Subrecipient	15%	60%
75% of Program Funds drawn by Subrecipient	15%	75%
100% of Program Funds drawn or activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

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City of Houston
Homeowner Assistance Program Budget

Activity No	HUD Activity Type	Grant Award	Other Funds	Total
City Managed Rehabilitation	Rehabilitation & Reconstruction - LMI	\$156,382,597	\$0	\$156,382,597
City Managed Rehabilitation	Rehabilitation & Reconstruction - UN	\$5,345,649	\$0	\$5,345,649
Reimbursement	Reimbursement -LMI	\$14,138,260	\$0	\$14,138,260
Reimbursement	Reimbursement -UN	\$121,553,039	\$0	\$121,553,039
Acquisition	Acquisition - LMI	\$7,069,130	\$0	\$7,069,130
Homeowner Managed Rehabilitation	Homeowner Managed Rehabilitation - LMI	\$17,672,825	\$0	\$17,672,825
Homeowner Managed Rehabilitation Option	Homeowner Managed Rehabilitation - UN	\$20,691,298	\$0	\$20,691,298
Interim Mortgage Assistance	Interim Mortgage Assistance Option - LMI	\$8,482,956	\$0	\$8,482,956
Interim Mortgage Assistance	Interim Mortgage Assistance Option - UN	\$2,120,739	\$0	\$2,120,739
Project Delivery	HoAP - Project Delivery - LMI	\$22,778,307	\$0	\$22,778,307
Project Delivery	HoAP - Project Delivery - UN	\$16,494,636		\$16,494,636
	TOTAL	\$392,729,436	\$0	\$392,729,436

City of Houston
Administration and Planning Program Budget

Activity No	HUD Activity Type	Grant Award	Other Funds	Total
18-###-###_ MI_Admin- CityOfHouston	Administration Program	\$20,835,088	\$0	\$20,835,088
18-###-###_MI- Plan- CityofHouston	Planning Program	\$23,100,000	\$0	\$23,100,000
	TOTAL	\$43,935,088	\$0	\$43,935,088

CITY OF HOUSTON

MULTIFAMILY RENTAL PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following housing activities in the City of Houston in strict accordance with the terms of the Subrecipient’s approved Multifamily Rental Program Guidelines, Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

The Subrecipient will repair multifamily properties and build new multifamily developments for Low- to Moderate Income (“LMI”) individual households affected by Hurricane Harvey, in order to meet the National Objective of benefiting low- to moderate income persons, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5304(b)(3)). Project Delivery and Administration costs, as defined in the State of Texas Plan for Disaster Recovery, enacted May 1, 2018, as amended, will not exceed ten percent (10%) and two percent (2%), respectively, of the total grant allocation. An environmental review must be conducted at all locations prior to the execution and commencement of work.

Eligible activities include rehabilitation, reconstruction, new construction, and acquisition. HCDA Section 105 (a)(1), 105(a)(3-4), 105(a)(7-8), 105(a)(11), and 105(a)(14-15). A waiver eligible under FR-6066-N-01 permits new housing construction.

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Multifamily Rental Program	LMI	1,530

Multifamily Rental Program

The Subrecipient will offer a Multifamily Rental Housing program to provide an additional one thousand five hundred thirty (1,530) affordable units for low- to moderate-income households within the City of Houston. The program will include new construction, the acquisition and/or rehabilitation of multifamily rental housing, and strategic land acquisition for multifamily developments. The program will address the affordable housing shortage and meet the needs of disaster impacted rental households, including those in public housing. This program will also provide housing designed to meet the needs of special populations. Subrecipient will prioritize transactions leveraged with housing tax credits, conventional equity, conventional debt, tax exempt debt, deferred developer fees, seller notes, in-kind equity and other potential funding sources. The maximum award is forty million dollars (\$40,000,000) per development. The eligibility criteria include the following:

- i. Project must meet Community Development Block Grant-Disaster Recovery eligibility requirements

- ii. Development must be located within the city limits of Houston, except in certain cases where the City and County partner on projects that provide housing
- iii. At a minimum, fifty-one percent (51%) of the units rehabilitated or developed will be reserved for a lien period for low to moderate income households earning eighty percent (80%) or less of the Area Median Family Income (AMFI) at affordable rents. For rehabilitation or reconstruction, the lien period will be a minimum of fifteen (15) years, and for new construction, the lien period will be a minimum of twenty (20) years.
- iv. Any substantial rehabilitation, as defined by 24 CFR 5.100, or new construction of a building with more than four rental units will include installation of broadband infrastructure, as required.
- v. Property owners receiving disaster assistance that triggers the flood insurance purchase requirement have a statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance in writing and to maintain such written notification in the documents evidencing the transfer of the property, and the transferring owner may be liable if he or she fails to do so.
- vi. Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a) prohibits flood disaster assistance in certain circumstances. In general, it provides that no Federal disaster relief assistance in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for “repair, replacement, or restoration” for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditioned on the person first having obtained flood insurance under applicable Federal law and the person has subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property. No disaster assistance may be provided for the repair, replacement, or restoration of a property to a person who has failed to meet this requirement.

Refer to the approved Multifamily Rental Program Guidelines for further technical guidance.

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City of Houston
Multifamily Rental Program Benchmarks

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Multifamily Rental Program Guidelines	15%	15%
15% of Program Funds drawn by Subrecipient	15%	30%
25% of Program Funds drawn by Subrecipient	15%	45%
50% of Program Funds drawn by Subrecipient	15%	60%
75% of Program Funds drawn by Subrecipient	15%	75%
100% of Program Funds drawn or activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

City of Houston
Multifamily Rental Program Budget

Activity No	HUD Activity Type	Grant Award	Other Funds	Total
18-###-###_MI_R-Multi-LMI_CityOfHouston	Multifamily Rental Program - LMI	\$289,150,722	\$0	\$289,150,722
18-###-###_MI_R-CityOfHouston	Multi-Project Delivery-LMI	\$32,127,858	\$0	\$32,127,858
	TOTAL	\$321,278,580	\$0	\$321,278,580

CITY OF HOUSTON

PUBLIC SERVICES PERFORMANCE STATEMENT

Subrecipient shall carry out the following public services activities in the City of Houston in strict accordance with the terms of the Subrecipient's approved Public Services Guidelines, Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

The Subrecipient will provide public services to approximately three hundred thousand (300,000) low- and moderate-income ("LMI") persons affected by Hurricane Harvey to support residents to find housing, remedy housing issues, or to become more resilient in future disasters in order to meet the National Objective of benefiting low- to moderate-income persons, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5304(b)(3)). Project Delivery and Administration costs, as defined in the State of Texas Plan for Disaster Recovery, enacted May 1, 2018, as amended, will not exceed ten percent (10%) for housing activities and 6% for non-housing activities and two percent (2%), respectively, of the total grant allocation for both Non-Rental and Rental Activities. An environmental review must be conducted on all projects prior to the execution and commencement of work. Eligible activities include the provision of public services as listed in HCDA Sec. 105(a)(8).

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Public Services	LMI	300,000

Public Services Program

The Subrecipient will provide public services to approximately three hundred thousand (300,000) low to moderate income persons. The program will provide a comprehensive approach to recovery for Houstonians. These services will support residents to find housing, remedy housing issues, and/or become more resilient in future disasters, creating a stronger, more prepared community. Services will be made accessible to individuals with wide-ranging barriers through varying outreach strategies, partnerships with organizations serving people with disabilities, and making accommodations, as needed.

Services may include housing counseling, legal assistance, transportation services, fair housing services, health/mental health services, employment training, workforce development, and other services to address the needs of those impacted by Hurricane Harvey. To address the needs of those impacted who have become homeless or are at risk of becoming homeless. Housing

counseling and legal assistance services will assist in furthering fair housing by addressing housing barriers and allowing residents greater choice to move to neighborhoods with higher opportunity. Employment training and workforce development programs, including those that support housing recovery and housing construction, will address the need for job skills to support recovery. In addition, workforce development will help boost long-term recovery by supplying residents of impacted communities with the necessary skills and opportunities to increase household income. To address the needs of those impacted who have become homeless or are at risk of becoming homeless, services may include subsistence payments, rental housing subsidies, security deposits, and other services to assist in housing and/or rehousing this population.

The provision of public services is also intended to assist residents in preparing and qualifying for housing programs offered by the Subrecipient. Remedying title or tax issues through legal services and providing housing counseling for low to moderate income communities may prepare more residents to become eligible for programs such as the Subrecipients Homeowner Assistance and Homebuyer Assistance Programs.

Refer to the approved Public Services Guidelines for further technical guidance.

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City of Houston
Public Services Benchmarks

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Public Services Guidelines	15%	15%
15% of Program Funds drawn by Subrecipient	15%	30%
25% of Program Funds drawn by Subrecipient	15%	45%
50% of Program Funds drawn by Subrecipient	15%	60%
75% of Program Funds drawn by Subrecipient	15%	75%
100% of Program Funds drawn or activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

City of Houston
Public Services Program Budget

Activity No	HUD Activity Type	Grant Award	Other Funds	Total
18-###-###_MI_Public-LMI_CityofHouston	Public Service - LMI	\$56,760,000	\$0	\$56,760,000
18-###-###_MI_Public-LMI_CityofHouston	Public-Project Delivery-LMI	\$3,240,000	\$0	\$3,240,000
	TOTAL	\$60,000,000	\$0	\$60,000,000

CITY OF HOUSTON

SINGLE FAMILY DEVELOPMENT PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following housing activities in the City of Houston in strict accordance with the terms of the Subrecipient’s approved Single Family Development Guidelines, Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

The Subrecipient will provide new affordable single family homes for Low- to Moderate-Income (“LMI”) individual households affected by Hurricane Harvey, in order to meet the National Objective of benefiting low- to moderate-income persons, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5304(b)(3)). Project Delivery and Administration costs, as defined in the State of Texas Plan for Disaster Recovery, enacted May 1, 2018, as amended, will not exceed ten (10%) and two percent (2%), respectively, of the total grant allocation for both Non-Rental and Rental Activities. An environmental review must be conducted at all locations prior to the execution and commencement of work.

New construction is eligible based on information provided in the Federal Register waiving the requirements of 42 U.S.C.(a) HCDA Section 105 (a)(1), 105(a)(4), 105(a)(7-8), 105(a)(11), 105(a)(14-15); A waiver eligible under FR-6066-N-01 permits new housing construction.

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Single Family Development	LMI	1,020

Single Family Development Program

The Subrecipient will offer a Single Family Development Program to provide one thousand twenty (1,020) new affordable single family homes for low and moderate income homebuyers This program will work in conjunction with other recovery programs to provide housing options for those directly impacted by Hurricane Harvey and those indirectly impacted due to the resulting shortage of available housing.

The construction cost is limited to two hundred thousand dollars (\$200,000) per home, however additional allocations, above the two hundred thousand dollars (\$200,000) threshold may be provided to address certain site-specific conditions including accessibility needs environmental

issues, resiliency/mitigation measures, municipal ordinances, and neighborhood requirements. Additional allocations may be allowed based on the submitted application, onsite inspection and additional requirements that will be outlined in the Standard Operating Procedure. The City will work with applicants who require American with Disabilities (ADA) accommodations to select properties that satisfy their ADA needs; and/or will incorporate ADA construction for new homes built on empty lots. The maximum award of assistance was estimated utilizing information from existing repair and reconstruction programs. The maximum amount of assistance for each unit constructed and inclusive of site-specific conditions shall not exceed two hundred seventy-two thousand dollars (\$272,000). Refer to the approved Single-Family Development Guidelines for further technical guidance.

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City of Houston
Single Family Development Program Benchmarks

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Housing Guidelines	15%	15%
15% of Program Funds drawn by Subrecipient	15%	30%
25% of Program Funds drawn by Subrecipient	15%	45%
50% of Program Funds drawn by Subrecipient	15%	60%
75% of Program Funds drawn by Subrecipient	15%	75%
100% of Program Funds drawn or activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

City of Houston
Single Family Development Program Budget

Activity No	HUD Activity Type	Grant Award	Other Funds	Total
18-###-###_MI_SF-LMI_CityofHouston	Single Family Development Program - LMI	\$183,600,000	\$0	\$183,600,000
18-###-###_MI_SF-LMI_CityofHouston	SF Project Delivery -LMI	\$20,400,000	\$0	\$20,400,000
	TOTAL	\$204,000,000	\$0	\$204,000,000

CITY OF HOUSTON

SMALL RENTAL PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following housing activities in the City of Houston in strict accordance with the terms of the Subrecipient’s approved Small Rental Program Guidelines, Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

The Subrecipient will rehabilitate small rental properties (one (1) to seven (7) units) for Low- to Moderate-Income (“LMI”) individual households affected by Hurricane Harvey in order to meet the National Objective of benefiting low- to moderate-income persons, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5304(b)(3)). Project Delivery and Administration costs, as defined in the State of Texas Plan for Disaster Recovery, enacted May 1, 2018, as amended, will not exceed ten (10%) and two percent (2%), respectively, of the total grant allocation for both Non-Rental and Rental Activities. An environmental review must be conducted at all locations prior to the execution and commencement of work.

Eligible Program activities include Rehabilitation, Reconstruction, New Construction, and Acquisition. HCDA Section 105 (a)(1), 105(a)(3-4), 105(a)(7-8), 105(a)(11), and 105(a)(14-15). A waiver eligible under FR-6066-N-01 permits new housing construction

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Small Rental Program	LMI	600

Small Rental Program

The Subrecipient will provide a Small Rental Program to rebuild the affordable rental housing stock damaged by Hurricane Harvey by rehabilitating small rental properties (defined in this program as individual buildings with no more than seven (7) residential units) and create new housing stock through infill development of new small rental properties. This program, along with the Multifamily Rental Program, intends to meet the increased demand for affordable rental housing in Houston by rehabilitating or building approximately six hundred (600) units of rental housing, which will be available to low-and moderate-income households. It will provide financial assistance, through forgivable loans, to landlord applicants who serve a low- to moderate-income market. Refer to the approved Small Rental Program Guidelines for further technical guidance.

Property owner applicants must provide proof that the property taxes are current, have an approved payment plan, or have an approved property tax exemption in place. Applicants must agree to a limited subrogation of any future awards related to Hurricane Harvey according to duplication of benefits requirements and agree to lien period and lien requirements.

Properties must not be in a floodway and have an environmental clearance.

Developments must meet Community Development Block Grant- Disaster Recovery eligibility requirements and be located within the city limits of Houston (except in certain cases where the City and County partner on projects that provide housing).

If a single-family unit is rehabilitated or developed, it must be reserved for low to moderate income households. At least two (2) units in a duplex or triplex must be reserved for low to moderate income households. Any substantial rehabilitation, as defined by 24 CFR 5.100, or new construction of a building with more than four (4) rental units will include installation of broadband infrastructure, as required. Developments may include more than one (1) property, such as with a scattered site rental development.

Property owners receiving disaster assistance that triggers the flood insurance purchase requirement have a statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance in writing and to maintain such written notification in the documents evidencing the transfer of the property, and the transferring owner may be liable if he or she fails to do so. Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a) prohibits flood disaster assistance in certain circumstances. In general, it provides that no Federal disaster relief assistance made available in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for "repair, replacement, or restoration" for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditioned on the person first having obtained flood insurance under applicable Federal law and the person has subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property. No disaster assistance may be provided for the repair, replacement, or restoration of a property to a person who has failed to meet this requirement.

Applicable elevation requirements will apply to development and rehabilitation.

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City of Houston
Small Rental Program Benchmarks

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Small Rental Program Guidelines	15%	15%
15% of Program Funds drawn by Subrecipient	15%	30%
25% of Program Funds drawn by Subrecipient	15%	45%
50% of Program Funds drawn by Subrecipient	15%	60%
75% of Program Funds drawn by Subrecipient	15%	75%
100% of Program Funds drawn or activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

City of Houston
Small Rental Program Budget

Activity No	HUD Activity Type	Grant Award	Other Funds	Total
18-###-###_MI_R-Small-LMI_CityofHouston	Small Rental Program - LMI	\$55,084,590	\$0	\$55,084,590
18-###-###_MI_R-Small-LMI_CityofHouston	Small - Project Delivery- LMI	\$6,120,510	\$0	\$6,120,510
	TOTAL	\$61,205,100	\$0	\$61,205,100



**AMENDMENT NO. 1 TO
GLO CONTRACT NO. 19-076-008-B357**

THE GENERAL LAND OFFICE (the "GLO") and CITY OF HOUSTON ("Subrecipient"), each a "Party" and collectively "the Parties" to GLO Contract No. 19-076-008-B357 (the "Contract"), desire to amend the Contract.

WHEREAS, the Parties desire to replace Subrecipient's DUNS Number with its Texas Identification Number (TIN); and

WHEREAS, the Parties desire to revise or replace certain language in the Contract to correct certain administrative errors; and

WHEREAS, the Parties desire to revise the Performance Statement, Budget, and Benchmarks for Infrastructure Projects;

NOW, THEREFORE, the Parties agree as follows:

1. Subrecipient's DUNS Number **145057811** is deleted from the Contract and replaced with the Texas Identification Number (TIN) **17460011640**.
2. **ATTACHMENT A** to the Contract, **Performance Statements, Budget, and Benchmarks for Housing Projects**, is deleted in its entirety and replaced with the **Revised Performance Statement, Budget, and Benchmarks for Housing Projects**, attached hereto and incorporated herein in its entirety for all purposes as **ATTACHMENT A-1**.
3. **SECTION 8.28** of the Contract is deleted in its entirety and replaced with the following:

"8.28 STATEMENTS OR ENTRIES

WARNING: ANY PERSON WHO KNOWINGLY MAKES A FALSE CLAIM OR STATEMENT TO HUD MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES UNDER 18 U.S.C. § 287, 18 U.S.C. § 1001, AND 31 U.S.C. § 3729.

Except as otherwise provided under federal law, any person who knowingly and willfully falsifies, conceals, or covers up a material fact by any trick, scheme, or device; makes any materially false, fictitious, or fraudulent statement or representation; or makes or uses any false writing or document despite knowing the writing or document to contain any materially false, fictitious, or fraudulent statement

or entry shall be prosecuted under Title 18, United States Code, § 1001.

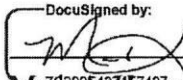
Under penalties of 18 U.S.C. § 287, 18 U.S.C. § 1001, and 31 U.S.C. § 3729, the undersigned Subrecipient representative hereby declares that he/she has examined this Contract and Attachments and, to the best of his/her knowledge and belief, any statements, entries, or claims made by Subrecipient are true, accurate, and complete.”






4. This Amendment shall be effective upon the date of the last signature.
5. The terms and conditions of the Contract not amended herein shall remain in force and effect.

SIGNATURE PAGE FOLLOWS

**SIGNATURE PAGE FOR AMENDMENT NO. 1 TO
GLO CONTRACT NO. 19-076-008-B357**

GENERAL LAND OFFICE

DocuSigned by:

Mark A. Havens, Chief Clerk/
Deputy Land Commissioner
Date of execution: 4/29/2020

OGC	
PM	
SDD	
DGC	
GC	

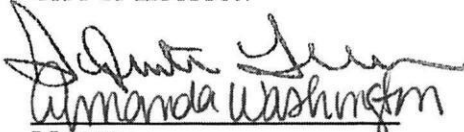
ATTACHED TO THIS AMENDMENT:

ATTACHMENT A-1 Revised Performance Statement, Budget, and Benchmarks for Housing Projects

CITY OF HOUSTON SIGNATURE PAGE FOLLOWS

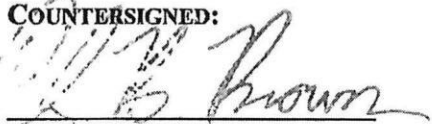
**CITY OF HOUSTON SIGNATURE PAGE FOR AMENDMENT NO. 1 TO
GLO CONTRACT NO. 19-076-008-B357**

CITY OF HOUSTON


MAYOR

4-8-2020
DATE


CITY SECRETARY Assistant

COUNTERSIGNED:

CITY CONTROLLER

DATE OF COUNTERSIGNATURE:
4-14-2020

APPROVED:
DocuSigned by:
Tom McLasland 4/7/2020
**DIRECTOR, HOUSING AND
COMMUNITY DEVELOPMENT
DEPARTMENT**

APPROVED AS TO FORM:
DocuSigned by:
Myrna Weingold 4/8/2020
SENIOR ASSISTANT CITY ATTORNEY

SUBRECIPIENT NAME: CITY OF HOUSTON

HOUSING PERFORMANCE STATEMENT

Subrecipient shall carry out the following housing activities in the City of Houston area in strict accordance with the terms of Subrecipient's or GLO's approved Housing Guidelines (where applicable), Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

Subrecipient will fund the purchase of multifamily properties, assist with the relocation of residents, and demolish structures to reduce density in vulnerable areas. The proposed Activities will remove housing from the floodplain and prevent residential flooding in the future. This is a voluntary program and eminent domain will not be used. The City and/or a subrecipient, such as the Harris County Flood Control District, will carry out the program. Properties will be returned to green space to help absorb water and mitigate street and residential flooding in the future. Only properties impacted by a 2016 flood event are eligible. Properties will be dedicated and maintained in perpetuity for use that is compatible with open space. Subrecipient will remove approximately 3 properties from the floodplain and/or high flood risk areas. The City of Houston will utilize assessments provided with Harris County MOD and FEMA data to identify areas or homes that are at risk of flooding again and were impacted by the 2016 flood events. The program will benefit an area where at least 51% of residents are low- and moderate-income (LMI) households, as well as arrange for the demolition of dilapidated structures and conversion of property to open space. An environmental review must be conducted at all locations prior to the execution and commencement of work.

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Properties
Buyout	LMI	3

Buyout Program (BP-LMI)

Subrecipient will remove approximately 3 of properties from high flood risk areas.

Subrecipient must ensure that, upon completion, the acquired (buyout) property will be dedicated and maintained in perpetuity for use that is compatible with open space. The locations of these properties have not been determined at this time.

Subrecipient will offer relocation assistance for up to an estimated 3 properties. Assistance will be provided to residents located in a floodplain that agree to relocate outside of the floodplain. The properties acquired with funds provided under this Contract may be used for green space or as recreational area.

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CITY OF HOUSTON
HOUSING BENCHMARKS

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Housing Guidelines (where applicable)	15%	15%
15% of Project Funds drawn by subrecipient	15%	30%
25% of Project Funds drawn by subrecipient	15%	45%
50% of Project Funds drawn by subrecipient	15%	60%
75% of Project Funds drawn by subrecipient	15%	75%
100% of Project Funds drawn or Activities closed by subrecipient	20%	95%
Closeout of grant accepted	5%	100%

CITY OF HOUSTON
HOUSING BUDGET

HUD Activity Type	Program Activity Type	Grant Award	Other Funds	Total
Acquisition - buyout of residential properties	Buyout Program – LMI	\$22,178,653	\$0	\$22,178,653
Acquisition - buyout of residential properties	Buyout Program _ Project Delivery– LMI	\$838,312	\$0	\$838,312
Administration	Buyout Program - Admin- LMI	\$469,733	\$0	\$469,733
TOTAL		\$23,486,698	\$0	\$23,486,698

EXHIBIT "B"

FEDERAL CONTRACT REQUIREMENTS

EXHIBIT "B"

FEDERAL CONTRACT REQUIREMENTS

All references to "Contractor" in this Exhibit shall apply to any contractor, or subcontractor performing work on behalf of the Contractor pursuant to the foregoing Agreement/Contract, as applicable. The following Federal Contract Requirements will generally apply to all Contractors. Also see 2 CFR Part 200; applicable federal program requirements at 24 CFR Part 570 (CDBG), 24 CFR Part 92 (HOME), 24 CFR Part 574 (HOPWA), 24 CFR Part 576 (Emergency Solutions Grant); and applicable laws, rules and regulations relating to other programs administered by the U.S. Department of Housing and Urban Development ("HUD").

SECTION 1

Public Law 88-352 and Public Law 90-284; Affirmatively Furthering Fair Housing; Executive Order 11063

A. The Contractor shall comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352 42 U.S.C. §2000d et seq.) ("Title VI") and with Title 24 Code of Federal Regulations (CFR) Part 1, which implements Title VI. In accordance with Title VI, no person in the United States shall, on the basis of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Contractor receives federal financial assistance. The Contractor will immediately take any measures necessary to comply with Title VI. If any real property or structure thereon is provided or improved with the aid of federal financial assistance, this clause shall obligate the owner, or in the case of any transfer of such property, any transferee, to comply with the requirements and restrictions contained in this clause for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

B. The Contractor shall comply with Public Law 90-284, which refers to Title VII of the Civil Rights Act of 1968, also known as the Fair Housing Act (42 U.S.C. §3601 et seq.), which provides that it is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States and prohibits any person from discriminating in the sale of rental of housing, the financing of housing, or the provision of brokerage services, including otherwise making unavailable or denying a dwelling to any person, because of race, color, religion, sex or national origin. In accordance with the Fair Housing Act, the Secretary of HUD requires that grantees administer all programs and activities related to housing and urban development in a manner to affirmatively further the policies of the Fair Housing Act. Furthermore, in accordance with section 104(b)(2) of the Act, for each community receiving a grant, the certification that the grantee will affirmatively further fair housing shall specifically require the grantee to take meaningful actions to further the goals identified in the grantee's AFH conducted in accordance with the requirements of 24 CFR §§5.150 - 5.180 and take no action that is materially inconsistent with its obligation to affirmatively further fair housing.

C. Executive Order 11063, as amended by Executive Order 12259 (3 CFR §§1959-1963 Com., p. 652; 3 CFR §1980 Comp., p 307) (Equal Opportunity in Housing), and implementing regulations in 24 CFR Part 107, as applicable.

SECTION 2

Non-Discrimination in Programs and Activities

The Contractor shall comply with the Age Discrimination Act of 1975 and implementing federal regulations, **42 U.S.C. §6101 et seq.**, issued pursuant to the Act. Any prohibition against discrimination on the basis of age under the Age Discrimination Act, or with respect to an otherwise qualified handicapped individual as provided in Chapter 126 of Title 42 and chapter 5 of Title 47 shall also apply to any such program or activity. (Also see 29 U.S.C.A. §794)

SECTION 3

National Flood Insurance Program

A. If applicable, this Agreement is subject to the requirements of the Flood Disaster Protection Act of 1973 (P.L. 93-234) for areas identified by HUD as having special flood hazards. The use of any funds provided for acquisition or construction in identified areas shall be subject to the Mandatory Purchase of Flood Insurance requirements of section 102(a) of said act.

B. 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 the land is located in an area identified by HUD as having a special flood hazard, provisions which obligate the transferee and its successors or assigns to obtain and maintain, during the life of the project, flood insurance as required under section 102(a) of the Flood Disaster Protection Act of 1973, as amended. These provisions shall be required notwithstanding the fact that the construction on the land is not itself funded with funds provided under this Agreement.

SECTION 4

Displacement, Relocation, Acquisition and Replacement of Housing

Contractor understands that projects funded hereunder may be subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. §4601-4655), as applicable; and that individuals or businesses that are required to move from real property, permanently or involuntarily as a direct result of rehabilitation, demolition, or acquisition for the project assisted hereunder must be compensated pursuant to the URA.

SECTION 5
Employment and Contracting Opportunities

A. **Executive Order 11246, as amended by Executive Orders 11375,11478, 12086, and 12107 (Equal Employment Opportunity)**

The Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion sex, or national origin. Contractor will take affirmative action to ensure applicants are employed, and 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. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding, a notice to be provided by the City, advising the labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, as amended, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor set forth at 41 CFR Part 60.

(5) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of the U.S. Department of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Agreement or with any of such rules, regulations or orders, this Agreement may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, as amended, other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24,1965, as amended, or by rule, regulation, or order of the Secretary of the U.S. Department of Labor, or as otherwise provided by law.

(7) The Contractor will include provisions similar to paragraph 1 through 7 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of the U.S. Department of Labor, issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, as amended, so that such provisions will be binding upon subcontractors or vendors. The Contractor will take such action with respect to any subcontract or purchase order as the City may direct as a means of enforcing such provisions including sanctions for noncompliance: PROVIDED, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the City, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

B. Section 3 Of The Housing and Urban Development Act of 1968

(1) The work to be performed under this Agreement is on a project assisted under a program providing federal financial assistance from the Department of Housing and Urban Development (HUD). Section 3 of the Housing and Urban Development Act of 1968, as amended, (12 U.S.C. §1701u, "Section 3") and implementing regulations at 24 CFR Part 135 apply to the Agreement. Under Section 3, to the greatest extent feasible, for any contract award in excess of \$100,000, the Contractor shall give opportunities for training and employment to lower-income residents of the City and shall award contracts for work in connection with the project to business concerns which are located in or owned in substantial part by persons residing in the City.

(2) The Contractor will comply with the provisions of Section 3, and all applicable rules and orders of HUD issued thereunder prior to the execution of the Agreement. The Contractor certifies and agrees that there is no contractual or other disability which would prevent compliance with these requirements.

(3) The Contractor shall 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 the labor organization or workers' representative of the 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) The Contractor will include or have included a Section 3 clause in every subcontract for work in connection with the project. The Contractor shall, at the direction of the City, take appropriate action pursuant to any subcontract upon a finding that the subcontractor is in violation of this Section 3 clause. The Contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135. The Contractor shall not let any subcontract unless the subcontractor has provided the Contractor with a preliminary statement of ability to comply with the requirements of this Section 3 clause.

(5) Compliance with the provisions of Section 3, and all applicable rules and orders of HUD issued thereunder prior to the execution of this Agreement shall be a

condition of the federal financial assistance provided to the project. These provisions are binding upon the City, its contractors and subcontractors, their successors and assigns. Failure to fulfill these requirements shall subject the City, its contractors and subcontractors, their successors and assigns to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided.

(6) The Contractor shall have completed, signed and delivered a Voluntary Compliance Form (provided by the City) to the Director prior to the execution of this Agreement.

SECTION 6
Lead-Based Paint Poisoning Prevention Act

The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. §§4851-4856), and the implementing regulations at 24 CFR Part 35, Subparts A, B, J, K and R may apply to activities under the Agreement.

SECTION 7
Use of Debarred, Suspended, or Ineligible Contractors or Subrecipients

(a) The Contractor shall not employ, award contracts to, or otherwise engage the services of any contractor or subcontractor during any period of debarment, suspension, or placement in ineligibility status under the provisions of 24 CFR Part 5 or under the authority of the City.

(b) The Contractor shall not use federal funds for any contract for the construction, alteration or repair of the project funded under this Agreement with any contractor or subcontractor listed on the governmentwide Excluded Parties List System in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR Part 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp., p. 189) and 12689 (3 CFR Part 1989 Comp., p. 235), "Debarment and Suspension." The Excluded Parties List System in SAM contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

SECTION 8
Uniform Administrative Requirements, Cost Principles and Audit Requirements

The Contractor shall comply with "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards" as set forth under 2 CFR Part 200, as applicable.

SECTION 9
Conflict of Interest

A. In the procurement of supplies, equipment, construction, and services by the City or a subrecipient, the conflict of interest provisions in 2 CFR Part 200, Subpart B - General Provisions, shall apply.

B. In all cases not governed by 2 CFR Part 200, Subpart B, the provisions of this section shall apply. Such cases include, but may not be limited to, the acquisition and disposition of real property and the provision of assistance by the recipient, by its subrecipients, or to individuals, businesses or other private entities under eligible activities which authorize such assistance (e.g. rehabilitation, preservation, and other improvements of private properties or facilities).

- (i) No persons described in paragraph (ii) (below) who exercise or have exercised any functions or responsibilities with respect to federal activities or who are in a position to participate in a decision-making process or gain inside information with regard to federal assisted activities, may obtain a personal or financial interest or benefit from, or have any interest in any contract, subcontract, or agreement or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter with respect to the federal assisted activity, or with respect to the proceeds of the federal assisted activity.
- (ii) The requirements of paragraph (i) apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, of any designated public agency, or subrecipient which receives funds under the federal grant.

SECTION 10
Eligibility for Aliens Not Lawfully Present in U.S.

Contractor understands that aliens not lawfully present in the U.S., as described in 49 CFR §24.208, are not eligible to apply for benefits under certain federal activities.

SECTION 11
Compliance with Clean Air and Water Acts

This Agreement may be subject to the requirements of the Clean Air Act, as amended (42 U.S.C. §§7401-7671q), the Federal Water Pollution Control Act, as amended (33 U.S.C. §§1251-1387) and the regulations issued under the Clean Air Act and the Federal Water Pollution Control Act and by the Environmental Protection Agency. In compliance with, the regulations, Contractor agrees that:

A. No facility to be utilized in the project or program is on the list of Violating Facilities issued by the U.S. Environmental Protection Agency (EPA) pursuant to **40 CFR §15.20**.

B. The Contractor will comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, (42 U.S.C. §§7401-7671q), and the Federal Water Pollution Control Act, as amended (33 U.S.C. §§1251-1387).

C. As a condition for the award of this Agreement, the Contractor shall give prompt notice to the City of any notification of violations received from the Office of Federal Activities or the EPA, indicating that a facility utilized or to be utilized is under consideration to be listed on the EPA List of Violating Facilities.

D. The Contractor will include or cause to be included the requirements contained in paragraphs A through C of this clause in every lower-tier nonexempt contract and will take such action as the City may direct as a means of enforcing such provisions.

E. In no event shall any amount of the funds provided under the Agreement be utilized with respect to a facility which has given rise to a conviction under section 113(c)(1) of the Clean Air Act or section 309(c) of the Federal Water Pollution Control Act.

F. Contractors who receive subcontracts/subgrants of amounts in excess of \$150,000 are required to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. §§7401-7671q) and the Federal Water Pollution Control Act, as amended (33 U.S.C. §§1251-1387).

G. Any violations of this Section 12 must be reported to the Federal awarding agency, the Regional Office of the Environmental Protection Agency (EPA), and the City.

SECTION 12 **Architectural Barriers Act**

The Architectural Barriers Act of 1968 (42 U.S.C. §§4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of "residential structure" as defined in 24 CFR §40.2 or the definition of "building" as defined in 41 CFR §101-19.602(a) is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. §§4151-4157) and shall comply with the Uniform Federal Accessibility Standards (Appendix A to 24 CFR Part 40 for residential structures, and Appendix A to 41 CFR Part 101-19, Subpart 10119.6, for general type buildings).

SECTION 13 **The Americans with Disabilities Act**

The Americans with Disabilities Act, also referred to as the ADA (42 U.S.C. §12131; 47 U.S.C. §§155, 201, 218 and 225), provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy no later than January 25, 1993 that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable--that is, easily accomplishable and able to be carried out without much difficulty or expense.

SECTION 14
Records for Audit Purposes

Without limitation to any other provision of the foregoing Agreement/Contract the Contractor shall maintain all records concerning the program or project financed under this Agreement which the City reasonably requires from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient pursuant to 2 CFR §200.333. The Contractor shall maintain records required by **24 CFR §135.92** for the period required under 2 CFR §200.333. The Contractor will give the City, HUD, the Comptroller General of United States, the General Accounting Office, or any of their authorized representatives access to and the right to examine, copy, or reproduce all records pertaining to the acquisition and construction of the project and the operation of the program or project. The right to access shall continue as long as the records are required to be maintained **under 2 CFR §200.336**.

SECTION 15
Audit Requirements

A. Limited Scope Audit - Contractor understands that Non-Federal entities that expend less than \$750,000 a year in Federal awards are exempt from Federal audit requirements for that year, but records must be available for review and audit as described hereinabove at Section 17. Contractor further understands that limited scope audits can and may be required by the City for non-Federal entities that expend less than \$750,000. If the City requires such limited scope audits, same shall be performed in accordance with 2 CFR Part 200, Subpart F - Audit Requirements.

B. Single Audit - Single Audit - Contractor further understands that non-Federal entities that expend \$750,000 or more a year in Federal awards shall have a single audit conducted pursuant to 2 CFR Part 200, Subpart F - Audit Requirements, except when an election is made to have a program specific audit pursuant to and described in 2 CFR Part 200, Subpart F - Audit Requirements. Once the Contract is executed, Contractor understands that it is barred from considering such audit and must have a single audit conducted as described hereinabove.

SECTION 16
Additional Federal Requirements under 2 CFR PART 200, Appendix II, as applicable

(A) **Simplified Acquisition Threshold.** Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. §1908, as may be amended from time to time, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) **Contract Minimum for Termination for Cause and Convenience.** All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be affected and the basis for settlement.

(C) **Davis Bacon Act, as amended (40 U.S.C. §§3141–3148)**. When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. §§3141–3144, and 3146–3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(D) **Copeland Anti-Kick Back Act**. Contracts must also include a provision for compliance with the Copeland “Antikickback” Act (40 U.S.C. §3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(E) **Contract Work Hours and Safety Standards Act (40 U.S.C. §§3701–3708)**. Where applicable, all contracts awarded by the nonfederal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §3702 and §3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. §3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. §3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) **Rights to Inventions made under a Contract or Agreement**. If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

(G) **Energy Policy and Conservation Act.** Contractor must comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. §6201).

(H) **Byrd Anti-Lobbying Amendment (31 U.S.C. §1352).** Contractors that apply or bid for an award of \$100,000 or more must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. §1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(I) **Procurement of Recovered Materials.** See 2 CFR §200.322.

EXHIBIT "C"

OPERATING BUDGET

Revenue	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
								\$120,000	\$100,000	\$80,000	\$60,000	\$40,000	\$20,000
Expenses													
Utilities													
Insurance								\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800
Property Management Fees								\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800
Office Salary								\$3,600	\$3,000	\$2,400	\$1,800	\$1,200	\$600
Office Rent								\$16,666	\$16,666	\$16,666	\$16,666	\$16,666	\$16,666
Trash								\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Office Internet and Phone								\$350	\$350	\$350	\$350	\$350	\$350
Advertising and Promotion								\$700	\$0	\$0	\$0	\$0	\$0
Software Costs								\$400	\$400	\$400	\$400	\$400	\$400
Pest Control								\$450	\$450	\$450	\$450	\$450	\$450
Maintenance								\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700
Total expenses								\$42,166	\$40,566	\$39,566	\$38,766	\$37,966	\$37,166
Net Operating Income								\$77,834	\$59,434	\$40,434	\$21,234	\$2,034	(\$17,166)

*Estimate based on Effective Date of March 2021 with Feasibility of 90 Days with two 30 Day Extensions. Estimated closing in Sep 2021. Wind down period from Sept - Jan 2022

SCHEDULE 1

VOLUNTARY ACQUISITION – INFORMATIONAL NOTICE

[EXECUTED TO BE INSERTED]

VOLUNTARY ACQUISITION – Informational Notice - (Agencies with Eminent Domain Authority)

Grantee or Agency Letterhead

NOTICE OF INTEREST

January 8, 2020

Dear Mr. Wood:

City of Houston, is interested in acquiring property you own at 3200 North MacGregor Way, Houston Texas 77004 for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the Multi Family Buyout Program. Federal funds are administered by the City's Housing and Community Development Department.

Please be advised that the City of Houston possess eminent domain authority to acquire property, however, in the event you are not interested in selling your property, or if we cannot reach an amicable agreement for the purchase of your property, we will **not** pursue its acquisition under eminent domain. Your property is not a necessary part of the proposed project and is not part of an intended, planned, or designed project area where substantially all of the property within the area is to be acquired.

The fair market value is estimated to be \$5,580,000.00 to purchase your property. However, since this transaction is voluntary; current or future negotiations may result in a different price that may be the same, or higher or lower than this amount. Please contact us at your convenience if you are interested in selling your property.

The property must be evaluated in accordance with the environmental regulations at 24 C.F.R. Part 58 and the National Environmental Policy Act (NEPA) at 40 C.F.R. Parts 1500-1508, as applicable. If the information found indicates that the property is not compliant with an applicable law or authority, the Seller(s) and Buyer(s) must be provided the opportunity to withdraw from the agreement.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are **not** eligible for relocation assistance. However, tenant-occupants displaced as a result of voluntary acquisition may be entitled to URA relocation assistance and must be informed in writing as soon as feasible.

If you have any questions about this notice or the proposed project, please contact

Rupa Sen, Real Estate Manager
2100 Travis Street, 9th FL | Houston, Texas 77002
832-394-6217 | rupa.sen@houstontx.gov

Very truly yours,

Tom McCasland, Director

SELLER'S RECEIPT AND ACKNOWLEDGMENT OF NOTICE OF INTEREST

Name: _____ Date _____
Title: _____

Name: _____ Date _____
Title: _____

SCHEDULE 2

TEXAS DISCLOSURES

1.1 **Notice Required by Chapter 49, Water Code.** If all or any part of the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services pursuant to Chapter 49 of the Texas Water Code, then Seller shall deliver to Purchaser, and Purchaser shall execute, the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district prior to or concurrently with the execution and delivery of this Agreement.

1.2 **Notice Required by § 13.257, Water Code.** Pursuant to Section 13.257 of the Texas Water Code, please be advised as follows: "The real property, described above, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property." Purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of this Agreement for the purchase of the Land and improvements described herein.

1.3 **Annexation Notice.** To the extent Section 5.011 of the Texas Property Code is applicable to all or any portion of the Property or this transaction, Purchaser hereby acknowledges and agrees that Seller delivered the following notice to Purchaser prior to execution of this Agreement:

"NOTICE REGARDING POSSIBLE ANNEXATION

If the property that is the subject of this Agreement is located outside the limits of a municipality, the property may now or later be included in the extraterritorial jurisdiction. To determine if the property is located within a municipality's extraterritorial jurisdiction or is likely to be located with a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the property for further information. The foregoing notice has been given solely in order to comply with Section 5.011 of the Texas Property Code and Seller makes no representation whether and to what extent the property may already be located within the limits of a municipality."

1.4 **STATUTORY NOTICE REGARDING POSSIBLE LIABILITY FOR ADDITIONAL TAXES.**

"STATUTORY NOTICE REGARDING POSSIBLE LIABILITY FOR ADDITIONAL TAXES. If for the current ad valorem tax year the taxable value of the land that is the subject of this Agreement is determined by a special appraisal method that allows for appraisal of the land at less than

its market value, the person to whom the land is transferred may not be allowed to qualify the land for that special appraisal in a subsequent tax year and the land may then be appraised at its full market value. In addition, the transfer of the land or a subsequent change in the use of the land may result in the imposition of an additional tax plus interest as a penalty for the transfer or the change in the use of the land. The taxable value of the land and the applicable method of appraisal for the current tax year is public information and may be obtained from the tax appraisal district established for the County in which the land is located.”

1.5 **Intentionally Deleted.**

1.6 **Additional Texas Statutory Notices.**

1.6.1 . INTENTIONALLY DELETED

1.6.2 **Notice of Property Located in an Agricultural Development District.** If the Property is located in an agricultural development district, then in accordance with § 60.063 of the Texas Agricultural Code: (1) Seller shall give to Purchaser a written notice that the Property is located in such a district at least one (1) business day prior to the expiration of the Option Period; (2) Purchaser agrees to acknowledge receipt of the notice in writing once received; and (3) at the Closing, a separate copy of the notice with current information about the district will be executed by Seller and Purchaser and recorded in the deed records of the county in which the Property is located.

1.6.3 **Public Improvement Districts.** If the Property is in a public improvement district, §5.014 of the Texas Property Code, requires Seller to notify Purchaser as follows: As a Purchaser of this Property, Purchaser is obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372 of the Texas Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Purchaser's failure to pay the assessments could result in a lien on and the foreclosure of the Property.

1.6.4 **Propane Gas System Service Area.** If the Property is located in a propane gas system service area owned by a distribution system retailer, Seller must give Purchaser written notice as required by § 141.010 of the Texas Utilities Code, which notice shall be given at least one (1) business day prior to the expiration of the Option Period.

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2021-0183

AGREEMENT FOR OPTION TO PURCHASE REAL PROPERTY

This Agreement for Option to Purchase Real Property (this "Agreement") is made and entered into by and between **MONTICELLO SQUARE, LLC**, a Texas limited liability company ("Seller"), and the **CITY OF HOUSTON, TEXAS**, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas ("Purchaser"). Seller and Purchaser shall sometimes hereinafter collectively be referred to as the "**parties**" and each as a "**party**". This Agreement shall be effective on the date that it is countersigned by the City Controller of the City of Houston, Texas (the "Effective Date").

Whereas, Purchaser is a subrecipient of Community Development Block Grant – Disaster Recovery ("CDBG-DR16") funds administered by the U.S. Department of Housing and Urban Development ("HUD") through the Texas General Land Office ("GLO") related to disaster relief long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from DR-4269-TX (the Tax Day Flood) or DR-4272-TX (the May 2016 Flood Events); and

Whereas, Purchaser is a subrecipient of Hurricane Harvey Community Development Block Grant – Disaster Recovery ("CDBG-DR17") funds administered by the U.S. Department of Housing and Urban Development ("HUD") through the Texas General Land Office ("GLO"); and

Whereas, Purchaser desires to utilize CDBG-DR16 and CDBG-DR17 funds to purchase that certain Property, as defined in Section 1 of this Agreement, and to pay related CDBG-DR-eligible expenses for the purpose of meeting the CDBG-DR National Objective of benefitting low and moderate-income ("LMI") persons by creating an LMI Area benefit through the expansion of greenspace and/or detention which will benefit at least 51% of the LMI residential service area.

Now, therefore, Seller and Purchaser hereby agree as follows:

1. Option to Purchase. Purchaser has the exclusive option and right (the "Option") to purchase and accept from Seller, for the Purchase Price (as hereinafter defined) and subject to the terms and conditions of this Agreement, the following tract or parcel of land comprising of approximately 4.4107 acres of land described as: 5312 Clarewood Drive, City of Houston, Harris County, Texas 77081:

Lots Seven (7) and Eight (8), Block Sixteen (16), AMENDED FIRST SUBDIVISION OF WESTMORELAND FARMS, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 3, Page 60, of the Map of Harris County, Texas

being more particularly described by **Exhibit "A"** and being made a part of this Agreement (the "Land"), together with all improvements thereon (including approximately 122,352 square feet of multi-family residential improvements) and all fixtures permanently attached thereto, including but not limited to plumbing and wiring, (but excluding Chattels, as that term is defined in Section 10 of this Agreement), all

rights and interests appurtenant to the above-described Land, including all of Seller's rights, title and interest, if any, in and to adjacent streets, alleys, rights-of-way, easements, any adjacent strips or gores of land (collectively, the "Improvements"). The Land and Improvements are collectively referred to in this Agreement as the "Property." Notwithstanding the legal description for the Land contained in this Agreement, the parties agree that for purposes of conveyance of the Land, the final location, acreage, and metes and bounds description of the Land shall be determined by the New/Updated Survey described in Section 6(d) of this Agreement, which will be attached as the legal description to include in the Deed referred to in Section 8(c) of this Agreement. The Property shall be conveyed to Purchaser at Closing (as defined in Section 8(b) of this Agreement), in its entirety, free and clear of all liens, claims, easements and encumbrances whatsoever, except for the Permitted Encumbrances (as defined in Section 6(g)(ii) of this Agreement).

2. Purchase Price. The price for which Seller agrees to sell and convey the Property to Purchaser, and which Purchaser agrees to pay to Seller, subject to the terms of this Agreement, the amount of **THIRTEEN MILLION EIGHT HUNDRED THOUSAND AND 00/100 DOLLARS (\$13,800,000.00)** ("Purchase Price"). Purchaser shall pay the Purchase Price to Seller by wire of such amount in immediately available funds to an account designated by the Title Company (as defined in Section 5(a) of this Agreement) on the Closing Date (as defined in Section 8(b) of this Agreement), subject to any adjustments provided for in this Agreement.

3. Seller's Representations, Warranties and Covenants. Seller hereby represents and warrants to, and covenants with Purchaser that:

a. Seller will have, as of the Closing Date, good and indefeasible title in fee simple to the Property, subject only to the Permitted Encumbrances, and free and clear of all liens;

b. As of the Closing Date, to Seller's knowledge there will be no leases, franchises, licenses, occupancy agreements, or other agreements demising space in, providing for the use or occupancy of, or otherwise similarly affecting or relating to the Property, or any prepaid rents or deposits, security or otherwise, made by tenants, other than as has been disclosed in writing to Purchaser, including leases of current tenants provided for on the rent roll to be delivered at Closing;

c. There are no and, as of the Closing Date, there will be no actions, suits, claims, assessments that are past due, or proceedings pending or, to the actual knowledge of Seller, threatened that could materially adversely affect the ownership, operation, or maintenance of the Property or Seller's ability to perform under this Agreement, other than as has been disclosed in writing to Purchaser;

d. The Property is located within: (i) the city limits of the City of Houston, Texas; (ii) in a targeted buyout area under the City's Hurricane Harvey (DR-17) and the City's Disaster Recovery (DR-16) CDBG-DR Multi-family Voluntary Buyout Program (the "Program"); (iii) in the 100-year floodplain; and (iv) the Property was substantially damaged by Hurricane Harvey and/or a major disaster declared in 2016, DR-4269-TX (the Tax Day Flood) or DR-4272-TX (the May 2016 Flood Events);

e. From the Effective Date of this Agreement until the Closing Date, Seller shall use commercially reasonable efforts to promptly notify, in writing, Purchaser of any material change with respect to the Property or with respect to any information respecting the Property and obtained by seller prior to or after the Effective Date;

f. From the Effective Date of this Agreement until the Closing Date, Seller shall:

(i) maintain and operate the Property in a good and business-like manner in accordance with good and prudent business practices, and not commit or consent to be committed any waste to the Property;

(ii) not enter into any agreement, instrument, or covenant or take any action that would constitute an encumbrance of the Property, that would bind Purchaser or the Property, or that would be outside the normal scope of maintaining and operating the Property, without the prior written consent of Purchaser; and

(iii) afford Purchaser and its representatives the continuing right to enter, inspect, and perform tests on the Property at reasonable hours and upon reasonable notice, and provide for inspection to Purchaser any and all books, records, contracts, and other documents or data pertaining to the ownership, insurance, operation, or maintenance of the Property in Seller's possession, excluding privileged and confidential information.

g. All bills, property taxes, and other payments due from Seller with respect to the ownership, operation, and maintenance of the Property through the Closing Date have been (or by the Closing Date will be) paid by Seller and no liens, delinquent property taxes, or other claims for the same have been (or by the Closing Date will be) filed or asserted against any part of the Property;

h. Seller has full right, power and authority to execute, deliver, and perform this Agreement without obtaining any consents or approvals from, or the taking of any other actions with respect to, any third parties (or if any such consents, approvals, or other actions are required, the same will be accomplished prior to the Seller's execution of this Agreement and Purchaser's submission of this Agreement to the City Council of the City of Houston, Texas for its approval), and this Agreement, when executed and delivered by Seller and Purchaser, in the manner and subject to the approvals described herein, will constitute the valid and binding agreement of Seller, enforceable against Seller in accordance with its terms;

i. Seller is not a "foreign person" (as defined in Internal Revenue Code Section 1445(f)(3) and its appurtenant regulations);

j. Seller (i) is not in receivership or dissolution, (ii) has not made any assignment for the benefit of creditors, (iii) has not admitted in writing their inability to pay their debts as they mature, (iv) has not been adjudicated a bankrupt, (v) has not filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law, or any other similar law or statute of the United States or any state, or (vi) does not have any such petition described in (v) filed against Seller;

k. Seller is not "debarred" as cited on federal and state debarment lists in accordance with 24 C.F.R. Section 570.609 or other applicable law;

l. Seller is not indebted to the City nor in default of, or the subject of any negative collection actions relating to, any financial obligation to the City of Houston, Texas, any other public agency, or private lender;

m. Seller does not discriminate based on ethnicity, race, color, creed, religion, gender, national origin, age, disability, marital status, sexual orientation, gender identity, or Veteran's discharge status; and

n. Seller is aware that Purchaser is relying on the representations and warranties contained in this Agreement, and that but for such representations and warranties by Seller, Purchaser would not enter into this Agreement.

4. Purchaser's Representations, Warranties, and Covenants.
Purchaser hereby represents and warrants to, and covenants with, Seller that:

a. Purchaser has full right, power, and authority to execute, deliver, and perform this Agreement, subject to approval of this Agreement by the City Council of the City of Houston, Texas, the signature of the Mayor of the City of Houston, Texas and the countersignature of the City Controller of the City of Houston, Texas, but otherwise without obtaining any consents or approvals from, or the taking of any other actions with respect to, any third parties, except for such consents, approvals and actions outlined herein, which consents, approvals, or other actions must be accomplished prior to the expiration of the Option Period (as defined in Section 6(b) of this Agreement).

b. The Purchaser's ability to proceed to Closing is subject to the availability and approval of federal funds, including CDBG-DR funds to purchase the Property, prior to the expiration of the Option Period.

c. The Purchaser's exercise of the Option is subject to the Purchaser's determination during the Option Period on the desirability of the Property as a result of the Purchaser's completion of due diligence investigations regarding the Property, including environmental review of the Property in accordance with the applicable law and the terms of this Agreement.

d. This Agreement, when executed and delivered by Seller and Purchaser, in the manner and subject to the approvals described in this Section 4, will constitute the valid and binding agreement of Purchaser, enforceable against Purchaser in accordance with its terms. Purchaser is aware that Seller is relying on the representations and warranties contained in this Agreement, and that but for such representations and warranties by Purchaser, Seller would not enter into this Agreement.

5. **Option Fee.**

a. The option fee for this Option Agreement is **ONE HUNDRED SIXTY-THREE THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$163,500.00)** (the "Option Fee"). The Option Fee shall be deposited in escrow with Chicago Title Insurance Company (the "Title Company") within fifteen (15) days following the Effective Date. The Title Company shall acknowledge receipt of the Option Fee and shall hold the Option Fee in an interest-bearing account.

Escrow Officer: Mr. Rudy Ruiz
Chicago Title Company
3700 Buffalo Speedway, Suite 1100
Houston, Texas 77098
Telephone: (713) 418-7032
Email: rudy.ruiz@ctt.com

b. A portion of the Option Fee in the initial amount of **ONE HUNDRED TWENTY FIVE THOUSAND AND 00/100 DOLLARS (\$125,000.00)** shall be non-refundable and forfeited to Seller as independent consideration if Purchaser terminates the Agreement due to inability to obtain HUD or GLO environmental clearance for the Property or any other reason, provided that the amount of the Option Fee that is non-refundable (the "Non-Refundable Option Deposit") will increase in the event of an extension of the Option Period, as detailed in Section 5(c), and the Title Company shall release the Non-Refundable Option Deposit to Seller within five (5) business days after receipt (including the increased portion as of the date of each Extension Notice, if any). At Closing (as defined in Section 8(b) of this Agreement), the Non-Refundable Option Deposit shall be applied to the Purchase Price.

c. Purchaser shall have the right to elect to extend the initial ninety (90)-day Option Period (as defined below) by exercising up to three (3) extension rights of thirty (30) days each by delivering written notice of such election to exercise an extension right ("Extension Notice") to Seller and the Title Company not later than by 5:00 p.m. Central Time on the date which is three (3) business days prior to the expiration of the then-current Option Period.

(i) For the first extension of the Option Period, the Non-Refundable Option Deposit shall be increased by **FIFTEEN THOUSAND AND 00/100 DOLLARS (\$15,000.00)** for a total Non-Refundable Option Deposit of **ONE HUNDRED FORTY THOUSAND AND 00/100 DOLLARS (\$140,000.00)**.

(ii) For the second extension of the Option Period, the Non-Refundable Option Deposit shall be increased by **TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00)** for a total Non-Refundable Option Deposit of **ONE HUNDRED FIFTY THOUSAND AND 00/100 DOLLARS (\$150,000.00)**.

(iii) For the third extension of the Option Period, the Non-Refundable Option Deposit shall be increased by **TEN THOUSAND AND 00/100 DOLLARS (\$10,000.00)** for a total Non-Refundable Option Deposit of **ONE HUNDRED SIXTY THOUSAND AND 00/100 DOLLARS (\$160,000.00)**.

d. The Option Fee shall be applied to the Purchase Price if Purchaser issues a notice to Seller exercising the Option ("Exercise Notice") and proceeds to Closing. If Purchaser fails to issue an Exercise Notice, prior to the expiration of the Option Period, this Agreement shall automatically terminate, in which event the Title Company shall release the Non-Refundable Option Deposit to Seller, and neither party hereto shall have any further rights, duties, obligations or liabilities hereunder except those provisions hereof that expressly survive such termination.

6. Option Period.

a. Within ten (10) days following the Effective Date, Seller shall provide to Purchaser the following items in Seller's possession or in the possession of a third party who is controlled by Seller including those currently under a contract with Seller with respect to the Property:

- (i) Copy of the Deed acquiring title to the Property and copies of all tax bills and/or government assessments relating to the Property for the past three years, if any;
- (ii) A copy of an existing survey of the Property (the "Existing Survey");
- (iii) Copies of all soil, engineering and environmental reports and environmental testing, inspection or remediation services with respect to the Property, if any;
- (iv) Copies of any contracts which are not voidable in thirty (30) days;
- (v) Copies of all current leases, licenses, and other agreements granting any third party any rights to possess or use any portion of the Property, and any other agreements affecting the Property that would survive Closing; and
- (vi) Income statements and balance sheets.

b. Commencing on the Effective Date and ending at the expiration of ninety (90) days, plus any extension period, exercised under Section 5(c) of this Agreement (collectively, the "Option Period"), Purchaser shall have the right to enter the property during the Option Period to conduct a due diligence investigation of the Property, and Seller shall pay for such cost and expense (but subject to reimbursement at Closing as provided in Section 8(c)(i)(5)), including but not limited to analyzing any land use or regulatory issues affecting the Purchaser's proposed development on the Property, reviewing Seller's environmental reports, if any, and conducting tests and surveys, and undertaking such other reviews and activities as Purchaser, in its sole but reasonable discretion, may deem necessary, and to obtain required third party approvals necessary to proceed with the purchase of the Property, including, but not limited to, conducting and completing an environmental review as required by the CDBG-DR regulations, which environmental review may not exceed the scope of what is required under applicable federal regulations without Seller's consent, which shall not be unreasonably withheld. All environmental activities and reports must conform with the CDBG-DR regulations, including, without limitation, the regulations of 24 C.F.R. Parts 50, 58, and 570, as applicable. Prior to the expiration of the Option Period, should Seller withhold consent to complete any environmental review or additional testing that exceeds the scope of what is required under applicable federal laws and regulations, Purchaser may provide Seller with written notice of its election to terminate this Agreement, in which event the Title Company shall release the Non-Refundable Option

Deposit to Seller, and neither Purchaser nor Seller shall have any further right, obligations or liabilities under this Agreement except those provisions hereof that expressly survive such termination.

c. In the event that Purchaser's environmental testing reveals the presence of any environmental contamination in levels requiring remediation under state, federal or local statutes, laws, regulations, rules or ordinances, Purchaser shall immediately provide Seller written notice with a copy of all environmental assessments and reports evidencing the environmental conditions of the Property that require remediation. Upon issuance of the written notice, Purchaser may provide Seller with written notice of its election to terminate this Agreement prior to the expiration of the Option Period, in which event the Title Company shall release the Non-Refundable Option Deposit to Seller and neither party to this Agreement shall have any further rights, duties, obligations or liabilities under this Agreement except those provisions hereof that expressly survive such termination. Alternatively, Seller and Purchaser may enter into negotiations to mutually agree on how to address matters relating to environmental remediation of the Property, which may include the timing for remediation, the party responsible for remediation, and adjustments to the Purchase Price relating to the remediation. In the event Seller and Purchaser enter into negotiations to mutually agree on how to address matters relating to environmental remediation of the Property, the terms of the remediation will be evidenced in writing and any deadline in this Agreement may be extended by up to thirty (30) calendar days to allow Seller and Purchaser to finalize the transaction contemplated hereunder. Purchaser shall bear no liability for the environmental testing, except that Purchaser shall be responsible for repairing any damage to the Property for which Seller can produce objective documentation evidencing that Purchaser's testing activities caused the damage, and subject to the reimbursement as provided in Section 8(c)(i)(5).

d. During the Option Period, Seller, at its sole cost and expense (but subject to reimbursement at Closing as provided in Section 8(c)(i)(5)), will obtain a new survey or an update to the Existing Survey (the "New/Updated Survey"), prepared by a Registered Professional Land Surveyor licensed by the State of Texas and acceptable to the Title Company and approved by Houston Public Works – Construction Branch – Survey/ROW/Mapping. The New/Updated Survey shall comply with the current requirements of the Texas Society of Professional Surveyors Standards and Specifications for a Category 1A Condition II Land Title Survey and contain such other information as Purchaser may reasonably request.

e. During the Option Period, Seller, at its sole cost and expense, shall cause the Title Company to issue a commitment to issue title insurance (the "Title Commitment") accompanied by copies of all recorded documents relating to easements, rights-of-way, and all other matters of record affecting the Property together with Owner's Policy of Title Insurance at Closing. Seller shall pay the basic premium of the Owner's Policy of Title Insurance, but Purchaser shall pay the additional premium for the area and boundary deletion and any other endorsements if requested by Purchaser.

f. Following the receipt of the New/Updated Survey and the Title Commitment, Purchaser shall have thirty (30) days to examine and specify to Seller those items affecting the Property that Purchaser finds objectionable (each an "Encumbrance" and collectively, "Encumbrances"). Seller shall have ten (10) days after receipt of the Purchaser's objections to cure such objections. Items shown in the Title

Commitment or New/Updated Survey and not objected to by Purchaser in its written objections within such period shall be deemed items that Purchaser will accept title subject to (the "Permitted Encumbrances"). The Title Company shall deliver an amended Title Commitment reflecting the cure of the Encumbrances at or prior to the Closing Date. Any liens affecting the Property shall be Encumbrances, whether so specified in any notice by Purchaser, and Seller shall cause the same to be released at or prior to Closing.

g. If Seller fails or is unwilling to cause all of the Encumbrances to be removed or cured by the Closing Date, or if the Title Commitment or New/Updated Survey indicates that Seller does not own indefeasible fee simple title to the Property, Purchaser shall have the following rights, as its sole and exclusive remedies:

(i) to terminate this Agreement by giving Seller written notice of termination, in which event the Title Company shall release the Non-Refundable Option Deposit to Seller and neither party hereto shall have any further rights, duties, obligations or liabilities under this Agreement except those provisions hereof that expressly survive such termination; or

(ii) to elect to waive the Encumbrances not so removed or cured and close the purchase and sale contemplated by this Agreement without any reduction in the Purchase Price in accordance with the remaining terms and provisions, whereupon the Encumbrances not so removed or cured shall become a "Permitted Encumbrance", to be treated in the manner provided herein for Permitted Encumbrances.

h. On or prior to the expiration of the Option Period, Purchaser may notify Seller in writing of Purchaser's desires to terminate this Agreement if: (i) Purchaser, in its sole discretion, determines that the Property is not suitable for purchase by Purchaser for Purchaser's purposes; (ii) Purchaser is unable to obtain the Authority from the HUD, GLO or Houston City Council to use CDBG-DR16 and/or CDBG-DR17 funds to purchase the Property (i.e. Environmental Release of Funds) or such other approvals to use HUD funds as may be required to purchase the Property; or (iii) Purchaser is unable to obtain the approval from HUD, or from GLO of the City's Harvey Buyout Program Guidelines or the City's Multi-family Voluntary Buyout Program (MVB) Guidelines. The Option Period may be further extended for up to twelve (12) months thereafter, by written agreement between Purchaser and Seller, if Purchaser has not obtained the requisite HUD or GLO approvals for the purchase of the Property described in this subsection. If Purchaser and Seller do not agree on an extension of the Option Period, then this Agreement shall automatically terminate at the end of the Option Period. In the event of termination under this subsection, the Title Company shall release the Non-Refundable Option Deposit to Seller and neither party hereto shall have any further rights, duties, obligations or liabilities hereunder, except for those provisions hereof that expressly survive such termination.

7. As-Is, Where-Is. Purchaser and its representatives, prior to the date of Closing, will have been afforded the opportunity to make such inspections of the Property and matters related thereto as Purchaser and its representatives desire. Purchaser acknowledges and agrees that the Property is to be sold and accepted by Purchaser in an "as-is" condition, with all faults except for the warranty of title in the Deed referred to in Section 8(c).

EXCEPT FOR THE WARRANTY OF TITLE IN THE DEED, PURCHASER ACKNOWLEDGES AND AGREES THAT SELLER SHALL SELL AND CONVEY TO PURCHASER AND PURCHASER SHALL ACCEPT THE PROPERTY "AS IS, WHERE IS, WITH ALL FAULTS". EXCEPT FOR THE WARRANTY OF TITLE IN THE DEED, PURCHASER HAS NOT RELIED AND WILL NOT RELY ON, AND SELLER HAS NOT MADE AND IS NOT LIABLE FOR OR BOUND BY, ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTEES, STATEMENTS, REPRESENTATIONS OR INFORMATION PERTAINING TO THE PROPERTY OR THE IMPROVEMENTS RELATED THERETO (INCLUDING SPECIFICALLY, WITHOUT LIMITATION, PROPERTY INFORMATION PACKAGES DISTRIBUTED WITH RESPECT TO THE PROPERTY) MADE OR FURNISHED BY SELLER, OR ANY PROPERTY MANAGER, REAL ESTATE BROKER, AGENT OR THIRD PARTY REPRESENTING OR PURPORTING TO REPRESENT SELLER, TO WHOMEVER MADE OR GIVEN, DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING. PURCHASER REPRESENTS THAT IT IS A KNOWLEDGEABLE, EXPERIENCED AND SOPHISTICATED PURCHASER OF REAL ESTATE AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF PURCHASER'S CONSULTANTS IN PURCHASING THE PROPERTY AND SHALL MAKE AN INDEPENDENT VERIFICATION OF THE ACCURACY OF ANY DOCUMENTS AND INFORMATION PROVIDED BY SELLER. PURCHASER WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY AND THE IMPROVEMENTS THEREON AS PURCHASER DEEMS NECESSARY. UPON CLOSING, PURCHASER SHALL ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING, BUT NOT LIMITED TO, ADVERSE PHYSICAL OR CONSTRUCTION DEFECTS OR ADVERSE HEALTH OR SAFETY CONDITIONS, MAY NOT HAVE BEEN REVEALED BY PURCHASER'S INSPECTIONS AND INVESTIGATIONS. EACH OF SELLER AND PURCHASER HEREBY WAIVES ANY AND ALL RIGHTS OR REMEDIES IT MAY HAVE OR BE ENTITLED TO, DERIVING FROM DISPARITY IN SIZE OR FROM ANY SIGNIFICANT DISPARATE BARGAINING POSITION IN RELATION TO THE OTHER.

PURCHASER HEREBY ACKNOWLEDGES THAT SELLER WOULD NOT AGREE TO SELL THE PROPERTY ON THE TERMS AND CONDITIONS THAT ARE SET FORTH IN THIS AGREEMENT IF PURCHASER DID NOT AGREE TO EACH AND EVERY PROVISION IN THIS SECTION 7. THE PROVISIONS OF THIS SECTION 7 SHALL SURVIVE DELIVERY OF THE DEED AND THE CLOSING OR THE EARLIER TERMINATION HEREOF AS PROVIDED HEREIN.

8. Option Period and Closing.

a. The Option under this Agreement shall be exclusively available to and exercisable by Purchaser from the Effective Date until the expiration of the Option Period, as may be extended in accordance with Section 5 of this Agreement. Unless otherwise terminated or expired in accordance with the terms of this Agreement, the Option Period shall end on the date on which Purchaser exercises the Option by sending the Exercise Notice (the "Exercise Date").

b. The consummation and closing of the sale by Seller to Purchaser of the Property contemplated by this Agreement (the "Closing") shall take place on or before the thirtieth (30th) day after the Exercise Date (the "Closing Date"), with the exact time, date and location of Closing to be specified in a written notice from Purchaser to Seller at least seven (7) days in advance of such Closing Date. The time, date or location of Closing may be modified by agreement of the parties.

c. At the Closing, the following (which are mutually concurrent conditions) shall occur:

(i) Purchaser, at its sole cost and expense, shall deliver or cause to be delivered to Seller, through the Title Company:

(1) The balance due for the Purchase Price, such amount to be paid in immediately available funds;

(2) Evidence satisfactory to Seller and the Title Company that the person executing the Closing documents on behalf of Purchaser has full right, power, and authority to do so;

(3) Such other instruments duly executed by Purchaser as are customarily executed in Harris County, Texas to effectuate the conveyance of property similar to the Property, as may be reasonably required by the Title Company; and

(4) Purchaser shall pay, in addition to any other costs to be paid by Purchaser as provided elsewhere in this Agreement: (a) any additional premium for area and boundary deletions and any other endorsements to the Owner's Policy of Title Insurance; (b) the cost to record the Deed; (c) cost of Purchaser's other inspections, if any; and (d) Purchaser's attorneys' fees. The Purchaser will reimburse the Seller the full amount of the cost of the New/Updated Survey and the full amount of the costs incurred for any environmental reports and activities conducted on Purchaser's behalf pursuant to Sections 6(b) and (c) and evidenced by reasonable supporting documentation, at Closing.

(ii) Seller, at its sole cost and expense, shall deliver or cause to be delivered to Purchaser, through the Title Company, the following:

(1) A Special Warranty Deed in form and substance substantially equivalent to the form shown on **Exhibit "B"** attached hereto and incorporated herein, fully executed and acknowledged by Seller, conveying to Purchaser good and indefeasible fee simple title in and to the Property, subject only to the Permitted Encumbrances, which shall be set forth in an exhibit thereto and attached prior to recordation of such instrument;

(2) Evidence satisfactory to Purchaser and the Title Company that the person executing the Closing documents on behalf of Seller has full right, power, and authority to do so;

(3) An executed and acknowledged affidavit that Seller is not a "foreign person" as described in Section 3(i);

(4) A certificate, executed and sworn to by Seller, confirming that there are no unpaid bills, claims, debts, or liens relating to the Property arising through or under Seller as of the Closing Date, except with respect to specified bills, claims, debts, or liens;

(5) The Chattel Inventory;

(6) Such other instruments duly executed by Seller as are customarily executed in Harris County, Texas to effectuate the conveyance of property similar to the Property, as may be reasonably required by the Title Company with the effect that, after the Closing, Purchaser will have succeeded to all of the rights, titles and interests of Seller related to the Property and Seller will no longer have any rights, titles or interests in and to the Property.

(7) Seller shall pay, in addition to any other costs to be paid by Seller as provided elsewhere in this Agreement: (a) the basic premium for Owner's Policy of Title Insurance; (b) the cost to record and file any releases of Encumbrances that will be filed in the real property records of Harris County, Texas at Closing; (c) [intentionally omitted]; and (d) Seller's own attorneys' fees. In the event that the Property requires remediation, the parties may either: (i) terminate the Agreement by written notice to each other; or (ii) extend the Agreement and develop a mutually agreed upon remediation plan and may renegotiate the Purchase Price as provided in Section 6(c).

d. Any escrow fees and delivery fees charged by the Title Company, and any other routine closing fees, shall be allocated equally between Seller and Purchaser. Except as provided above, all normal and customarily pro-ratable items, including but not limited to real estate and personal property taxes, rents, and utility bills, if any, shall be prorated as of the Closing Date, Seller being charged and credited for all of the same up to such date and Purchaser being charged and credited for all of same on and after such date. If the actual amounts to be prorated are not known at the Closing Date, the prorations shall be made on the basis of the best evidence available, and thereafter, when actual figures are received, a cash settlement will be made between Seller and Purchaser. Seller hereby acknowledges that Purchaser is not subject to ad valorem taxes.

9. Lease-back to Seller. In the event the Property is not vacant on the Closing Date, the Seller and Purchaser shall execute a lease agreement substantially in the form attached hereto as **Exhibit "C"** ("Lease Agreement") providing for the Seller's continued occupancy and management of the Property for a period commencing on the effective date of the Lease Agreement and expiring on the date that is five (5) days after the date the last tenant vacates the Property and the Seller, or its designee, secures such rental unit, unless extended in accordance with the terms and conditions of the Lease Agreement. The Lease Agreement shall not operate to assign to Purchaser any tenant leases existing on the Closing Date. The Seller shall retain the contractual obligations and responsibilities provided in all said leases at the commencement and throughout the Lease Term.

10. Chattels. "Chattels" means all personal property owned by Seller located upon the Property on the Closing Date and included in the inventory list provided by Seller to Purchaser at Closing ("Chattel Inventory"), including, but not limited to appliances. Seller shall retain ownership of Chattels and shall remove all Chattels within thirty (30) days from the later of (i) the Closing Date, or (ii) the date on which the Lease Term expires. **The provisions of this paragraph will survive the Closing.**

11. Notices. Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing same with the United States Postal Service, addressed to the party to be notified, postage prepaid and in

registered or certified form, with return receipt requested, or by deposit with Federal Express for overnight delivery, or other reputable overnight courier, facsimile (with retained receipt) or email (with retained receipt). Notice given, as prescribed in this Section, shall be effective on the date actually received at the address to which such notice was sent, or if delivery is refused or not accepted, such notice shall be effective on the date of such refusal or failure to accept delivery. Notice given in any other manner shall be effective only upon receipt by the party to whom it is addressed. For purposes of notice, the addresses of the parties shall be as follows:

If to Seller, to: Monticello Square, LLC
Attn.: Michael Morrow
13014 Kimberley Lane
Houston, Texas 77079
Telephone: (713) 444-6250
Email: mwmorrow@gmail.com

With copy to: VB Law
Attn.: Andy Van Buskirk
5302 La Branch Street
Houston, Texas 77004
Telephone: (713) 526-9800
Email: andy@vblawoffice.com

If to Purchaser, to: City of Houston, Texas
Housing and Community Development Department
Attn.: Rupa Sen
2100 Travis Street, 9th Floor
Houston, Texas 77002
Telephone: (832) 393-6217
E-mail: rupa.sen@houstontx.gov

With copy to: City of Houston Legal Department
Attn.: City Attorney
900 Bagby Street, 4th Floor
Houston, Texas 77002
Email: arturo.michel@houstontx.gov

Either party may change its address to another location in the continental United States, upon five (5) days' prior written notice to the other given in the manner provided above.

12. Brokerage. Seller and Purchaser have not engaged a broker or agent in connection with the negotiation or execution of this Agreement. In the event any agent or broker shall make a claim against Seller and Purchaser for a commission or fee, the party allegedly engaging, hiring or retaining such broker or agent shall be responsible for payment thereof.

13. Assignment. Except for an assignment by Purchaser to a qualified governmental entity (including a local government corporation) after giving written notice to Seller, neither Seller nor Purchaser may assign this Agreement or any right or interest under this Agreement without the prior written consent of the other party, which

will not be unreasonably withheld. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding on the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

14. Governing Law; Enforcement.

a. This Agreement shall be construed and interpreted in accordance with the applicable laws of the State of Texas and City of Houston, Texas. Venue for any disputes relating in any way to this Agreement shall lie exclusively in Harris County, Texas.

b. Should any provision of this Agreement require judicial interpretation, Seller and Purchaser hereby agree and stipulate that the court interpreting or considering the same shall not apply the presumption that the terms hereof shall be more strictly construed against a party by reason of any rule or conclusion that a document should be construed more strictly against the party who prepared the same, it being agreed that all parties to this Agreement have participated in the preparation of this Agreement and that each party had full opportunity to consult legal counsel of its choice before the execution of this Agreement.

c. Purchaser's city attorney or its designee (the "City Attorney") shall have the right to enforce all legal rights and obligations under this Agreement without further authorization from other City of Houston officials, and Seller covenants to use commercially reasonable efforts to provide the City Attorney with all documents and records that the City Attorney reasonably deems necessary to assist in determining Seller's compliance with this Agreement, with the exception of those documents made confidential by federal or State law or regulation.

15. Remedies.

a. If Purchaser fails or is unable to perform its obligations pursuant to this Agreement for any reason other than Purchaser's termination hereof pursuant to a right granted to Purchaser in this Agreement to do so, or breach by Seller of its promises, representations, warranties under this Agreement, then Seller shall give Purchaser written notice of the default. If Purchaser fails to cure its default within thirty (30) days after receipt of such notice, Seller, as its sole and exclusive remedy, shall have the right to terminate this Agreement by giving Purchaser written notice thereof, in which event neither party hereto shall have any further rights, duties, obligations or liabilities hereunder except those provisions hereof that expressly survive such termination, and the Title Company shall release the Non-Refundable Option Deposit, and any interest thereon, to Seller and shall release the remaining portion of the Option Fee, if any, and any interest thereon, to Purchaser.

b. If Seller fails or is unable to perform any of its obligations pursuant to this Agreement for any reason other than Seller's right of termination of this Agreement pursuant to a right granted to Seller in this Agreement to do so, or breach by Purchaser of its promises, representations, or warranties under this Agreement, then Purchaser shall give Seller written notice of the default. If Seller fails to cure its default within thirty (30) days after receipt of such notice, or if any of Seller's promises, representations or warranties made under this Agreement, or any of the information furnished by Seller pursuant hereto, should be either false or misleading in any material

respect, then Purchaser shall have the right and option, as its sole and exclusive remedies, to:

(i) terminate this Agreement by giving Seller written notice of termination, in which event neither party to this Agreement shall have any further rights, duties, obligations or liabilities under this Agreement except those provisions that expressly survive such termination, and the Title Company shall release the Option Fee and interest thereon, save and except the Non-Refundable Option Deposit to be delivered to Seller, to Purchaser; or

(ii) enforce specific performance of the obligations of Seller to convey the Property to Purchaser pursuant to the terms hereof, provided that, in the event that Purchaser seeks specific performance, an action seeking such remedy must be filed within six (6) months of Seller's default or alleged default, or the same shall be deemed barred and Purchaser's sole remedy shall be as set forth in (i) above.

16. Damage or Taking Prior to Closing. Prior to Closing, risk of loss with regard to the Property shall be borne by Seller. If, prior to Closing, the Property, or any portion of the Property, is materially damaged or becomes subject to a taking (other than by the Purchaser) by virtue of eminent domain, Purchaser shall have the option, which must be exercised by it within fifteen (15) business days (and the Closing will be automatically extended, if necessary, to provide Purchaser with such fifteen (15) business day period) after its receipt of written notice from Seller advising of such damage or taking (which Seller hereby agrees to give), to terminate this Agreement by written notice to Purchaser or to proceed with the Closing. If Purchaser elects to terminate this Agreement, all rights, duties, obligations and liabilities created under this Agreement shall cease except those provisions hereof that expressly survive such termination, and the Title Company shall release the Non-Refundable Option Deposit to Seller and shall release the remaining portion of the Option Fee, if any, to Purchaser. If Purchaser elects to proceed with the Closing, all rights, duties, obligations and liabilities created under this Agreement shall continue, and (a) Purchaser shall be entitled to any and all insurance proceeds or condemnation awards payable as a result of such damage or taking, and (b) Seller shall assign to Purchaser at Closing all of Seller's rights to such proceeds or awards.

17. Entire Agreement. This Agreement is the entire agreement between Seller and Purchaser concerning the sale of the Property and no modification of this Agreement or subsequent agreement relative to the subject matter of this Agreement shall be binding on either party unless in writing and signed by both parties. This agreement supersedes and replaces the Letter of Intent executed between Purchaser and Seller. This Agreement may be amended only by written instrument executed on behalf of Purchaser (by authority of an ordinance adopted by the City Council of the City of Houston, Texas) and Seller. This Agreement shall be binding upon Purchaser and Seller when it is approved by City of Houston Council, signed by the City of Houston Mayor, and countersigned by the City of Houston Controller.

18. Exhibits and Schedules. Attached hereto and incorporated in this Agreement by this reference for all purposes is the following exhibits and schedules:

Exhibit "A"	PROPERTY DESCRIPTION
Exhibit "B"	SPECIAL WARRANTY DEED
Exhibit "C"	LEASE AGREEMENT

19. Confidentiality. Seller and Purchaser agree to use their best efforts to keep confidential price, terms, condition, and all other information that is a part of this transaction. Seller and Purchaser agree that they will disclose such matters only to such third parties as may be necessary to carry out usual and customary activities related to the transaction. Notwithstanding the foregoing, both parties acknowledge that the terms of this transaction may become known to the public when the matter is considered by the City Council of the City of Houston, Texas or pursuant to a request under the Texas Public Information Act.

20. Miscellaneous.

a. The captions used herein are for convenience only and do not limit or amplify the provisions hereof.

b. Each and every agreement contained in this Agreement is, and shall be construed as, a separate and independent agreement. If any provision of this Agreement should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement shall not be affected.

c. The obligations of the Agreement that cannot be performed before termination of this Agreement, or before Closing, will survive termination of this Agreement or Closing, and the legal doctrine of merger will not apply to these matters. However, if there is any express conflict between the closing documents provided pursuant to Section 8 and this Agreement, the closing documents will control.

d. Time is of the essence in this Agreement.

e. If this Agreement is executed in multiple counterparts, all counterparts taken together will constitute this Agreement.

f. Following the execution of this Agreement by Purchaser through its Mayor and countersigned by the City of Houston Controller, the Director of the Housing and Community Development Department, City of Houston, Texas or his designee (the "Director"), shall have the authority to act on the behalf of Purchaser in making extensions to the Closing Date or to make other minor modifications to this Agreement, in writing and in consultation with the City Attorney, for the purposes of enabling the achievement of the Purchaser's objectives to acquire the Property from Seller and which do not require further approvals by the City Council of the City of Houston, Texas. The Director is only authorized to perform the functions specifically delegated to him or her in this Agreement.

21. Signature Authority. Each party represents that the person signing this Agreement on behalf of such party is duly authorized and has legal capacity to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations under this Agreement have been duly authorized and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

22. Voluntary Acquisitions Program. Seller acknowledges the following:

a. The acquisition of the Property with CDBG-DR funds is subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"). Specifically, 24 C.F.R. 570.606(e) requires that acquisition of the Property must comply with URA requirements at 49 C.F.R. Part 24.

b. Purchaser is interested in acquiring the Property with: (1) CDBG-DR funds for a buyout activity under the Harvey Buyout Program; and (2) CDBG-DR funds for a buyout activity under the City's Disaster Recovery (DR-16) Multi-family Voluntary Buyout Program.

c. Seller has no obligation to sell the Property for the project, but Seller is voluntarily selling the Property to Purchaser, subject to the terms and conditions of this Agreement, and Purchaser will not use the power of eminent domain to acquire the Property. Seller has received and executed the Voluntary Acquisition – Informational Notice dated January 8, 2020 a copy of which is attached to this Agreement as Schedule 1 and incorporated herein, as well as any other written communications, as required by applicable laws, regulations and procedures.

d. In accordance with the URA, owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance. However, any resulting displacement of a tenant is subject to the regulations in 49 C.F.R. Part 24.

23. Texas Disclosures. Seller hereby makes the required notices and disclosures attached hereto as Schedule 2 to Purchaser.

24. Exchange. Seller may elect to participate in a tax-deferred exchange under the Internal Revenue Code. Purchaser will reasonably cooperate with such election; however, the Purchaser will have no obligation to incur any cost or liability or to take title to any other real property (other than Purchaser's acquisition of the Property under this Agreement), and the Closing will not be conditioned on or unreasonably delayed by such exchange.

[Execution pages follow]

EXECUTED IN MULTIPLE ORIGINAL COUNTERPARTS, each of which shall be an original, which together shall constitute but one and the same instrument, effective as of the date of countersignature by the City Controller of the City of Houston. The parties hereby agree that each party may sign and deliver this Agreement electronically or by electronic means and that an electronic transmittal of a signature, including but not limited to, a scanned signature page, will be as good, binding, and effective as an original signature.

SELLER

MONTICELLO SQUARE, LLC,
a Texas limited liability company

By: 

Name: Michael Morrow

Title: President

Tax I.D. No. 76-0592943

PURCHASER

CITY OF HOUSTON, TEXAS, a
municipal corporation

ATTEST:



Pat Jefferson-Daniel
City Secretary



Sylvester Turner
Mayor of the City of Houston

Amrenda Washington
3-11-2021

APPROVED AND RECOMMENDED:

DocuSigned by:
Tom McCasland

Tom McCasland
Director, Housing and Community
Development Department

COUNTERSIGNED



Chris B. Brown
City Controller

Jenine Polk

Countersignature Date:

3-12-21

APPROVED AS TO FORM:

DocuSigned by:
Kene Chinweze

Kene Chinweze
Senior Assistant City Attorney
L.D. File Number: 0292000585001

_____, 2021

An original, fully executed copy of this Agreement has been received by the Title Company, and by execution hereof the Title Company hereby covenants and agrees to be bound by the terms of this Agreement to the extent permissible, without violation of Procedural Rule 35, as promulgated by the Texas State Board of Insurance.

CHICAGO TITLE INSURANCE COMPANY

By:
Name:
Title:

EXHIBIT "A"

THE PROPERTY

Lots Seven (7) and Eight (8), Block Sixteen (16), AMENDED FIRST SUBDIVISION OF WESTMORELAND FARMS, a subdivision in Harris County, Texas, according to the map or plat thereof recorded in Volume 3, Page 60, of the Map of Harris County, Texas

EXHIBIT "B"

When recorded, return to:

THE CITY OF HOUSTON
2100 Travis, 9th Floor
Houston, TX 77251-1562
Attention: Real Estate Manager-Ms. Rupa Sen, Housing and Community
Development Department

SPECIAL WARRANTY DEED

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

_____, 2021

STATE OF TEXAS §
 §
COUNTY OF _____ §

MONTICELLO SQUARE, LLC, a Texas limited liability company ("**Grantor**"), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which consideration are hereby acknowledged, by these presents does hereby Grant, Bargain, Sell, and Convey, unto the **CITY OF HOUSTON, TEXAS**, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas ("**Grantee**"), for itself and its successors and assigns (i) all that real property situated in the County of Harris, State of Texas, and more particularly described on **Exhibit A** attached hereto and made a part hereof for all purposes, and (ii) together with all improvements now or hereafter situated thereon (collectively, the "**Property**"), TOGETHER with all and singular tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining thereto.

This Deed is made and accepted expressly subject to the matters set forth in **Exhibit B** attached hereto and made a part hereof for all purposes ("Permitted Encumbrances").

TO HAVE AND TO HOLD the Property, together with all and singular the rights

and appurtenances belonging in any way to the Property, unto the said Grantee, its successors and assigns forever, and Grantor binds itself and its successors and assigns to warrant and forever defend all and singular the Property to Grantee, its successors and assigns against every person lawfully claiming or to claim all or any part of the Property, by, through or under Grantor, but not otherwise.

COVENANTS RUNNING WITH THE PROPERTY

WHEREAS, Community Development Block Grant – Disaster Recovery (“CDBG-DR”) funding for this Agreement is appropriated to the United States Department of Housing and Urban Development (“HUD”) under the Continuing Appropriations Act, 2017 (Pub. L. 114-223) for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. §5301 *et. seq.*) related to disaster relief long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting the 2016 Tax Day Flood or May 2016 Flood Events, under Federal Emergency Management Agency designations “DR-4269-TX” or “DR-4272-TX”, which are Presidentially declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. §5121, *et. seq.*);

WHEREAS, additional CDBG-DR funding for this Agreement is appropriated to HUD under the Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Pub. L. 115-56) for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. §5301 *et. seq.*) related to disaster relief long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from Hurricane Harvey, under Federal Emergency Management Agency designation “DR-4332”, which is a Presidentially declared major disaster area under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. §5121, *et. seq.*);

WHEREAS, supplemental CDBG-DR funding was appropriated to HUD under the Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018 (Pub. Law 115-123) (together with Pub. L. 114-223, Pub. L. 115-56, the “Appropriation”);

WHEREAS, through the publication of 81 Fed. Reg. 83254 (Nov. 21, 2016), 83 Fed. Reg. 5844 (Feb. 9, 2018) and 83 Fed. Reg. 40314 (Aug. 14, 2018), HUD allocated, from the Appropriation, \$5,721,590,000.00 in CDBG-DR funding (the “State Allocation”) to the Texas General Land Office (“GLO”);

WHEREAS, from the State Allocation, the Grantee has received a direct allocation from the GLO of \$1,299,364,739.00 of CDBG-DR development and implementation of programs that directly benefit the residents of the City of Houston, Texas;

WHEREAS, Grantee has created the Multi-family Voluntary Buyout Program ("MVB Program") to acquire residential properties located in a floodway or floodplain to reduce the risk of future flooding by converting the properties to greenspace or detention basins in areas in the City of Houston with at least a 51% Low- to Moderate-Income ("LMI") population; and

WHEREAS, properties acquired by Grantee pursuant to the MVB Program must be dedicated and maintained as greenspace or detention in perpetuity;

NOW, THEREFORE, in accordance with and in furtherance of the requirements set forth in 81 Fed. Reg. 83254, the conveyance of the Property is made by Grantor and accepted by Grantee subject to the following:

1. The Property shall be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices.

2. No new structure will be erected on property acquired, accepted, or from which a structure was removed under the acquisition or relocation program other than: (a) a public facility that is open on all sides and functionally related to a designated open space (e.g., a park, campground, or outdoor recreation area); (b) a rest room; or (c) a flood control structure, provided that structure does not reduce valley storage, increase erosive velocities, or increase flood heights on the opposite bank, upstream, or downstream and that the local floodplain manager approves, in writing, before the commencement of the construction of the structure.

3. No subsequent application for additional disaster assistance for any purpose or to repair damage or make improvements of any sort will be made by the recipient to any Federal entity in perpetuity.

4. The foregoing covenants and agreements are adopted for, and placed upon the Property, and shall run with the land, be binding upon all parties, now and at any time hereafter, having or claiming any right, title or interest in or to the Property or any part thereof, their heirs, legal representatives, executors, administrators, successors and assigns, regardless of the source of, or the manner in which any such right, title or interest is or may be acquired and any conveyance of any interest in the Property by Grantee or a subsequent owner must reference and incorporate the foregoing covenants and require the Property to be dedicated and maintained for compatible uses in perpetuity. The foregoing covenants may be enforced by Grantee, GLO or HUD, jointly or severally; however, failure, refusal or inability by either Grantee, GLO or HUD, jointly or severally, to enforce any of the foregoing covenants shall in no event be deemed a waiver or release of the right to do so thereafter. If one or more of the foregoing covenants shall be held unenforceable, invalid or illegal in any respect, such unenforceability, invalidity or illegality shall not affect any other provision of said covenants, which shall be construed as if such unenforceable, invalid or illegal provision had never been a part hereof.

Grantee joins in this Deed to evidence its agreement to be bound by, and accept the conveyance of the Property subject to the terms, covenants and provisions hereof, including without limitation, the foregoing covenants.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Special Warranty Deed to be effective as of the date first written herein.

GRANTOR:

MONTICELLO SQUARE, LLC
a Texas limited liability company

BY: 

Name: Michael Morrow
Title: President

THE STATE OF _____

§

COUNTY OF _____

§

§

This instrument was acknowledged before me on the ____ day of _____, 2021, by Michael Morrow, President of Monticello Square, LLC, a Texas limited liability company, on behalf of said limited liability company.

Notary Public

GRANTEE:

CITY OF HOUSTON, TEXAS, a
municipal corporation

ATTEST:

City Secretary

Sylvester Turner
Mayor

APPROVED AS TO FORM:

Kene Chinweze
Senior Assistant City Attorney
L.D. File Number: 0292000585001

THE STATE OF TEXAS

§
§
§

COUNTY OF HARRIS

This instrument was acknowledged before me on the ____ day of _____, 2021, by Sylvester Turner, Mayor of the City of Houston, Texas, a municipal corporation, on behalf of said municipal corporation.

Notary Public

Grantee's Address:

City of Houston
2100 Travis, 9th Floor
Houston, TX 77251-1562
Attention: Real Estate Manager-Ms. Rupa Sen, Housing and Community
Development Department

EXHIBIT A
Legal Description

[To be inserted]

EXHIBIT B

Permitted Encumbrances

[To be inserted]

EXHIBIT "C"
LEASE AGREEMENT

LEASE AGREEMENT

MONTICELLO SQUARE APARTMENTS

THIS LEASE AGREEMENT (this "Agreement") is made by and between the CITY OF HOUSTON, TEXAS, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties (the "City"), and MONTICELLO SQUARE, LLC, a Texas limited liability company ("Agent"), and is effective as of the date of the City Controller's countersignature (the "Effective Date").

RECITALS

WHEREAS, the City purchased certain real property containing a multifamily housing development, located at 5312 Clarewood Drive, Houston, Texas 77081, together with all improvements, appurtenances, and equipment located thereon, commonly known as Monticello Square Apartments (collectively, the "Property") pursuant to the Agreement for Option to Purchase Real Property signed by Agent and the City (the "Option Agreement");

WHEREAS, the City purchased the Property from Agent in connection with the City's Disaster Recovery (DR-16 and DR-17) Multifamily Voluntary Buyout Programs with the purpose of demolishing the improvements on the Property and reducing the risk of future flooding by converting the Property into greenspace and/or detention;

WHEREAS, pursuant to the Option Agreement, the City and Agent agreed to execute this Agreement providing for Agent's continued operation and management of the Property if any Rental Units were not vacated prior to the closing date stated in the Option Agreement (the "Closing Date");

WHEREAS, as of the Closing Date, less than 100% of the Rental Units were vacant, and additional time is needed to relocate the existing Tenants; and

WHEREAS, while the Tenants are being relocated, the City will lease the Property to Agent so that Agent can continue to operate and manage the Property during the relocation process, subject to the terms and provisions of this Agreement, and Agent agrees to perform such services in exchange for the Lease-back Fee provided herein;

NOW, THEREFORE, the City and Agent, in consideration of the sum of \$1.00 paid by the City to Agent, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby mutually covenant and agree as follows:

ARTICLE I

GRANTING CLAUSE

The City hereby demises and leases to Agent, and Agent hereby rents, accepts and takes from the City, the Property to have and to hold said Property for the Lease Term, and pursuant to the terms, provisions, covenants, agreements and conditions set forth in this Agreement.

ARTICLE II

DEFINITIONS

As used in this Agreement:

“**Additional Flow Down Provisions**” shall have the meaning in Section 18.12(b).

“**Auditing Documents**” shall have the meaning set forth in Section 7.02(e).

“**Auditing Entities**” shall have the meaning set forth in Section 7.01.

“**City Attorney**” means the City Attorney of the City of Houston, or his designee.

“**City Controller**” means the City Controller of the City of Houston, or his designee.

“**Condemnation Award**” means the amount of money awarded by special commissioners, judge, or jury, through settlement, for the whole Property or part Taken and any remainder damages. The term shall also include relocation monies.

“**Condemnation Proceedings**” means any action brought for any Taking of the Property, or any part thereof, or any property interest therein (including, without limitation, the right to the temporary use of all or any portion of the Property), by a governmental authority or entity as a result of the exercise of its power of eminent domain, including a voluntary sale to such authority or entity either under the threat of condemnation or while such action or proceeding is pending.

“**Director**” means the Director of the City of Houston’s Housing and Community Development Department, or his designee.

“**Force Majeure**” means any contingency or cause beyond the reasonable control of a party including, without limitation: acts of God or the public enemy, war, riot, civil commotion, insurrection, acts of superior governmental or military authority, fires, explosions, epidemics, pandemics, and floods. The term does not include any changes in general economic conditions such as inflation, interest rates, economic downturn, strikes, or other factors of general application; or an event that merely makes performance more difficult, expensive or impractical.

“**GLO Agreement**” means (i) GLO Contract No. 19-076-008-B357, by and between the General Land Office, a Texas state agency, and the City, DUNS No. 832431985, as Subrecipient, regarding federal funds under CDBG-DR Federal Award Number B-16-DM-48-0001, awarded November

1, 2017, administered by the General Land Office under CFDA No. 14.228, "Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii"; and (ii) GLO Contract No. 19-147-001-B489, by and between the General Land Office, a Texas state agency, and the City, DUNS No. 832431985, as Subrecipient, regarding federal funds under CDBG-DR Federal Award Number B-17-DM-48-0001, awarded February 9, 2018, as amended August 14, 2018, administered by the General Land Office under CFDA No. 14.228, "Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii."

"Hazardous Material" means any chemical, substance, material or waste or component thereof which is now or hereafter listed, defined or regulated as a hazardous or toxic chemical, substance, material or waste or component thereof by any federal, state or local governing or regulatory body having jurisdiction, or which would trigger any employee or community "right-to-know" requirements adopted by any such body.

"Lease" means any written or oral agreement between Agent and Tenant that establishes or modifies the terms, conditions, rules, or other provisions regarding the use and occupancy of a Rental Unit that are in effect on the Closing Date.

"Lease Term" shall have the meaning set forth in Article III.

"Notice of Appeal" shall have the meaning set forth in Section 7.05(a).

"Operating Account" shall have the meaning set forth in Section 8.02.

"Operating Budget" means the operating budget for the Lease Term, attached hereto as **Exhibit "C"** and incorporated herein, which will be prepared by Agent and approved by the Director, as may be amended from time to time in writing by Agent.

"Original Allocation" shall have the meaning set forth in Section 8.04(b)(ii).

"Relocation Requirements" means the federal relocation requirements set forth in the Uniform Relocation Assistance Act and Real Property Acquisition Policies Act of 1970, Pub. L. 91-646, Jan. 2, 1971, 84 Stat. 1894 (codified at 42 U.S.C. §§ 4601-4655, as amended, and Section 104(d) of Housing and Community Development Act of 1974, Pub. L. 93-383, 88 Stat. 633-2 (codified as amended at 42 U.S.C. §§ 5301-5321), as applicable.

"Rent" means the monthly amount that a Tenant is obligated to pay Agent pursuant to the terms of a Lease.

"Rental Unit" means one or more rooms rented for use as a residence at the Property, under a single Lease to one or more Tenants.

"Supplemental Allocation" shall have the meaning set forth in Section 8.04(b)(ii).

"Taking" or **"Taken"** means the date the governmental authority or other person deposits money into the registry of the court for purposes of obtaining title to the Property, or any part thereof, or any property interest therein (including, without limitation, the right to the temporary use of all or

any portion of the Property), pursuant to a Condemnation Proceeding, or the date of execution and delivery of a deed-in-lieu of condemnation.

“**Temporary Taking**” shall have the meaning set forth in Section 12.04.

“**Tenant(s)**” means a person who is authorized by a Lease to occupy a Rental Unit at the Property, to the exclusion of others, and who is obligated under the Lease to pay Rent.

“**Tenant Deposit**” means any advance of money, other than a rental application deposit or an advance payment of rent, that is intended primarily to secure performance under a Lease.

ARTICLE III

TERM

This Agreement shall commence on the Effective Date and shall expire on the earlier of (i) the date that is five (5) days after the date the last Tenant vacates the Property and Agent secures such Rental Unit as provided in Section 4.04(f); or (ii) the date that is twelve (12) months from the Effective Date (the “Lease Term”). This Agreement shall operate in full force and effect for the duration of the Lease Term, unless terminated by the City or Agent in accordance with Article X. This Agreement may be renewed or extended by a written agreement of the Agent and City.

ARTICLE IV

SERVICES OF AGENT

Section 4.01 Standard of Conduct. Agent shall provide all labor, material and supervision necessary to perform Agent’s services described in this Agreement. Agent represents that its property manager that operated and managed the Property prior to the Closing Date (“Agent’s Manager”) is experienced in professional operation and management multifamily rental properties similar to the Property, and Agent shall operate and manage the Property in accordance with industry standards for multifamily rental properties of the Property’s type that are relocating tenants for demolition.

Section 4.02 Collection of Rents and Other Receipts. Agent shall collect, when due, all Rents, charges, and other amounts receivable from Tenant(s) and shall deposit said funds into the Operating Account in accordance with the provisions of Section 8.02(a). Under no circumstances shall the funds be commingled with Agent’s other funds not derived from the Rents, charges, and other amounts collected under this Agreement.

Section 4.03 Lease Enforcement.

(a) Lease Enforcement. Agent shall use commercially reasonable efforts to enforce the Leases subject to the limitations and other provisions provided herein. Agent shall properly assess and collect from each Tenant or, the Tenant Deposit as the case may be, the cost of repairing any damages (excluding ordinary wear and tear) caused by Tenant

to a Rental Unit arising during Tenant's occupancy. Agent shall also disburse Tenant Deposits in accordance with the terms of each Lease and Chapter 92 of the Texas Property Code, as may be amended from time to time.

(b) Relocation of Tenants. Agent shall comply with all Relocation Requirements. Agent shall emphasize a Tenant's voluntary compliance with Relocation Requirements and counsel Tenants and make referrals to community agencies in cases of financial hardship or under other circumstances deemed appropriate by the Director and Agent to avoid any involuntary termination of tenancies to the maximum extent consistent with sound management of the Property. City has engaged a third party to provide the Tenants the required notices under the Relocation Requirements, including in connection with the Option Agreement prior to and after the Closing Date.

(c) Termination of Lease and Attorneys' Fees.

(i) Agent may, and shall, if requested by the Director, lawfully terminate any tenancy when, in Agent or the Director's judgment, sufficient cause for termination occurs under the terms of Tenant's Lease. To determine if a tenancy should be terminated, Agent shall request from the Director, in writing, the ability to consult with legal counsel and incur reasonable attorneys' fees and costs in excess of \$5,000 pursuant to Section 4.03(c)(ii). If authorized to do so, Agent may consult with legal counsel selected by Agent and approved by the City Attorney to determine appropriateness of bringing an eviction action, executing notices to vacate and/or filing other relevant judicial proceedings against a Tenant. Agent shall keep the Director informed of any and all legal actions related to the Property and shall abide by any and all directions to proceed or refrain from proceeding issued by the Director and/or the City Attorney.

(ii) Reasonable attorneys' fees and other actual and necessary costs incurred in connection with such actions, as determined by the Director, and supported by invoices, are to be paid out of the Operating Account, but shall not exceed \$5,000.00 in the aggregate, without written, advance permission from the Director and/or the City Attorney. Such expenses are subject to the expenditure provisions in Section 8.03.

Section 4.04 Maintenance, Repairs and Capital Improvements. Agent shall maintain the Property in a decent, safe, and sanitary condition. Additionally, Agent shall maintain the Property in a condition acceptable to the Director and in compliance to industry standards for a multifamily development of similar type and as provided in the Operating Budget. Incident thereto, the following provisions shall apply:

(a) [Intentionally omitted]

(b) Agent shall contract with qualified independent contractors for the maintenance and repair of major mechanical systems and for the performance of extraordinary repairs beyond the capability of regular maintenance personnel. Prior to

commencement of any such major or extraordinary repair work, Agent shall provide the Director with all contractors' current insurance certificates that satisfy the City's standard requirements for insurance coverage according to the work to be performed.

(c) Agent shall promptly investigate all service requests from Tenants, take appropriate action to remedy the request, if justified, and keep records of the transactions. Excluding emergencies, the prior written approval of the Director shall be required for any service expenditure that exceeds Five Thousand and No/100 Dollars (\$5,000.00), per instance. Upon Agent's receipt of any emergency requests, including requests regarding heating, cooling, plumbing, and/or flooding, Agent shall (i) promptly report to the Director the pricing of all costs associated with the request, (ii) service the request within forty-eight (48) hours of the request, or as is standard based on best business practices of the industry, and (iii) after completion of the service, provide the Director with a service report, including total costs incurred in connection therewith and details on the issue and resolution. Agent shall pay standard prices for all emergency costs from the Operating Account and be responsible for demonstrating to the Director the reasonableness and necessity of all emergency costs. Any costs incurred above the amount of emergency costs approved by the Director shall be paid from the Operating Account by Agent. Additionally, during the Lease Term, Agent shall take all necessary actions related to exercising all rights provided by guarantees and warranties associated with repairs performed on the Property.

(d) Except as otherwise provided in this Section, subject to expenditure provisions in Section 8.03, Agent is authorized to purchase, using funds from the Operating Account, any needed materials, equipment, tools, appliances, supplies, and services necessary for proper maintenance and repair of the Property, of which Agent is not already in possession of. The prior written approval of the Director is required for any expenditure for labor, maintenance and/or materials not outlined on the Operating Budget that exceeds Five Thousand and No/100 Dollars (\$5,000.00), per instance. Agent shall secure all discounts, rebates, and/or commissions obtainable with respect to purchase, service contracts, and all other transactions made by Agent on the City's behalf.

(e) In the event of emergency repairs involving manifest danger to persons or property or requiring the suspension of any necessary service to the Property, Agent shall notify the Director of the facts promptly and in no event later than twenty-four (24) hours after the occurrence of the event. Such emergency expenditures shall not exceed Five Thousand and No/100 Dollars (\$5,000.00), per instance, without the prior written approval of the Director. Such expenses are subject to the expenditure provisions provided in Section 8.03.

(f) Within ten (10) days after the date a Tenant vacates the Property, Agent shall conduct a final inspection of the Tenant's Rental Unit, remove all chattel from the Rental Unit, secure the Rental Unit and submit a move-out inspection report for the Rental Unit to the Director.

Section 4.05 Utilities and Services. Agent shall maintain water, electricity, gas, sewage, trash disposal, vermin extermination, laundry facilities, telephone services, and other

necessary services in connection with the Property as may be outlined in the Tenant Lease and pay such utility expenses from the Operating Account.

Section 4.06 Personnel. Agent shall hire and employ all necessary personnel to operate, manage, and maintain the Property in accordance with the provisions of the Agreement. All property management personnel, including maintenance and custodial workers, shall be contracted service providers or employees of Agent. Such property management personnel are not the City's employees, agents, contractors, or subcontractors for any purpose whatsoever, and Agent shall have no authority to employ City personnel.

(a) Agent shall employ an adequate amount of properly trained employees or contractors to provide efficient service to the Tenants. The City reserves the right to monitor Agent's employees' customer service quality, and, should such service become unacceptable, the Director will notify Agent of the deficiency in writing and outline required corrective action. Agent agrees to promptly review the Director's suggestions and immediately take corrective action.

(b) Agent shall keep accurate records of the names, addresses, and other legal identification of employees to assure proper identification and legal working status of employment at any time required by the City or any other proper agency.

Section 4.07 Licenses and Permits. Agent is required to obtain and maintain all permits required by the City or any other governmental agency with authority to regulate the Property as well as perform, or allow to be performed, any periodic inspections that are required by any such governmental agency. Agent shall also acquire and abide by all licenses and permits required for the operation of the Property as rental housing.

Section 4.08 Records and Reports. Agent shall follow recognized, modern business practices to provide efficient and adequate services to the Tenants. Accurate, prompt, and timely reporting is of the essence, and the Agent's failure to do so shall constitute a default subject to the notice and cure rights and remedies outlined in Article X. The Director may require statements of Agent's operations under this Agreement for any period of time during the Lease Term with such expense being borne by Agent; provided, however, if Director specifically requests audited statements then the costs and expense incurred in connection with the same shall be paid from the Operating Account prior to preparation of the same. In addition to any requirements specified in this Agreement, Agent has the following responsibilities with respect to records and reports:

(a) Agent shall establish and maintain a system of records, books, and accounts for this Agreement in a manner that is satisfactory to the Director and the City Controller. All records, books, and accounts are subject to audit and examination by the Director and the City Controller at reasonable hours upon reasonable notice to Agent.

(b) Agent shall prepare monthly reports in a form satisfactory to the Director, along with any other reports that are requested by the Director that are consistent with Agent's duties hereunder, containing and including at least the following:

(i) a statement of income and expenses and accounts receivable and payable for the preceding month, including an itemized list of all delinquent Rents for the month and a report of actions taken on the delinquent accounts by Agent;

(ii) rent roll/cash receipts from the previous month;

(iii) a disbursement summary for the previous month, including paid invoices and evidence of payment of insurance premiums;

(iv) a statement comparing budgeted revenues and expenses to actual revenues and expenses, including any indication that the actual annual net operating income is anticipated to be more than ten percent (10%) less than budgeted in the Operating Budget;

(v) current bank statements of the Operating Account with a detailed report on any financial deficits experienced during the reported period, including the deficit amounts and any out-of-pocket expenses incurred by Agent, which Agent elects to incur (without an obligation to do so) and shall be reimbursed to Agent from the Operating Account;

(vi) a narrative of any unusual actions taken or emergencies responded to by Agent;

(vii) a full report of any accidents, claims, and potential claims for the previous month; and

(viii) any other information required by the Director.

Agent shall submit each report to the Director on or before the twentieth (20th) day of each month.

(c) All bookkeeping, data processing services, and management overhead expenses provided by Agent at no additional cost to the City.

(d) Agent shall furnish whatever additional information (including monthly occupancy reports) requested from time to time by the Director within the time period provided in the request with respect to the leasing and financial, physical, or operational condition of the Property.

(e) Agent shall establish and maintain Tenant files containing copies of all Leases, certification forms, notices, and other documentation required by the Director. Said files shall be easily accessible to the Director upon request.

Section 4.09 City Communications. Agent shall be available for communications with the Director and inform the Director of items materially affecting the Property within twenty-four (24) hours after the occurrence of the material event.

ARTICLE V

MANAGEMENT AUTHORITY

Section 5.01 Authority.

(a) Agent's authority is expressly limited to the provisions contained herein as they may be amended in writing from time to time in accordance with the provisions of this Agreement.

(b) The City expressly withholds from Agent any power or authority to undertake the following actions:

(i) make any structural change in or to the Property or to make any other major alterations or additions in or to the Property or fixtures or equipment therein;

(ii) execute or promise any new Leases or Lease renewals, or approve any sublets or assignments;

(iii) implement or enforce any Rent increases in accordance with a Lease that would take effect during the Lease Term;

(iv) enter into any agreement, instrument or covenant or take any action that would:

1) constitute an encumbrance on the Property;

2) bind the City or the Property;

3) be outside a normal, reasonable, and necessary act needed to perform Agent's duties under this Agreement; or

4) have a term that will exceed the Lease Term or that cannot be terminated with thirty (30) days' notice;

(v) incur any expense not outlined in the Operating Budget or otherwise approved herein, without the prior written consent of the Director; and/or

(vi) commit or allow Tenant to commit waste on or to the detriment of the Property.

(c) Agent is an independent contractor and shall perform the services provided for in this Agreement in that capacity.

Section 5.02 Delegation of Duties. Agent has the right to engage independent contractors for performance of Agent's duties hereunder as Agent deems necessary, but Agent has the responsibility of supervising the performance of those duties. All contracts with

independent contractors are subject to the prior written consent of the Director. Director has consented to Agent's contract with Agent's Manager, including payment of the fees and reimbursement of expenses as provided therein from the Operating Account.

Section 5.03 Compliance with Law. Agent shall take all necessary actions to comply with any and all statutes, laws, ordinances, orders and requirements of federal, state, county, and municipal authorities having jurisdiction over the Property, including orders of any insurance companies and other similar bodies, relative to the leasing, use, operation, repair, and maintenance of the Property. Upon receiving notice of any violation, Agent shall promptly remedy any violation of any law, ordinance, rule, or regulation, and shall notify the Director in writing by the end of the next business day of the violation and how and when the violation has been or will be remedied.

ARTICLE VI

INSURANCE AND INDEMNIFICATION

Section 6.01 Liability of Agent. Agent shall be liable for its breaches of this Agreement and for uninsured damages and costs (including reasonable attorneys' fees) resulting from Agent's gross negligence or willful misconduct and Agent's employees and contractors' gross negligence and willful misconduct.

Section 6.02 Insurance.

(a) Agent shall at all times during the Lease Term, at the City's expense to be paid from the Operating Account, keep and maintain, the following insurance policies having at least the following minimum limits:

(i) Commercial General Liability, including Contractual Liability, Bodily Injury and Property Damage, Personal & Advertising Injury, and Products and Completed Operations, with at least the following limits:

General Aggregate Limit	\$2,000,000
Personal and Advertising Injury Limit	\$1,000,000
Each Occurrence Limit	\$1,000,000

(ii) Texas Statutory Workers' Compensation, including Employer's Liability with at least the following limits:

Each Accident	\$1,000,000
Each Employee	\$1,000,000
Policy Limit	\$1,000,000

(iii) Business Automobile Liability, covering (a) any auto or (b) all owned, hired and non-owned autos with at least the following limits:

Combined Single Limit \$1,000,000

(iv) Commercial Umbrella or Excess Liability to provide excess liability limits over the underlying Commercial General Liability and Business Auto Liability policies. Coverage terms must "follow from" or be broader than the underlying policies. Any combination of underlying and Umbrella or Excess limits can be used to provide total liability limits of at least:

Per Occurrence \$10,000,000
General Aggregate \$10,000,000

(v) Pollution Liability with at least the following limits:

Per Occurrence \$2,000,000
Aggregate per 12-month period \$4,000,000

(vi) Crime policy, which shall include but not be limited to coverage for the following: losses arising out of or in connection with fraudulent or dishonest acts committed by the employees of Agent, acting alone or in collusion with others, including the property and funds of others in their care, custody or control; employee theft; counterfeit money; computer fraud coverage; funds transfer coverage; forgery or alteration coverage; money and securities coverage; and theft per loss coverage. The Crime Policy coverage shall also include an extension for property of others.

Per Occurrence \$250,000

(b) General Provisions. Prior to beginning performance under this Agreement, at any time upon the Director's request, or each time coverage is renewed or updated, Agent and its contractors shall furnish to the Director current certificates of insurance, endorsements, all policies, or other policy documents evidencing adequate coverage, as necessary. Agent and its contractors shall use the Operating Account for and pay (i) all premiums and (ii) any claims or losses to the extent of any deductible amounts, and then Agent and its contractors waive any claim they may have for premiums or deductibles against the City, its officers, agents, or employees. If any insurance policy required hereunder does not have a flat premium rate and such premium has not been paid in full, such policy must have a rider or other appropriate certificate or waiver sufficient to establish that the issuer is not entitled to look to Agent and its contractors for any further premium payment and has no right to recover any premiums from the Agent. Agent and its contractors shall also require all subcontractors or consultants whose subcontracts exceed \$100,000.00 to provide proof of insurance coverage meeting all requirements stated above except the amount must be commensurate with the amount of the subcontract, but no less than \$500,000.00 per claim.

(c) Form of Insurance. The insurance form shall be approved by the Director and the City Attorney; such approval (or lack thereof) shall never (i) excuse non-compliance with the terms of this Article, or (ii) waive or estop the City from asserting its rights to terminate this Agreement. The policy issuer shall (1) have a certificate of authority to transact insurance business in the State of Texas issued by the Texas Board of Insurance, or (2) be an eligible non-admitted insurer in the State of Texas and have a Best's rating of at least B+. The policy issuer shall have a Best's Financial Size Category of Class VI or better, according to the most current Best's Key Rating Guide.

(d) Required Coverage. The City shall be an additional insured under this Agreement, and all policies, except workers' compensation, shall explicitly name the City as an additional insured. The City shall enjoy the same coverage as the named insured without regard to other Agreement provisions. Agent and its contractors waive any claim or right of subrogation to recover against the City, its officers, agents, or employees, and each of Agent's and its contractors' insurance policies, to the extent such claim is covered and paid by other insurance. Each policy, except workers' compensation, must also contain an endorsement that the policy is primary to any other insurance available to the additional insured with respect to claims arising under this Agreement.

(e) Notice. AGENT AND ITS CONTRACTOR SHALL GIVE THIRTY (30) DAYS' ADVANCE WRITTEN NOTICE TO THE DIRECTOR IF ANY OF ITS INSURANCE POLICIES ARE CANCELED OR NON-RENEWED. Within the 30-day period, Agent and its contractors shall provide other suitable policies in order to maintain the required coverage. If Agent or its contractors fails to comply with this requirement, the Director, at his sole discretion, may immediately terminate this Agreement, suspend Agent and its contractors from any further performance under this Agreement and begin procedures to terminate for default.

(f) Certificates of Insurance. The insurance coverages may be represented in one or more certificates of insurance. It is agreed, however, that nothing included within or omitted from the insurance certificates shall relieve Agent from its duties to provide the required coverage.

(g) Deductibles. A policy may contain deductible amounts as approved by the City. Agent and its contractors shall pay any claims or losses including such deductible amounts from the Operating Account, and then waive any claim they may ever have for the same against the City, its officers, agents or employees with respect to such deductible amounts.

(h) Blanket Policies. Agent and its contractors shall be entitled to purchase and maintain the insurance required under this Article under so called "blanket" policies, provided the coverage thereunder is at least equal to the levels contained herein and is otherwise adequate in keeping with prudent underwriting standards.

(i) Policies. At the Director's request, copies of all policies referred to above, certified by the agent or attorney-in-fact issuing them, together with written proof that the

premiums have been paid, shall be deposited by Agent with the Director. If the Director fails to request copies of such policies, Agent shall provide certificates of insurance, in lieu of policies, reflecting that the terms of this Section have been met, with such certificates to be provided before the Agent begins any work in, on or about the Property. Along with such policies or certificates, Agent shall provide the Director with a list of any claims paid out against the aggregate total of any such policy.

(j) WAIVER OF RIGHT OF RECOVERY. ANYTHING TO THE CONTRARY IN THIS AGREEMENT NOTWITHSTANDING, TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE CITY AND AGENT EACH WAIVE ALL RIGHTS OF RECOVERY, CLAIMS, ACTIONS OR CAUSES OF ACTION OR SUBROGATION AGAINST THE OTHER AND THE OTHER'S AFFILIATES AND THEIR RESPECTIVE PARTNERS, AGENTS, OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES OR REPRESENTATIVES FOR ANY DAMAGE TO THE PROPERTY AND/OR THE IMPROVEMENTS, TO THE EXTENT THAT SUCH DAMAGE IS DUE TO AN INSURED CASUALTY RISK REGARDLESS OF CAUSE OR ORIGIN, INCLUDING NEGLIGENCE OF THE CITY, AGENT, THEIR AFFILIATES OR THEIR PARTNERS, AGENTS, OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES OR REPRESENTATIVES.

Section 6.03 **Cooperation.** Agent shall furnish whatever readily available information is requested by the Director for the purpose of obtaining insurance coverage and shall aid and cooperate in every reasonable way with respect to the insurance and any loss thereunder.

Section 6.04 **Contractor's Insurance.** Agent shall require that every contractor working on the Property maintain, at the contractor's own expense, commercial general liability, workers' compensation, business automobile liability, and commercial umbrella or excess liability insurance in the amounts stated in Section 6.02. Agent must be notified promptly if the Director waives any of the requirements in this Section.

Section 6.05 **Standard of Care.** In the performance of its duties and obligations under this Agreement, Agent shall diligently and in good faith seek to protect the property rights and interests of the City, to protect the best economic interests of the City in its ownership and operating of the Property, and to manage the Property in accordance with normal and accepted industry standards, with the understanding that the intent is to relocate all of the Tenants from the Property as quickly as applicable law permits.

Section 6.06 **Release.** AGENT AGREES TO AND SHALL RELEASE THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY FOR THIS SECTION, THE "CITY") FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE CITY'S SOLE OR CONCURRENT NEGLIGENCE AND/OR THE CITY'S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY. AGENT HEREBY COVENANTS AND AGREES NOT TO SUE THE CITY FOR ANY CLAIMS, DEMANDS, OR CAUSES OF ACTION

DIRECTLY OR INDIRECTLY RELEASED BY AGENT UNDER THIS SECTION. FOR THE AVOIDANCE OF DOUBT, THIS COVENANT NOT TO SUE DOES NOT APPLY TO CLAIMS FOR BREACH OF THIS AGREEMENT.

ARTICLE VII

AUDIT, INSPECTION AND MAINTENANCE OF RECORDS

Section 7.01 City representatives (including without limitation the Director and the City Controller), State of Texas and Federal Government authorized representatives (collectively "Auditing Entities") may perform (1) audits of Agent's books and records for this Agreement or (2) inspections of the Property. Agent shall retain its books and records (including without limitation any documentation required under 2 C.F.R. Part 200, Subpart D) to be available for City representatives to review for at least (i) three (3) years after the General Land Office's ("GLO") closeout of the CDBG-DR16 program that is the subject of the GLO Agreement; (ii) the time period required by 2 C.F.R. § 200.333 (retention requirements for records) in the event this Agreement is wholly or partially federally funded; or (iii) five (5) years after this Agreement terminates, whichever is longer. If the books and records are located outside of Harris County, Texas, Agent shall make them available in Harris County, Texas.

Section 7.02 Within twenty-four (24) hours of Agent's receipt of written notice, Auditing Entities have the right to audit and inspect Agent's books, documents, papers, and records, both written and electronic, that pertain to the services provided under this Agreement. Such documents may include, but are not limited to:

- (a) payroll and personnel records, such as salaries, benefits and bonuses;
- (b) subcontractor agreements, records and invoices;
- (c) any and all records pertaining to this Agreement saved within Agent's accounting or management systems;
- (d) records and information saved on all computers or servers on which the City information is stored; and
- (e) all documents or records evidencing costs and expenses, direct and indirect, relating to Agent's operation and maintenance of the Property after the Closing Date (collectively, "Audited Documents").

Section 7.03 Agent shall permit Auditing Entities to reproduce or copy and retain any and all Audited Documents.

Section 7.04 Agent shall provide Auditing Entities access to the Property during regular business hours.

Section 7.05
Expenditures.

Audit Findings of Disallowed Disbursements or

(a) Audit Findings by the City. Within thirty (30) days of the Director's request, Agent shall refund the City a sum equivalent to the amount of any disallowed disbursements made by the City to Agent or Agent's expenditures, in the event the City, through the review of a monthly financial report(s) and/or audit(s), monitoring finding, or other action, determines that the disbursement or expenditure of any funds disbursed under this Agreement was not made in compliance with this Agreement, applicable law, or applicable regulations. If Agent intends to appeal the disallowance, then no later than five (5) business days after receiving the Director's request, Agent shall provide the Director with written notice to appeal the disallowance ("Notice of Appeal"), which shall explain the reasons supporting Agent's appeal. Agent shall provide bank statements, time sheets, receipts, and any other documentation reasonably requested by the Director in connection with the Notice of Appeal. Within ten (10) business days of receiving Agent's Notice of Appeal, the Director shall render a decision to accept or deny Agent's appeal of a disallowance. The Director's decision shall be final. Within thirty (30) days of receiving a denial of the Notice of Appeal, Agent shall pay the City the amount disallowed.

(b) Audit Findings by Other Auditing Entities. If any audit or inspection performed by an Auditing Entity, other than the City, results in the disallowance, recapture, repayment, refund, return and/or reimbursement of Federal funds used by the City to reimburse Agent for fees and/or expenses related to the operation and maintenance of the Property pursuant to this Agreement, Agent shall cooperate with the Director and/or the City Controller to support the City's responses to any applicable Auditing Entity's repayment requests. Agent shall reimburse the City for all such Federal fees and/or expenses required to be repaid by the City to an applicable Auditing Entity arising from Agents' breach of this Agreement up to the Cap. Agent shall pay any adjustments or payments that were determined to be made by Agent in breach of this Agreement up to the Cap as a result of any such audit or inspection of the Agent's performance under the Agreement, including invoices or records, within thirty (30) days from presentation of the written findings by the Director to Agent.

Section 7.06
Agreement.

Agent has been advised that the City is a party to the GLO

Section 7.07 **Correction of Discrepancies.** If the Director discovers any discrepancies in Agent's records and/or documents, the Director may, in his discretion, require Agent to immediately correct said discrepancies and provide the Director with the corrected records and/or documents within ten (10) business days.

ARTICLE VIII

OPERATING BUDGET AND REMITTANCE OF FUNDS

Section 8.01 Operating Budget.

(a) Initial Operating Budget. Agent has prepared, and the Director has approved, the initial Operating Budget, as attached herein as **Exhibit "C"**.

(b) Revisions to Operating Budget. If the total expenditures accrued under this Agreement are less than the budgeted expenditures or revenues are higher than budgeted for the Lease Term, Agent shall revise the estimated cost of the affected line items in the Operating Budget. Such revisions for decreased expenditures or increased revenues does not require a formal amendment of this Agreement and is evidenced by a revised Operating Budget submitted by Agent to the Director within three (3) business days of the budget revision. Any excess funds remaining after revising the affected line items in the Operating Budget are subject to reallocation to other line items in the Operating Budget, projects and/or contracts related to the Property at the Director's sole discretion. Any revisions for a variance of 15% of expenditures higher or revenues lower than budgeted under this Agreement must be approved by the Director.

Section 8.02 Operating Account. On or before the Effective Date, Agent shall establish a new bank account, solely in the Agent's name, to be used for revenue deposits and Property operation and maintenance expenditures (the "Operating Account"). The City shall not be named as an authorized user of the Operating Account, nor shall the City have signature authority on the account. Disbursements from the Operating Account are to be made in accordance with the Operating Budget or this Agreement, or as otherwise approved in writing by the Director.

(a) Deposit of Funds into Operating Account. Upon receipt, Agent shall immediately deposit all Rents and other funds collected from the operation of the Property into the Operating Account.

(b) Expense Payments from Operating Account. Expenses shall be paid out of the Operating Account in accordance with the Operating Budget or this Agreement, or as otherwise approved in writing by the Director. Expenses not included in the Operating Budget shall be subject to the terms and conditions set forth in Article IV. Upon expenditure of funds out of the Operating Account, Agent shall include in the monthly financial report, described in subsection (c), an itemization of the expenditures funded by the Operating Account, for the Director's review.

(c) Monthly Financial Reporting. Agent shall provide the Director a monthly financial report in accordance with Section 4.08(b). The Director shall accept the financial report unless, in the Director's reasonable opinion, Agent expended funds in breach of this Agreement.

(d) Minimum Reserve Amount for Tenant Deposits. All existing Tenant Deposits shall be transferred to the Operating Account within ten (10) days after the Effective Date. At all times, the Operating Account shall maintain a minimum reserve amount equal to the total amount of Tenant Deposits owed to Tenants. Agent shall maintain detailed records of all Tenant Deposits, and the records must be open for inspection by the Director at all times. The required minimum reserve amount shall only decrease in direct correlation to reimbursed Tenant Deposits, as required by the Tenants' Leases and Texas Property Code Section 92.103, during the Lease Term. Agent shall document each Tenant Deposit reimbursed during the Lease Term and designate such reimbursement as a line item in the monthly financial report required under Section 4.08(b).

Section 8.03 Expenditures.

(a) Expenditure Reimbursements to Agent. If Agent incurs any out-of-pocket expenses in reconciling any financial deficits detailed in Section 4.08(b), Agent shall submit requests for expenditure reimbursements to the Director for review and approval. Requests for expenditure reimbursements shall include:

- (i) an itemized invoice(s) that sufficiently describes the charge(s) so that financial reporting can be achieved as described in Section 4.08(b);
- (ii) a receipt(s) evidencing payment of the invoice(s); and
- (iii) any additional documentation as may be requested by the Director and/or the City Controller.

After the Director's approval, the City will reimburse Agent for such out-of-pocket expenses in accordance with the Operating Budget or this Agreement, or as otherwise approved in writing by the Director, and the Texas Private Prompt Payment Act, Chapter 28 of the Texas Property Code.

(b) Advanced Payments Made by Agent. Agent may, but is not obligated to, make any advance payment out of the Operating Account or to pay any amount approved herein or in the Operating Budget out of funds in the Operating Account, and Agent is not obligated to incur any extraordinary liability or obligation on behalf of the City that is outside of the Operating Budget unless the Director approves of such liability or obligation or the Director furnishes Agent with the necessary funds for the discharge thereof.

Section 8.04 Insufficient Funds in Operating Account. If the balance in the Operating Account is at any time insufficient to pay expenses due and payable under this Agreement, Agent shall promptly inform the Director of the insufficiency and the City shall, in accordance with Section 8.04(b), then remit sufficient funds to Agent to cover the deficiency. Agent is required to notify the Director of an insufficient balance in the Operating Account when the balance in the Operating Account is or is expected to be less than 100% of the allowable expenses for the following month, as established by the Operating Budget and other expenses approved in accordance with this Agreement. Agent must immediately notify the Director of such

insufficiency, including the estimated percentage of funds available in the Operating Account to cover the allowable expenses, but no later than twenty-four (24) hours after Agent's determination of the insufficiency.

(a) If Agent determines that the Operating Account has funds available to cover at least 90% of the allowable expenses, Agent may (without an obligation to do so) cover the deficiency with its own funds and shall be reimbursed by the City for incurring such out-of-pocket expenses. Such reimbursements shall be subject to the terms provided in Section 8.03(a).

(b) If Agent determines that the Operating Account has funds available to cover less than 90% of the budgeted monthly expenses, Agent shall request payment from the Director to cover such deficiency in the notice required in this Section. To request payment, Agent shall submit the invoice(s) that will not be paid with funds from the Operating Account due to insufficient funds. Within 30 days of the Director's review and approval of such invoice(s), the City shall remit funds to cover the payment of such invoice(s).

(i) The City's duty to pay Agent under this Agreement or make any payments in connection with this Agreement, including without limitation, into the Operating Account due to insufficient funds in the Operating Account, is limited in its entirety by the provisions of this Section and the Operating Budget, as may be amended from time to time.

(ii) In order to comply with Article II, Sections 19 and 19a of the City's Charter and Article XI, Section 5 of the Texas Constitution, the City has appropriated and allocated up to \$250,000.00 to pay Agent under this Agreement or make any payments in connection with this Agreement, including without limitation, into the Operating Account due to insufficient funds in the Operating Account during the Lease Term (the "Original Allocation"). The executive and legislative officers of the City, in their discretion, may allocate supplemental funds for this Section of the Agreement (the "Supplemental Allocation"), but they are not obligated to do so. Therefore, the parties have agreed to the following procedures and remedies:

1) The City has not allocated supplemental funds or made a Supplemental Allocation for this Agreement unless the City has issued to Agent a Service Release Order, or similar form approved by the City Controller, containing the language set out below. When necessary, the Supplemental Allocation shall be approved by motion or ordinance of the City Council.

NOTICE OF SUPPLEMENTAL ALLOCATION OF FUNDS

By the signature below, the City Controller certifies that, upon the request of the responsible director, the supplemental sum set out below has been allocated for the purposes of the Agreement out of funds appropriated for this purpose by the City Council of the City of Houston. This Supplemental Allocation has been charged to such appropriation.

\$ _____

2) The Original Allocation plus all Supplemental Allocations are the Allocated Funds. The City shall never be obligated to pay any money under this Section in excess of the Allocated Funds. Agent must assure itself that sufficient allocations have been made to pay disbursement due and payable under this Section. If Allocated Funds are exhausted, Agent's only remedy is suspension or termination of its performance under this Agreement, and it has no other remedy in law or in equity against City and no right to damages of any kind.

Section 8.05 **Taxes.** The City is exempt from payment of federal excise and transportation tax and Texas limited sales and use tax. Agent's invoices to the City must not contain assessments of any of these taxes. The City will furnish the City's exemption certificate and federal tax identification number to Agent if requested.

ARTICLE IX

COMPENSATION

Section 9.01 **Lease-back Fee.** The City will compensate Agent \$49,500.00 (the "Lease-back Fee") for its services under this Agreement in twelve (12) monthly payments, in accordance with the monthly schedule below, to be treated as an operating expense and paid out of the Operating Account. The monthly fee will be payable on the first (1st) day of each month during the term of the Agreement with respect to the services performed during the prior month. The Lease-back Fee shall be paid monthly as follows:

<u>Month</u>	<u>Lease-back Fee</u>	<u>Cumulative Total Lease-back Fees</u>
1	\$12,000.00	\$12,000.00
2	\$10,000.00	\$22,000.00
3	\$8,000.00	\$30,000.00
4	\$3,000.00	\$33,000.00
5	\$3,000.00	\$36,000.00
6	\$3,000.00	\$39,000.00
7	\$3,000.00	\$42,000.00
8	\$1,500.00	\$43,500.00
9	\$1,500.00	\$45,000.00
10	\$1,500.00	\$46,500.00
11	\$1,500.00	\$48,000.00
12	\$1,500.00	\$49,500.00

The parties agree that Agent shall not receive any amount exceeding the Lease-back Fee or any other additional compensation from the City in connection with this Agreement.

Section 9.02 Early Termination. If the Agreement terminates prior to the expiration of the Lease Term, Agent shall be entitled to payment of the remaining unpaid portion of the Lease-back Fee so long as such termination did not occur pursuant to Section 10.01(b). Agent shall receive payment of the remaining unpaid portion of the Lease-back Fee no later than sixty (60) days after the termination of this Agreement.

ARTICLE X

DEFAULT AND TERMINATION; REMEDIES; INDEMNIFICATION

Section 10.01 Termination.

(a) Termination for Convenience by the City. The City may terminate this Agreement at any time by giving thirty (30) days' written notice to Agent. The City's right to terminate this Agreement for convenience is cumulative of all rights and remedies which exist now or in the future. On receiving the notice, Agent shall, unless the notice directs otherwise, immediately discontinue all services under this Agreement and cancel all existing orders and subcontracts that are chargeable to this Agreement. The City shall (i)

pay Agent any unpaid Lease-back Fee pro rata as to the days services were provided by Agent during the month in which termination occurs; and (ii) reimburse Agent for any Property expenditures incurred in performing the services, but not already reimbursed, in the same manner as prescribed in Section 8.03

RECEIPT OF PAYMENT FOR SERVICES RENDERED ARE AGENT'S ONLY REMEDIES FOR THE CITY'S TERMINATION FOR CONVENIENCE, WHICH DOES NOT CONSTITUTE A DEFAULT OR BREACH OF THIS AGREEMENT. AGENT WAIVES ANY CLAIM (OTHER THAN ITS CLAIM FOR PAYMENT AS SPECIFIED IN THIS SECTION), IT MAY HAVE NOW OR IN THE FUTURE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM THE CITY'S TERMINATION FOR CONVENIENCE.

(b) Default by Agent; Termination for Cause by the City. If Agent defaults under this Agreement, the City may either terminate this Agreement or require Agent to cure the default as provided below. The City's right to terminate this Agreement for Agent's default is cumulative of all rights and remedies which exist now or in the future. Default by Agent occurs if:

(i) Agent fails to operate the Property as a residential multi-family rental facility;

(ii) there is a (i) filing of a voluntary petition in bankruptcy on Agent's behalf; (ii) adjudication of Agent as a bankrupt; (iii) filing of any petition or other pleading in any action seeking reorganization, rearrangement, adjustment, or composition of, or in respect of, Agent under the United States Bankruptcy Code or any other similar state or federal law dealing with creditors' rights generally, unless within ninety (90) days after such filing such proceeding is stayed or discharged; or (iv) appointment of a receiver, trustee or other similar official of Agent;

(iii) Agent fails to reasonably correct within a reasonable period any hazardous condition, caused by Agent after written notice of such condition was provided by the City. In the event Agent does not promptly remedy the hazardous condition, the City may exercise all of its rights under this Agreement, including the right of the City to perform Agent's obligations as set forth in this Agreement; or

(iv) Agent fails to keep, observe or perform any of the terms, covenants or agreements contained in this Agreement to be kept, performed or observed by Agent. If (i) such failure is not remedied by Agent within thirty (30) days after written notice from the Director of such default or (ii) in the case of any such default which cannot with due diligence and good faith be cured within thirty (30) days, Agent fails to commence to cure such default within thirty (30) days after written notice from the Director of such default or Agent fails to prosecute diligently the cure of such default to completion within such additional period as may be

reasonably required to cure such default with diligence and in good faith; it being intended that, in connection with any such default which is not susceptible of being cured with due diligence and in good faith within thirty (30) days, the time within which Agent is required to cure such default shall be extended for such additional period as may be necessary for the curing thereof with due diligence and in good faith.

If a default occurs, the Director shall deliver a written notice to Agent describing the default and the termination date. The Director, at his or her sole option, may extend the termination date to a later date. If the Director allows Agent to cure the default and Agent does so to the Director's satisfaction before the termination date, then the termination is ineffective. If the Director allows Agent to cure and Agent does not cure the default before the termination date, then the Director may terminate this Agreement on the termination date, at no further obligation of the City.

Section 10.02 Remedies Cumulative. Unless otherwise specified elsewhere in this Agreement, the rights and remedies contained in this Agreement are not exclusive but are cumulative of all rights and remedies which exist now or in the future. Neither party may terminate its duties under this Agreement except in accordance with its provisions.

Section 10.03 Final Accounting and Closing Operations. Within thirty (30) days after the termination or expiration of this Agreement, Agent shall transfer to the City the following:

- (a) Any outstanding balance remaining in the Operating Account;
- (b) All certificates of deposits, if any, belonging to the City;
- (c) Any money belonging to the City (excluding the Lease-back Fee and the purchase price paid to Agent under the Option Agreement) held by Agent on the City's behalf;
- (d) All records, contracts, Leases, keys, receipts for deposits, unpaid bills, as authorized under the Operating Budget, or otherwise in writing by the Director, and other papers, files, documents, books and records relating to this Agreement; and
- (e) All reports required under this Agreement hereof to the date of the termination.

Within three (3) days of the City's request, Agent shall assign to the City all contracts requested by the City concerning the Property, to the extent permitted by the contracts, and shall cooperate with the City in connection with the transition to a new manager, if necessary.

Section 10.04 Indemnification.

(a) SUBJECT TO ARTICLE VI, AGENT AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY FOR THIS SECTION, THE "CITY") HARMLESS FOR ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE OF AGENT'S OBLIGATIONS UNDER THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, THOSE CAUSED BY:

(i) AGENT AND/OR ITS AGENTS', EMPLOYEES, OFFICERS', DIRECTORS', CONTRACTORS', OR SUBCONTRACTORS' (COLLECTIVELY IN NUMBERED PARAGRAPHS (i)-(iii), "CONTRACTOR") ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS;

(ii) THE CITY AND CONTRACTOR'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT; AND

(iii) THE CITY AND CONTRACTOR'S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT.

(b) AGENT'S FOREGOING INDEMNIFICATION OBLIGATION SHALL APPLY DURING THE TERM OF THIS AGREEMENT AND FOR FOUR YEARS AFTER THIS AGREEMENT TERMINATES. AGENT'S FOREGOING INDEMNIFICATION IS LIMITED TO \$400,000 PER OCCURRENCE. AGENT SHALL NOT INDEMNIFY THE CITY FOR THE CITY'S SOLE NEGLIGENCE.

(c) SUBCONTRACTOR'S INDEMNITY. AGENT SHALL REQUIRE ALL OF ITS SUBCONTRACTORS (AND THEIR SUBCONTRACTORS) TO RELEASE AND INDEMNIFY THE CITY TO THE SAME EXTENT AND IN SUBSTANTIALLY THE SAME FORM AS ITS RELEASE AND INDEMNITY TO THE CITY.

(d) INDEMNIFICATION PROCEDURES.

(i) Notice of Claims. If the City or Agent receives notice of any claim or circumstances which could give rise to an indemnified or non-indemnified loss, the receiving party shall give written notice to the other party within five (5) days. For an indemnified loss, the notice must include the following:

- (1) a description of the indemnification event in reasonable detail;
- (2) the basis on which indemnification may be due; and
- (3) the anticipated amount of the indemnified loss.

This notice does not estop or prevent the City or the Agent from later asserting a different basis for indemnification or a different amount of indemnified loss than that indicated in the initial notice. If the Director or the Agent does not provide this notice within the required 5-day period, it does not waive any right to indemnification except to the extent that Agent or City, as the case may be, is prejudiced, suffers loss, or incurs expense because of the delay.

(ii) Defense of Claims.

(1) Assumption of Defense. Agent may assume the defense of the claim, at its own expense, with counsel chosen by it that is reasonably satisfactory to the City Attorney. Agent shall then control the defense and any negotiations to settle the claim, subject to the City Attorney's consent or agreement to the settlement, which consent or agreement shall not be unreasonably withheld. Within five (5) days after receiving written notice of the indemnification request, Agent must advise the Director as to whether or not it will defend the claim. If Agent does not assume the defense, the City shall assume and control the defense, and all defense expenses constitute an indemnification loss.

(2) Continued Participation. If Agent elects to defend the claim, the City may retain separate counsel to participate in (but not control) the defense and to participate in (but not control) any settlement negotiations.

(3) Non-indemnified Claims. The party in receipt of a non-indemnified claim notice shall promptly give to the other party all pertinent information and reasonable assistance in the defense or other disposition thereof, at its sole expense.

(e) Survival of Indemnity Obligations. The indemnity obligations contained in this Agreement will survive the termination of this Agreement for four (4) years.

ARTICLE XI

DAMAGE OR DESTRUCTION

Section 11.01 Occurrence of Casualty and Use of Insurance Proceeds. If all or any part of the Property is materially damaged or destroyed, Agent will immediately notify the Director as to the nature and extent of such damage or destruction. Agent shall assign to the City all insurance proceeds received with respect to any material damage or destruction to the Property.

Section 11.02 Repairs. Promptly upon the City's receipt of any insurance proceeds relating to damage or destruction to the Property, Agent shall consult with the Director in determining the next appropriate steps regarding any repairs conducted on the Property.

Section 11.03 Property at Agent's Risk. Agent's supplies and all merchandise, effects, and other property of every kind, nature, and description belonging to Agent, which may be on or in the Property during the Lease Term shall be at the sole risk and hazard of Agent; and if the whole or any part thereof shall be destroyed or damaged for any reason, the City shall not be liable or responsible.

Section 11.04 Destruction of Properties under Contract. If the Property is destroyed or materially damaged to such extent that the Director determines that the Property is wholly unfit, in whole or a material part, for use by Agent in its operations, the City may terminate this Agreement.

ARTICLE XII

EMINENT DOMAIN

Section 12.01 Efforts to Prevent Taking. The City shall use reasonable efforts to cause all other governmental authorities and/or entities with the power of eminent domain to refrain from instituting any Condemnation Proceedings or exercising any other powers of eminent domain with respect to the Property, or any interest in any of the foregoing during the Lease Term.

Section 12.02 Entire Taking. If all or at least 75% of the square footage of the Property is Taken in Condemnation Proceedings, Agent shall have the right to terminate this Agreement in accordance with Article X effective as of the date of such Taking, and from and after such date Agent and the City shall not have any further obligations under this Agreement with respect to the portion of the Property so Taken, provided the City has fully complied with its obligations under this Section.

Section 12.03 Partial Taking.

(a) If less than 75% of the square footage of the Property is Taken in Condemnation Proceedings, after the Taking, Agent and the City shall not have any further obligations under this Agreement with respect to the portion of the Property so Taken.

(b) If, following any partial Taking, Agent exercises any right of termination under this Agreement as to the Property, then Agent may vacate the Property and, after vacation, Agent and the City shall not have any other obligations under this Agreement with respect to the Property, provided the City has fully complied with its obligations under this Section.

(c) If Agent does not elect to vacate the Property upon any partial Taking thereof, then the Property shall be reduced by the portion Taken in the Condemnation Proceeding.

Section 12.04 Temporary Taking. A Taking shall be considered temporary if the Taking will only affect the Property for a period of three (3) months or less (“Temporary Taking”). If any portion of the Property is subject to a Temporary Taking, Agent and the City’s obligations under this Agreement shall be abated for the affected portion of the Property for the duration of the Temporary Taking. Once the Temporary Taking has expired, Agent and the City’s obligations under this Agreement will resume as to the affected portion of the Property and shall continue for the duration of the Term.

Section 12.05 Condemnation Award.

(a) At any time within one hundred eighty (180) days after a Taking, following which Agent vacates the Property or a portion thereof, the Director or Agent may terminate this Agreement by delivering a written termination notice to the other party specifying the effective date of such termination, in which event this Agreement shall terminate as to the Property or a portion thereof as of the date specified by the Director or Agent in such notice, and the entire condemnation award attributable to such Taking shall be paid to the City.

(b) In the event all or any portion of the Property is not terminated from the scope of this Agreement in connection with a Taking as provided above, the Condemnation Award shall be paid to the City. Should the Condemnation Award be deposited into the registry of the court, the City shall withdraw the money from the registry of the court with no objections from the Agent.

Section 12.06 Survival. The provisions contained in this Article shall survive the expiration or earlier termination of this Agreement, but only insofar as such provisions relate to any Condemnation Proceedings or condemnation awards that arose prior to the expiration or termination of this Agreement.

ARTICLE XIII

ENVIRONMENTAL RESTRICTIONS

[TO BE MADE SUBJECT TO CITY'S PHASE I UNDER OPTION AGREEMENT]

Section 13.01 Hazardous Material. Neither the City nor Agent shall transport, use, store, maintain, generate, manufacture, handle, dispose, release or discharge any Hazardous Material upon or about the Property, nor permit their employees, agents, and contractors to engage in such activities upon or about the Property. However, the foregoing provisions shall not prohibit the transportation to and from, and use, storage, maintenance and handling within, the Property of substances customarily used in owning, managing, repairing, leasing, or operating real estate similar to the Property; provided (i) such substances shall be used and maintained only in such quantities as are reasonably necessary and in accordance with applicable law and the manufacturers' instructions therefor and (ii) such substances may be disposed of, released or discharged at the Property if permitted by and in compliance with applicable laws, and shall be transported to and from the Property in compliance with all applicable laws.

Section 13.02 Notification. Each party shall promptly notify the other party upon the notifying party becoming aware of: (i) any enforcement, cleanup, or other regulatory action taken or threatened against either party by any governmental or regulatory authority with respect to the presence of any Hazardous Material on the Property, (ii) any demands or claims made or threatened by any party against the City or Agent relating to any loss or injury resulting from any Hazardous Material, (iii) any unlawful release, discharge or nonroutine, improper or unlawful disposal or transportation of any Hazardous Material on or from the Property, and (iv) any matters where the party is required by law to give a notice to any governmental or regulatory authority respecting any Hazardous Materials on the Property.

Section 13.03 Clean up and Removal. If any Hazardous Material released, discharged or disposed of by Agent or its employees, agents or contractors during the Lease Term, on or about the Property in violation of the foregoing provisions, Agent shall immediately, properly and in compliance with all applicable laws and ordinances, clean up and remove such Hazardous Material from the Property and any other affected property, at Agent's sole cost and expense. Such clean up and removal work shall be subject to the Director's prior written approval, and shall include, without limitation, any testing, investigation and/or preparation and implementation of any remedial action plan required by any governmental body having jurisdiction. If Agent shall fail to comply with the provisions of this Section within five (5) days after written notice by the Director, or such shorter time as may be required by law, the City may terminate this Agreement.

ARTICLE XIV

ASSIGNMENT; SUBLETTING; NON-DISTURBANCE

Except with regard to an assignment to a related entity to Agent for which Director approval is obtained, Agent shall not assign this Agreement, or sublet or assign any of the Property, in whole or in part, at any time.

ARTICLE XV

SMALL BUSINESS, MINORITY AND WOMEN BUSINESS ENTERPRISES; NON-DISCRIMINATION

Section 15.01 Business Opportunity. Agent shall comply with the City's Minority and Women Business Enterprise ("MWBE") programs as set out in Chapter 15, Article V of the City of Houston Code of Ordinances. Agent shall make good faith efforts to award subcontracts or supply agreements in at least 25% of the value of this Agreement to MWBEs. Agent acknowledges that it has reviewed the requirements for good faith efforts on file with the City's Office of Business Opportunity and will comply with them.

Section 15.02 Non-Discrimination. Agent shall not discriminate in its employment practices, service provision, or in any other manner in the management and/or operation of the Property or in the exercise of the rights and privileges granted by this Agreement because of sex, race, color, ethnicity, national origin, age, familial status, marital status, religion, disability, sexual orientation, genetic information, gender identity, pregnancy, ancestry, handicap, or religion.

Section 15.03 Minority Hiring Encouragement. Agent will encourage the hiring of minorities and women employees, and is encouraged to seek contracts with small, minority, and disadvantaged business enterprises.

ARTICLE XVI

AGENT'S REPRESENTATIONS AND WARRANTIES

Agent hereby represents and warrants as follows:

- (a) Existence. Agent is registered in the State of Texas as a limited liability company.
- (b) Authority. Agent has all requisite power and authority to operate its business, enter into this Agreement and consummate the transactions herein contemplated, and by proper action has duly authorized the execution and delivery of this Agreement and the consummation of the transactions herein contemplated.
- (c) Binding Obligations. This Agreement is a valid and binding obligation of Agent and is enforceable against Agent in accordance with its terms.

(d) Consents. No permission, approval or consent by third parties or any other governmental authority is required in order for Agent to enter into this Agreement or perform the obligations of Agent hereunder, other than those consents which have been obtained.

(e) Proceedings. There are no actions, suits or proceedings pending or, to the best knowledge of Agent, threatened or asserted against Agent which could reasonably be expected to affect or impair Agent's ability to enter into this Agreement or to perform its obligations hereunder, at law or in equity or before or by any governmental authority.

ARTICLE XVII

NOTICES

Any notice or other communications required or permitted hereunder shall be sufficiently given if sent by electronic mail or United States certified or registered mail, postage prepaid, and addressed as follows. Notice shall be deemed to have been given as of the date emailed, or three (3) days from the date mailed:

If to City: City of Houston, Texas
Housing and Community Development Department
Attn.: Tom McCasland, Director
c/o Rupa Sen, Real Estate Manager
2100 Travis Street, 9th Floor
Houston, Texas 77002
Telephone: (832) 394-6217
Email: rupa.sen@houstontx.gov

With a copy to: City of Houston Legal Department
Attn.: City Attorney
900 Bagby Street, 4th Floor
Houston, Texas 77002
Email: arturo.michel@houstontx.gov

City of Houston Legal Department
Attn.: Real Estate Section
900 Bagby Street, 3rd Floor
Houston, Texas 77002
Email: kene.chinweze@houstontx.gov

If to Agent: Monticello Square, LLC
Attn.: Michael Morrow
13014 Kimberley Lane
Houston, Texas 77079
Telephone: (713) 444-6250
Email: dan@wessexrents.com

With a copy to: VB Law
Attn.: Andy Van Buskirk
5302 La Branch Street
Houston, Texas 77004
Telephone: (713) 526-9800
Email: andy@vblawoffice.com

The above addresses may be changed by the appropriate party giving written notice of the change to the other party.

ARTICLE XVIII

MISCELLANEOUS

Section 18.01 Inspection. Agent shall permit the City and its agents, at all reasonable times and without interfering with the operation being conducted upon the Property, to enter into and upon the Property during normal business hours for the purpose of inspecting the same, provided that such entry and inspection by the City does not interfere with the quiet enjoyment of the Property by Agent or any Tenant.

Section 18.02 Special Power of Attorney. The City authorizes Agent as attorney-in-fact for the City to collect Rents and other funds due the City in Agent's name on the City's behalf, to appear on behalf of the City in proceedings related to tenancy if requested by the City, and to establish and make deposits into and withdrawals from the Operating Account in accordance with the terms of this Agreement.

Section 18.03 Not a Property Interest; Amendments. This Agreement is not intended to convey any interest in real property. This Agreement constitutes the entire agreement between Agent and the City regarding the subject matter hereof, and no alteration, modification, or addition to this Agreement will be valid or enforceable unless expressed in writing and signed by the Director and Agent.

Section 18.04 Headings. All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provisions of this Agreement.

Section 18.05 Waiver.

(a) Limitations. The waiver of any of the terms and conditions of this Agreement on any occasion or occasions is not to be deemed as waiver of those terms and conditions on any future occasion. No waiver by the City of any breach of this Agreement is to be deemed a waiver of any other or subsequent breach.

(b) Written Documentation. No party shall have or be deemed to have waived any default under this Agreement by the other party unless such waiver is embodied in a

document signed by the waiving party that describes specifically the default that is being waived. Further, no party shall be deemed to have waived its rights to pursue any remedies under this Agreement, unless such waiver is embodied in a document signed by such party that describes specifically any such remedy that is being waived.

(c) Governmental Immunity. Notwithstanding anything contained in this Agreement to the contrary, nothing in this Agreement shall constitute a waiver by the City of any provisions of any law relating to governmental immunity or limitations of liability of a governmental entity.

Section 18.06 Interpretation. Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of principal and agent, partnership, joint venture or any association between the parties hereto, it being understood and agreed that none of the provisions contained herein or any acts of the parties in the performance of their respective obligations hereunder shall be deemed to create any relationship between the parties hereto other than the relationship of landlord and tenant.

Section 18.07 Addenda. The following addenda are attached to this Agreement and incorporated herein:

- (a) **Exhibit "A-1"** – GLO Agreement DR-16
- (b) **Exhibit "A-2"** – GLO Agreement DR-17
- (c) **Exhibit "B"** – Federal Contract Requirements
- (d) **Exhibit "C"** – Operating Budget

In the event of conflicts or inconsistencies between this Agreement and its exhibits, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority: 1) any and all applicable federal and state laws, rules, and regulations; 2) this Agreement; 3) GLO-approved guidelines; and 4) exhibits to this Agreement: **Exhibit "A-1"**, **Exhibit "A-2"**, **Exhibit "B"**, and **Exhibit "C"**.

Section 18.08 Enforceability. If any term, provision, condition or covenant of this Agreement or the application thereof to any party or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement, or the application of such term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Section 18.09 Exercise of Remedies. The City's remedies under this Agreement are cumulative, and the exercise of one remedy is not to be deemed an election of remedies or a foreclosure of the exercise of the City's other remedies. The failure of a party to seek redress for violation of this Agreement, or to insist upon the strict performance of this Agreement, shall not constitute a waiver of any covenant, agreement, provision or condition of this Agreement.

Section 18.10 Successors and Assigns. This Agreement inures to the benefit of and constitutes a binding obligation on the City and Agent and their respective successors and assigns; provided, however, that Agent may not assign this Agreement or any of its duties hereunder without the prior written consent of the City.

Section 18.11 Federal Requirements. The Parties acknowledge that the City may seek reimbursement from the U.S. Department of Housing and Urban Development (“HUD”) for costs incurred under this Agreement. Agent shall comply with all Community Development Block Grant – Disaster Recovery (“CDBG-DR”) program requirements outlined in **Exhibits “A-1” and “A-2”** and made a part hereof. Agent shall abide by the Federal requirements outlined in **Exhibit “B”** as may be applicable. Notwithstanding the previous sentence, the parties acknowledge that the Federal Government is not a party to this Agreement and is therefore not obligated to perform any actions under this Agreement. Agent shall comply with and shall perform services in compliance with all GLO/HUD requirements outlined in this Agreement and otherwise applicable to the services performed, any subsequent audit by the GLO, HUD, or any other reviewing agency, and reimbursement, if any, from the GLO, HUD, or any other federal agency for the costs incurred under this Agreement.

Section 18.12 Flow-Through Provisions.

(a) The City is a party to the GLO Agreement that contains the provisions set out in **Exhibits “A-1” and “A-2”** to this Agreement. Agent shall comply with the applicable terms set out in **Exhibits “A-1” and “A-2”** and any amendments thereto as if it were the City, except to the extent this Agreement specifically addresses a topic also covered in **Exhibits “A-1” and “A-2”**, in which case the terms of this Agreement shall apply. In the event Agent believes a term or condition of the GLO Agreement is inapplicable, Agent must seek clarification from the Director. The Director, in his sole but reasonable discretion, shall determine which terms are applicable to this Agreement and the services provided thereunder. If the parties fail to reach an agreement, Agent may submit a dispute in accordance with Section 18.13 of this Agreement. Agent may utilize the Section 18.13 dispute resolution process under this Section regardless of whether the dispute involves a question of law.

(b) In the event the City is a recipient or subrecipient of other grant, federal, or state funds or the City otherwise uses restricted funds to pay Agent for services or expenses provided under this Agreement, Agent shall agree, in writing, to be bound by the same contract or grant terms and conditions, laws, and regulations as the City, to the extent relevant to Agent’s scope of work (“Additional Flow Down Provisions”). Agent’s agreement to the Additional Flow Down Provisions must be in writing, signed by Agent and the Director and approved by the City Attorney. Such written agreement does not require amendment of this Agreement but shall be incorporated into this Agreement as if fully referenced herein. If within a reasonable time after receipt of a written request from the Director (not to exceed fifteen (15) business days), the parties are unable to reach a written agreement on the relevant Additional Flow Down Provisions following good faith negotiations, the Director, at his or her sole discretion may (i) immediately suspend Agent

from any further performance, or (ii) terminate this Agreement. Under no circumstances may Agent's service or construction contracts contain a percentage mark-up provision.

Section 18.13 Dispute Resolution. Except as may otherwise be provided by law, a dispute that (1) arises during the performance of this Agreement; and (2) is not resolved between the City and Agent must be handled as described below:

(a) The property manager shall put his decision in writing and mail or otherwise furnish Agent with a copy. Agent may abide by the decision or may appeal the decision to the Director.

(b) If Agent desires to appeal a decision of the property manager, Agent must submit a written appeal to the Director. Agent must file its written appeal within seven (7) days following receipt of the property manager's original decision. The Director shall provide Agent with a written response to the appeal within fourteen (14) days following its receipt. The decision of the Director is final.

Section 18.14 Estoppel Certificates. Agent and the City shall, at any time and from time to time upon not less than twenty (20) days prior written request by the other party, execute, acknowledge and deliver to the City and Agent, as the case may be, a statement certifying (a) the ownership interest of the City or Agent (as the case may be), (b) that this Agreement is unmodified and in full force and effect (or if there have been any modifications, that the same is in full force and effect as modified and stating the modifications), (c) the dates to which any charges required hereunder have been paid, and (d) that, to the best knowledge of the City or Agent, as the case may be, no default hereunder on the part of the other party exists (except that if any such default does exist, the certifying party shall specify such default).

Section 18.15 Written Cancellation or Termination. Upon request of Agent, the City will execute and deliver a written cancellation and termination of this Agreement upon the cancellation or termination of this Agreement.

Section 18.16 Force Majeure.

(a) Timely performance by both parties is essential to this Agreement. However, neither party is liable for reasonable delays in performing its obligations under this Agreement to the extent the delay is caused by Force Majeure that directly impacts the City or Agent. The event of Force Majeure may permit a reasonable delay in performance but does not excuse a party's obligations to complete performance under this Agreement.

(b) This relief is not applicable unless the affected party does the following:

(i) uses due diligence to remove the effects of the Force Majeure as quickly as possible and to continue performance notwithstanding the Force Majeure; and

(ii) provides the other party with prompt written notice of the cause and its anticipated effect.

(c) The Director will review claims that a Force Majeure that directly impacts the City or Agent has occurred and render a written decision within fourteen (14) days. The decision of the Director is final.

(d) The City may perform contract functions itself or contract them out during periods of Force Majeure. Such performance is not a default or breach of this Agreement by the City.

(e) If the Force Majeure continues for more than fifteen (15) days from the date performance is affected, the Director may terminate this Agreement by giving seven (7) days' written notice to Agent. This termination is not a default or breach of this Agreement. **AGENT WAIVES ANY CLAIM IT MAY HAVE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM THE TERMINATION EXCEPT FOR AMOUNTS DUE UNDER THE AGREEMENT UP TO THE TIME THE WORK IS HALTED DUE TO FORCE MAJEURE.**

Section 18.17 City's Right to Perform Agent's Covenants. If Agent fails to perform any of the covenants, obligations or agreements contained in this Agreement, and such failure shall continue without Agent curing or commencing to cure such failure within all applicable grace and/or notice and cure periods, the City may perform the same on behalf of, and at the expense of Agent, and the amount of any payment made or other reasonable expenses (including reasonable attorneys' fees) incurred by the City in curing such default, together with interest thereon at the rate of ten percent (10%) per annum, shall be payable by Agent to the City within thirty (30) days of request of payment. This provision is not in lieu of, but is in addition to, any other rights or remedies the City may have with respect to Agent's failure to perform.

Section 18.18 Applicable Law and Venue. This Agreement shall be construed and interpreted in accordance with the applicable laws of the State of Texas and City of Houston. Venue for any disputes relating in any way to this Agreement shall lie exclusively in Harris County, Texas.

Section 18.19 Brokerage Commission. The City and Agent represent and warrant one to the other that no broker commission, finder's fees or similar compensation arising from this Agreement is due to any party claiming by, through or under the City or Agent as applicable.

Section 18.20 Survival. Covenants in this Agreement providing for performance after termination of this Agreement shall survive the termination of this Agreement.

Section 18.21 Entire Agreement. This Agreement and the documents referenced in this Agreement constitute the entire agreement between the City and Agent regarding the subject matter thereof. There are no representations, promises or agreements of either the City or Agent,

one to the other, regarding the subject matter of this Agreement not contained in this Agreement or the documents referenced in this Agreement.

Section 18.22 Covenants Running with the Land. The parties hereto covenant and agree that all of the conditions, covenants, agreements, rights, privileges, obligations, duties, specifications and recitals contained in this Agreement, except as otherwise expressly stated herein, shall during the Lease Term be construed as covenants running with title to the Property, and the leasehold estate hereunder, respectively, which shall extend to, inure to the benefit of and bind the City, Agent, and their respective permitted successors and assigns to the same extent as if such successors and assigns were named as original parties to this Agreement, such that this Agreement shall during the Lease Term bind the owner and holder of any fee or leasehold interest in or to the Property, or any portion thereof, and shall bind predecessors thereof except as otherwise expressly provided herein.

Section 18.23 Non-Merger of Estates. The interests of the City and Agent in the Property shall at all times be separate and apart and shall in no event be merged, notwithstanding the fact that this Agreement or the leasehold estate created hereby, or any interest therein, may be held directly or indirectly by or for the account of the same person who shall own the fee title to the Property or any portion thereof; and no such merger of estates shall occur by operation of law, or otherwise, unless and until all persons at the time having any interest in the Property or under this Agreement join in the execution and recordation of a written instrument effecting such merger of estates.

Section 18.24 City Council Approvals and Appropriations. This Agreement is subject to all applicable terms and provisions of the Charter and the Code of Ordinances of the City, and is subject to approval by the City Council, and shall not be effective until signed by the Mayor and countersigned by the City Controller. Notwithstanding anything contained in this Agreement to the contrary, this Agreement does not, nor shall it be construed to, foreclose or waive the application of all lawful requirements under the applicable laws of the State of Texas for (i) the appropriation and payment of funds by the City, or (ii) the approval or issuance of future agreements, permits or licenses by the City. Any provision of this Agreement which contemplates (x) the payment of money by the City, which payment would require the appropriation of funds over and above any sums appropriated prior to the Effective Date in connection with this Agreement or (y) any other future action, decision, agreement, waiver or approval which by its nature must be approved by the City Council, including without limitation, the issuance of permits or licenses, shall be subject to the approval of any subsequent City Council to which such matter is presented and to the appropriation by such City Council of the required funds, in the exercise of its legislative discretion.

Section 18.25 Zero Tolerance Policy for Human Trafficking and Related Activities. The requirements and terms of the City of Houston's Zero Tolerance Policy for Human Trafficking and Related Activities, as set forth in Executive Order 1-56, as revised from time to time, are incorporated into this Agreement for all purposes. Agent has reviewed Executive Order 1-56, as revised, and shall comply with its terms and conditions as they are set out on the Effective Date. Agent shall notify the City's Chief Procurement Officer, the City Attorney, and the Director

of any information regarding possible violation of such Executive Order by the Agent or its subcontractors providing services or goods under this Agreement.

Section 18.26 Anti-Boycott of Israel. Agent certifies that Agent is not currently engaged in and agrees for the duration of this Agreement not to engage in, the boycott of Israel as defined by Section 808.001 of the Texas Government Code.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

[Remainder of page intentionally left blank]

EXECUTED IN MULTIPLE ORIGINAL COUNTERPARTS, each of which shall be an original, which together shall constitute but one and the same instrument, effective as of the date of countersignature by the City Controller of the City of Houston. The parties hereby agree that each party may sign and deliver this Agreement electronically or by electronic means and that an electronic transmittal of a signature, including but not limited to, a scanned signature page, will be as good, binding, and effective as an original signature.

CITY OF HOUSTON, TEXAS, a municipal corporation

ATTEST:

Pat Jefferson-Daniel
Interim City Secretary

Sylvester Turner
Mayor of the City of Houston

APPROVED AND RECOMMENDED:

COUNTERSIGNED

Tom McCasland
Director, Housing and Community
Development Department

Chris B. Brown
City Controller

Countersignature Date:

APPROVED AS TO FORM:

Kene Chinweze
Senior Assistant City Attorney
L.D. File No. 0292000585001

AGENT

MONTICELLO SQUARE, LLC,
a Texas limited liability company

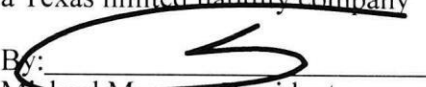
By: 
Michael Morrow, President
Tax I.D. No. 76-0592943

EXHIBIT "A-1"

GLO AGREEMENT DR-16



FC77899
2019-0109

**GLO CONTRACT NO. 19-076-008-B357
COMMUNITY DEVELOPMENT BLOCK GRANT
DISASTER RECOVERY PROGRAM HOUSING PROJECTS
NON-RESEARCH & DEVELOPMENT
2016 FLOOD ALLOCATION**

The **GENERAL LAND OFFICE** ("the GLO"), a Texas state agency, and **CITY OF HOUSTON**, DUNS No. 832431985 ("Subrecipient") (each a "Party" and collectively "the Parties,") enter into this Subrecipient agreement (the "Contract") under the U.S. Department of Housing and Urban Development Community Development Block Grant Disaster Recovery ("CDBG-DR") program to provide financial assistance with funds appropriated under the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act (Public Law 114-223), enacted on September 29, 2016, the Further Continuing and Security Assistance Appropriations Act, 2017 (Public Law 114-254), enacted on December 10, 2016, and the Consolidated Appropriations Act, 2017 (Public Law 115-31), enacted on May 5, 2017, to facilitate disaster recovery, restoration, and economic revitalization and to affirmatively further fair housing, in accordance with Executive Order 12892, in areas affected by the Texas Severe Storms, Tornadoes, and Flooding (DR-4266), the Texas Severe Storms and Flooding (DR-4269), and the Texas Severe Storms and Flooding (DR-4272), which are Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121, *et seq.*).

Through CDBG-DR Federal Award Number B-16-DL-48-0001, awarded November 1, 2017, the GLO administers grant funds as Community Development Block Grants (Catalog of Federal Domestic Assistance Number 14.228, "Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii"), as approved by the Texas Land Commissioner, and limited to use for facilitating recovery efforts in Presidentially-declared major disaster areas.

ARTICLE I - GENERAL PROVISIONS

1.01 SCOPE OF PROJECT AND SUBAWARD

(a) Scope of Project

The purpose of this Contract is to set forth the terms and conditions Subrecipient's participation in the CDBG-DR program. In strict conformance with the terms and conditions of this Contract, Subrecipient shall perform, or cause to be performed, Activities defined in **Attachment A**, as applicable, in the City of Houston (the "Project"). Subrecipient shall conduct the Project in strict accordance with this Contract, including all Contract Documents listed in

SECTION 1.02 below, and any Amendments, Revisions, or Technical Guidance Letters issued by the GLO.

(b) Subaward

Subrecipient submitted a Grant Application under the Program. The GLO enters into this Contract based on Subrecipient's approved Grant Application.

Subject to the terms and conditions of this Contract and Subrecipient's approved Application, the GLO shall subaward to Subrecipient an amount not to exceed \$23,486,698.00, payable as reimbursement of Subrecipient's allowable expenses, to be used in strict conformance with the terms of this Contract, and the Performance Statement, Budget, and Benchmarks for Housing Projects in **Attachment A**.

The GLO is not liable to Subrecipient for any costs Subrecipient incurs before the effective date of this Contract or after the expiration or termination of this Contract. The GLO in its sole discretion, may reimburse Subrecipient for allowable Project costs incurred before the effective date of this Contract, in accordance with federal law.

All funds obtained by Subrecipient from the GLO and utilized on Subrecipient's CDBG-DR Activities are subject to compliance with all Federal and State regulations governing this Contract.

1.02 CONTRACT DOCUMENTS

This Contract and the following Attachments, attached hereto and incorporated herein in their entirety for all purposes, shall govern this Contract:

ATTACHMENT A: Performance Statement, Budget, and Benchmarks for Housing Projects

ATTACHMENT B: Federal Assurances and Certifications

ATTACHMENT C: General Affirmations

ATTACHMENT D: Nonexclusive List of Applicable Laws, Rules, and Regulations

ATTACHMENT E: Special Conditions

ATTACHMENT F: GLO Information Security Appendix

ATTACHMENT G: Monthly Activity Status Report

1.03 GUIDANCE DOCUMENTS

Subrecipient is deemed to have read and understood, and shall abide by, all guidance documents applicable to the CDBG-DR program, including, without limitation:

- (1) 2 C.F.R. Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- (2) The Federal Registers;

- (3) The State of Texas Action Plan for Disaster Recovery found at <http://recovery.texas.gov/local-government/hud-requirements-reports/2016-floods-storms/index.html>; and
- (4) Other guidance documents posted at: <http://recovery.texas.gov/local-government/hud-requirements-reports/2016-floods-storms/index.html>.

1.04 DEFINITIONS

“Act” means Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5301, *et seq.*).

“Activity” means a defined class of works or services eligible to be accomplished using CDBG-DR funds. Activities are specified in the Performance Statement and Budget in **Attachment A**.

“Administrative and Audit Regulations” means all applicable statutes, regulations, and other laws governing administration or audit of this Contract, including Title 2, Part 200, Code of Federal Regulations and Chapters 321 and 2155 of the Texas Government Code.

“Amendment” means a written agreement, signed by the Parties hereto, which documents alterations to the Contract other than those permitted by Technical Guidance Letters or Revisions, as herein defined.

“Application” or “Grant Application” means the information Subrecipient provided, which is the basis for the award of funding under this Contract.

“Benchmark” means the reimbursement milestones identified in **Attachment A** which define deliverables required for release of Administrative and Project Delivery funding throughout the life of the Contract.

“Budget” means the budget for the Activities funded by the Contract, a copy of which is included in **Attachment A**.

“C.F.R.” means the United States Code of Federal Regulations.

“CDBG-DR” means the U.S. Department of Housing and Urban Development’s Community Development Block Grant Disaster Recovery program.

“Construction Documents” means the engineering specifications, construction plans, and/or architectural plans for the construction of improvements approved by the GLO under the Contract, if any.

“Contract” means this entire document, along with any Attachments, both physical and incorporated by reference; and any Amendments, Revisions, or Technical Guidance Letters the GLO may issue, to be incorporated by reference herein for all purposes as they are issued and provided to Subrecipient, if any.

“Contract Documents” means the documents listed in **SECTION 1.02**.

“Deliverable(s)” means the work product(s) required to be submitted to the GLO as set forth in the Performance Statement and Benchmarks, which are included in **Attachment A**.

“Equipment” means tangible personal property with a useful life of more than one (1) year and an acquisition cost of Five Thousand Dollars (\$5,000.00) or more per unit, as further defined at 2 C.F.R. § 200.313.

“Event of Default” means the occurrence of any of the events set forth in **SECTION 3.03** herein.

“Federal Assurances” means Standard Form 424B (non-construction projects) or Standard Form 424D (construction projects), as applicable, in **Attachment B**, attached hereto and incorporated herein for all purposes.

“Federal Certifications” means the “Certification Regarding Lobbying – Compliant with Appendix A to 24 C.F.R. Part 87” and Standard Form LLL, Disclosure of Lobbying Activities, also in **Attachment B**, attached hereto and incorporated herein for all purposes.

“Federal Register” means the official journal of the federal government of the United States that contains government agency rules, proposed rules, and public notices, including the Department of Housing and Urban Development’s Federal Register Docket No. FR-6039-N-01 and any other publication affecting 2016 Floods CDBG-DR funding allocations.

“Final Inspection Report” means the document submitted by a housing inspector to a Subrecipient under a CDBG-DR Housing contract, indicating the completed construction of one Housing Unit (as defined herein).

“Fiscal Year” means the period beginning July 1 and ending June 30 each year, which is the annual accounting period for the City of Houston.

“GAAP” means “generally accepted accounting principles.”

“GASB” means accounting principles as defined by the Governmental Accounting Standards Board.

“General Affirmations” means the affirmations in **Attachment C**, which Subrecipient certifies by signing this Contract.

“GLO” means the Texas General Land Office, its officers, employees, and designees.

“Grant Completion Report” means a report containing an as-built accounting of all projects completed under a CDBG-DR program, and all information required for final acceptance of deliverables and Contract closeout.

“Housing” refers to a project involving home repair, home reconstruction, new home construction, down payment assistance, and buyout and acquisition, including housing for single-family and multi-family rental units under a CDBG-DR Contract.

“Housing Guidelines” means a set of guidelines adopted by Subrecipient and approved by the GLO governing the implementation of the Subrecipient’s Housing program under this Contract.

“Housing Unit” means one single-family dwelling or one unit in a multi-family residential complex.

“HUD” means the United States Department of Housing and Urban Development.

"Minimum Property Standards" or "MPS" means the Minimum Property Standards (MPS) established in HUD Handbook 4910.1, as amended or superseded. MPS, as read in the context of this Contract, encompasses housing quality standards established by HUD to provide "decent, safe and sanitary" housing.

"Monthly Activity Status Report" means project Benchmark status reports required under **SECTION 4.02** of this Contract.

"Performance Statement" means the statement of work in **Attachment A**, which includes specific Benchmarks and Activities required under the Project.

"Program" means the Community Development Block Grant Disaster Recovery program, administered by HUD and the GLO.

"Project" means the work to be performed under this Contract, as described in **SECTION 1.01(a)** above and **Attachment A**.

"Project Manager" means a representative of the GLO Community Development and Revitalization ("CDR") Program designated to oversee the Project.

"Public Information Act" or "PIA" means Chapter 552 of the Texas Government Code.

"Revision" means the GLO's written approval of changes to Benchmarks, movement of funds among budget categories, and other Contract adjustments the Subrecipient and the GLO may approve without a formal Amendment.

"Setup" means documentation, submitted by a Subrecipient, necessary for the GLO to determine that housing sites meet minimum eligibility criteria, resulting in approval for the Subrecipient to move forward with the projects.

"Subrecipient" means City of Houston, a recipient of federal CDBG-DR funds through the GLO as the pass-through funding agency. Subrecipient may also be referred to as "Provider" herein.

"Technical Guidance Letter" or "TGL" means an instruction, clarification, or interpretation of the requirements of this Contract, issued by the GLO and provided to Subrecipient, applicable to specific subject matter pertaining to this Contract, and to which the addressed Program participants shall be subject as of a specific date.

"U.S.C." means the United States Code.

1.05 INTERPRETIVE PROVISIONS

- (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms;
- (b) The words "hereof," "herein," "hereunder," and similar words refer to this Contract as a whole and not to any particular provision, section, attachment, work order, or schedule of this Contract, unless otherwise specified;
- (c) The term "including" is not limiting, and means "including, without limitation" and, unless otherwise expressly provided in this Contract,
- (d) References to contracts (including this Contract) and other contractual instruments shall be deemed to include all subsequent Amendments and other

modifications thereto, but only to the extent that such Amendments and other modifications are not prohibited by the terms of this Contract, and

- (e) References to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing, or interpreting the statute or regulation;
- (f) The captions and headings of this Contract are for convenience of reference only and shall not affect the interpretation of this Contract;
- (g) All Attachments within this Contract, including those incorporated by reference, and any Amendments, are considered part of the terms of this Contract;
- (h) This Contract may use several different limitations, regulations, or policies to regulate the same or similar matters. All such limitations, regulations, and policies are cumulative and each shall be performed in accordance with its terms;
- (i) Unless otherwise expressly provided, reference to any action of the GLO or by the GLO by way of consent, approval, or waiver shall be deemed modified by the phrase "in the sole discretion of the GLO."
Notwithstanding the preceding sentence, any approval, consent, or waiver required by, or requested of, the GLO shall not be unreasonably withheld or delayed;
- (j) All due dates and/or deadlines referenced in this Contract that occur on a weekend or holiday shall be considered as if occurring on the next business day;
- (k) All time periods in this Contract shall commence on the day after the date on which the applicable event occurred, report is submitted, or request is received; and
- (l) Time is of the essence in this Contract.
- (m) In the event of conflicts or inconsistencies between this contract and its attachments, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority: 1) any and all applicable federal and state laws, rules, and regulations; 2) the Contract; 3) GLO-approved Housing Guidelines; and 4) Attachments to the Contract, as follows: **Attachment A, Attachment E, Attachment B, Attachment C, Attachment D, Attachment F and Attachment G.**

ARTICLE II – REIMBURSEMENT, ADVANCE PAYMENT, BUDGET VARIANCE, AND INCOME

2.01 REIMBURSEMENT REQUESTS

Each invoice submitted by Subrecipient shall be supported by actual receipts, cancelled checks, and/or such other documentation that, in the judgment of the GLO, allows for full substantiation of the costs incurred. The GLO shall issue and provide to Subrecipient a Technical Guidance Letter containing the GLO-established invoice submission procedures required under this Contract. Prior to the issuance of the Technical Guidance Letter, the GLO will provide Subrecipient instructions for interim invoicing processes.

With the exception of GLO-approved allowable Project costs incurred after June 11, 2016 and before the Effective Date of this Contract, the GLO must acknowledge the successful completion by Subrecipient of a specific Benchmark, which will require the submission by Subrecipient and approval by the GLO of invoices related to said Benchmark, including invoices for expenses incurred by any subcontractor, before Subrecipient may access additional Administrative and Project Delivery funds for reimbursement as outlined in the Performance Statement.

2.02 TIMELY EXPENDITURES

In accordance with the Federal Register and to ensure timely expenditure of grant funds, Subrecipient shall submit reimbursement requests under this contract, at a minimum, quarterly.

Subrecipient shall make timely payments to its subcontractors in accordance with Chapter 2251, Texas Government Code.

Subrecipient shall submit final reimbursement requests to the GLO no later than ninety (90) days after the Contract expires or is terminated. The GLO, in its sole discretion, may deny payment and deobligate remaining funds from the Contract ninety (90) days after expiration or termination of the Contract. The GLO's ability to deobligate funds under this Section 2.02 notwithstanding, the GLO shall pay all eligible reimbursement requests.

2.03 VARIANCE

Amendments to decrease or increase the Budget, or to add or delete an Activity may be made only by written agreement of the Parties, under the formal Amendment process described in Section 8.15, below. Upon completion of the Project, the GLO shall formally close out the Project by issuing a close-out letter to Subrecipient. The GLO may, in its sole discretion and in conformance with federal law, approve other adjustments required during Project performance through a Revision or Technical Guidance Letter. Such approvals must be in writing, and may be delivered by regular mail, electronic mail, or facsimile transmission.

SUBRECIPIENT SHALL SUBMIT A FINAL BUDGET AND ACTUAL EXPENDITURES AS PART OF THE GRANT COMPLETION REPORT TO THE GLO NO LATER THAN SIXTY (60) DAYS AFTER THE CONTRACT TERMINATES OR EXPIRES OR AT THE CONCLUSION OF ALL CONTRACT ACTIVITIES, WHICHEVER OCCURS FIRST. THE GRANT COMPLETION REPORT SHALL BE IN A FORMAT PRESCRIBED BY THE GLO AND SHALL CONFIRM COMPLETION OF ALL ACTIVITIES PERFORMED UNDER THIS CONTRACT.

2.04 PROGRAM INCOME

In accordance with 2 C.F.R. § 200.307, Subrecipient shall maintain records of the receipt and accrual of all Program Income, as Program Income is defined at 2 C.F.R. § 200.80. Subrecipient shall report Program Income to the GLO in accordance with ARTICLE 4 of this Contract. Any GLO-authorized use of Program Income by Subrecipient shall be subject to GLO or HUD restrictions.

ARTICLE III - DURATION, EXTENSION, AND TERMINATION OF CONTRACT

3.01 DURATION OF CONTRACT AND EXTENSION OF TERM

This Contract shall become effective on the date signed by the last Party ("Effective Date") and shall continue until April 13, 2021 or the Project has been fully completed and closed out, whichever date is earlier ("Contract Period"). Subrecipient must meet all Project Benchmarks in Attachment A. Subrecipient's failure to meet any Benchmark may result in termination under SECTION 3.02, 3.03, or 3.04, below.

Upon receipt of a written request and acceptable justification from Subrecipient, the GLO may amend this Contract to extend the Contract Period. **ANY REQUEST FOR EXTENSION MUST BE RECEIVED BY THE GLO AT LEAST SIXTY (60) DAYS BEFORE THE ORIGINAL TERMINATION DATE OF THIS CONTRACT AND, IF APPROVED, SUCH EXTENSION SHALL BE BY WRITTEN AMENDMENT.**

3.02 EARLY TERMINATION

In the event the State of Texas or HUD eliminates funding under this Contract or the CDBG-DR Program is assigned to another state agency, the GLO may terminate this Contract by giving written notice specifying a termination date at least thirty (30) days after the date of the notice. Upon receipt of such notice, Subrecipient shall cease work, terminate any subcontracts, and incur no further expense related to this Contract. **Such early termination shall be subject to the equitable settlement of the respective interests of the Parties, accrued up to the date of termination.**

3.03 EVENTS OF DEFAULT

Each of the following events shall constitute an Event of Default under this Contract: (i) Subrecipient fails to comply with any term, covenant, or provision contained in this Contract; (ii) Subrecipient makes a general assignment for the benefit of creditors or takes any similar action for the protection or benefit of creditors; (iii) Subrecipient makes a materially incorrect representation or warranty in a Performance Statement, a reimbursement request for payment, or any report submitted to the GLO under the Contract; or (iv) notwithstanding the GLO's option to terminate the Contract early under Section 3.02, the GLO fails to comply with any term, covenant, or provision contained in this Contract. Prior to a determination of an Event of Default, the Parties shall allow a thirty (30) day period to cure any deficiency or potential cause of an Event of Default. The Parties may extend the time allowed to cure any deficiency or potential cause of an Event of Default. The Parties shall not arbitrarily withhold approval of an extension of the time allowed to cure a deficiency or potential cause of an Event of Default. In no event shall the amount of time allowed to cure a deficiency or potential cause of an Event of Default extend beyond the Contract Period.

3.04 REMEDIES; NO WAIVER

Upon the occurrence of any Event of Default, the Parties may avail themselves of any equitable or legal remedy available to them, including without limitation, the withholding of

payment, disallowing all or part of noncompliant Activities, or suspending or terminating the Contract.

The Parties' rights or remedies under this Contract are not intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Contract, or hereafter legally existing, upon the occurrence of an Event of Default. The failure of either Party to insist upon the strict observance or performance of any of the provisions of this Contract, or to exercise any right or remedy provided in this Contract, shall not impair, waiver, or relinquish any such right or remedy with respect to another Event of Default.

ARTICLE IV - CONTRACT ADMINISTRATION

4.01 SUBMISSIONS – GENERALLY

Except for legal notices that must be sent by specific instructions pursuant to SECTION 8.10 of the Contract and all other reports and documentation the GLO requires, any report, form, or request required to be submitted to the GLO under this Contract shall be sent in the format prescribed by the GLO.

If the Subrecipient fails to timely submit documentation to the GLO in the time and manner required by the Contract, the GLO may, in its sole discretion, withhold any payments pending Subrecipient's correction of the deficiency.

(a) HOUSING GUIDELINES

No later than the close of business sixty (60) days subsequent to the Effective Date of this Contract, Subrecipient must submit Housing Guidelines to the GLO for approval.

(b) FORMS

Subrecipient must execute the forms included in **Attachment B** and certifies by the execution of this Contract to all affirmations in **Attachment C**, confirming compliance with required state and federal laws applicable to the Contract.

- (i) General Affirmations are found in **Attachment C**, and Subrecipient certifies by the execution of this Contract to all statements therein.
- (ii) The Federal Assurances for Construction Programs (Standard Form 424D), as applicable to the Project, is found at Page 1 of **Attachment B** and must be executed by Subrecipient.
- (iii) The "Certification Regarding Lobbying – Compliant with Appendix A to 24 C.F.R. Part 87" is found at Page 3 of **Attachment B** and must be executed by Subrecipient.
- (iv) If any funds granted under this Contract have been used for lobbying purposes, Subrecipient must complete and execute Standard Form LLL, Disclosure of Lobbying Activities, found at Page 4 of **Attachment B**.

4.02 MONTHLY ACTIVITY STATUS REPORTS

Subrecipient must provide monthly Activity status reporting in the form prescribed in **Attachment G** (Monthly Activity Status Report) for all sites identified in **Attachment A**, on or before on the fifteenth day of the month following the month in which the reported Activities were performed for the duration of the Contract. Any licenses or permits required for the work identified in **Attachment A** shall be included as a part of the Monthly Activity Status Reports for the period during which they are obtained, pursuant to Article 8.01 herein. Subrecipient shall submit Monthly Activity Status Reports via email to: DR.Status.Reporting@recovery.texas.gov.

ARTICLE V - FEDERAL AND STATE FUNDING, RECAPTURE OF FUNDS, AND OVERPAYMENT

5.01 FEDERAL FUNDING

- (a) Funding for this Contract is appropriated under the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act (Public Law 114-223), enacted on September 29, 2016, the Further Continuing and Security Assistance Appropriations Act, 2017 (Public Law 114-254), enacted on December 10, 2016, and the Consolidated Appropriations Act, 2017, (Public Law 115-31), enacted on May 5, 2017, to facilitate disaster recovery, restoration, economic revitalization, and to affirmatively further fair housing in accordance with Executive Order 12892, in areas affected by the Texas Severe Storms, Tornadoes, and Flooding (DR-4266), the Texas Severe Storms and Flooding (DR-4269), and the Texas Severe Storms and Flooding (DR-4272), which are Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121, *et seq.*). The fulfillment of this Contract is based on those funds being made available to the GLO as the lead administrative state agency. All expenditures under this Contract must be made in accordance with this Contract, the rules and regulations promulgated under the CDBG-DR Program and any other applicable laws. **Funds disbursed under each Activity may be subject to recapture and repayment for non-compliance.**
- (b) To participate in the CDBG-DR Program, Subrecipient must have a data universal numbering system (DUNS) number, and a Commercial and Government Entity (CAGE) Code.
- (c) Subrecipient must report its DUNS number and CAGE Code to the GLO for use in various reporting documents. A DUNS number and CAGE Code may be obtained by visiting the Central Contractor Registration web site at:

<https://www.sam.gov>

Assistance with this web site is available by calling 866-606-8220.

5.02 STATE FUNDING

- (a) This Contract shall not be construed as creating any debt on behalf of the State of Texas and/or the GLO in violation of Article III, Section 49, of the Texas Constitution. In compliance with Article VIII, Section 6 of the Texas Constitution,

all obligations of the GLO hereunder are subject to the availability of state funds. If such funds are not appropriated or become unavailable, the GLO may terminate this Contract. In that event, the Parties shall be discharged from further obligations, subject to the equitable settlement of their respective interests, accrued up to the date of termination.

- (b) Any claim by Subrecipient for damages under this Contract may not exceed the amount due and owing Subrecipient under the Contract or the amount of funds appropriated for payment, but not yet paid to Subrecipient, under the annual budget in effect at the time of the breach. Nothing in this provision shall be construed as a waiver of sovereign immunity.

5.03 RECAPTURE OF FUNDS

SUBRECIPIENT SHALL CARRY OUT THE ACTIVITIES UNDER THE CONTRACT IN A MANNER THAT COMPLIES WITH THE TERMS AND CONDITIONS OF THE CONTRACT AND ALL APPLICABLE LAWS. THE GLO MAY RECAPTURE AND BE REIMBURSED BY SUBRECIPIENT FOR ANY PAYMENTS MADE BY THE GLO (I) THAT EXCEED THE MAXIMUM ALLOWABLE HUD RATE; (II) THAT ARE NOT ALLOWED UNDER APPLICABLE LAWS, RULES, AND REGULATIONS; OR (III) THAT ARE OTHERWISE INCONSISTENT WITH THIS CONTRACT, INCLUDING ANY UNAPPROVED EXPENDITURES. THIS RECAPTURE PROVISION APPLIES TO ANY FUNDS EXPENDED FOR THE PROJECT OR ANY ACTIVITY THAT DOES NOT MEET A CDBG-DR PROGRAM NATIONAL OBJECTIVE AS SPECIFIED IN THE PERFORMANCE STATEMENT OR THAT IS NOT OTHERWISE ELIGIBLE UNDER CDBG-DR REGULATIONS.

5.04 OVERPAYMENT AND DISALLOWED COSTS

Subrecipient shall be liable to the GLO for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under this Contract. Subrecipient shall reimburse disallowed costs from funds which were not provided or otherwise made available to Subrecipient under this Contract.

5.05 FINAL BENCHMARKS

To ensure all programmatic requirements are met, the GLO shall only release the final five percent (5%) of the Project Budget upon submittal of completion and acceptance by the GLO of all Activities and Benchmarks identified in the Performance Statement. The GLO shall disburse the retained funds within thirty (30) days following approval of the Grant Completion Report and all related closeout documentation necessary to determine that Subrecipient has completed all Activities in accordance with the terms and requirements of the Performance Statement, the Contract Documents, and all applicable laws, rules, and regulations.

ARTICLE VI - INTELLECTUAL PROPERTY

6.01 OWNERSHIP AND USE

- (a) Except for City Materials (as defined below in 6.01(c)), and except for any third-party proprietary intellectual property or information for which the City does not

have a legal ownership right, the Parties shall jointly own all right, title, and interest in and to all reports, or other material, data, drawings, computer programs, and codes created under this Contract by either Party, and/or any copyright or other intellectual property rights, and any material or information developed and/or required to be delivered under this Contract, with each Party having the right to use, reproduce, or publish any or all of such information and other materials without obtaining permission from the other Party and without expense or charge. For any City or third-party proprietary intellectual property or information for which the City has a license to use or access, the City shall provide the GLO at least one (1) user license.

- (b) Except for City Materials, and except for any third-party proprietary intellectual property or information for which the City and/or the GLO do not have a legal ownership right, Subrecipient grants the GLO and HUD, and GLO and HUD grants to Subrecipient, a royalty free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, for governmental purposes, all reports, or other material, data, drawings, computer programs, and codes created under this Contract by either Party, and/or any copyright or other intellectual property rights, and any material or information developed and/or required to be delivered under this Contract by either Party.
- (c) "City Materials" means all works of authorship, materials, information, and other intellectual property created prior to the performance of any City obligation under this Contract, plus any modifications or enhancements thereto and derivative works based thereon, unless any such modifications, enhancements, or derivative works were funded using CDBG-DR funds. For clarity, if modifications, enhancements, or derivative works were funded using CDBG-DR funds, then only the applicable modification, enhancements, or derivative works are not included in the definition of City Materials.

6.02 NON-ENDORSEMENT BY STATE AND THE UNITED STATES

Subrecipient shall not publicize or otherwise circulate promotional material (such as advertisements, sales brochures, press releases, speeches, still or motion pictures, articles, manuscripts, or other publications) that states or implies the GLO, State of Texas, U.S. Government, or any government employee endorses a product, service, or position the Subrecipient represents. Subrecipient may not state or imply that the GLO, the State of Texas, or the U.S. Government approves of Subrecipient's work products or considers Subrecipient's work product to be superior to other products or services.

6.03 PUBLICATION DISCLAIMER REQUIRED

Subrecipient shall include a disclaimer on all public information releases issued pursuant to this Contract stating that the funds for this Project are provided by the City of Houston and the Texas General Land Office through HUD's CDBG Program.

ARTICLE VII - RECORDS, AUDIT, AND RETENTION

7.01 BOOKS AND RECORDS

Subrecipient shall keep and maintain, under GAAP or GASB, as applicable, full, true, and complete records sufficient to allow the GLO, the Texas State Auditor's Office, the United States Government, and/or their authorized representatives to determine Subrecipient's compliance with this Contract and all applicable laws, rules, and regulations, including the applicable laws and regulations provided in Attachment D.

7.02 INSPECTION AND AUDIT

- (a) All records related to this Contract, including records of Subrecipient and its Subcontractors, shall be subject to the Administrative and Audit Regulations. Accordingly, such records and work product shall be subject, at any time, to inspection, examination, audit, and copying at the Subrecipient's primary location or any location where such records and work product may be found, with or without notice from the GLO or other government entity with necessary legal authority. Subrecipient shall cooperate fully with any federal or state entity in the conduct of inspection, examination, audit, and copying, including providing all information requested. Subrecipient will ensure that this clause concerning federal and state entities' authority to inspect, examine, audit, and copy records and work product, and the requirement to fully cooperate with the federal and state entities, is included in any subcontract it awards.
- (b) The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the Contract or indirectly through a subcontract under the Contract. Acceptance of funds directly under the Contract or indirectly through a subcontract under the Contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. **The Office of the Comptroller General of the United States, the Government Accountability Office, the Office of Inspector General, or any authorized representative of the U.S. Government shall also have this right of inspection.** Subrecipient shall ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Subrecipient and the requirement to cooperate is included in any subcontract it awards.
- (c) Subrecipient will be deemed to have read and know of all applicable federal, state, and local laws, regulations, and rules pertaining to the Project, including those identified in Attachment D, governing audit requirements.

7.03 SUBRECIPIENT SELF-AUDIT AND TARGETED AUDITS

(a) Subrecipient Self-Audit

Upon GLO's or HUD's approval, Subrecipient may conduct an annual financial and compliance audit of funds received and performance rendered under this Contract. Subrecipient may use funds budgeted under this Contract to pay for that portion of the cost of such audit services properly allocable to the Activities funded under this

Contract, provided that the GLO shall not pay the cost of such audit services until the GLO has received Subrecipient's satisfactory audit report and invoice, as determined by the GLO. The invoice submitted for reimbursement must clearly show the percentage of cost allocable to the Activities funded under this Contract relative to the total cost of the audit services. Therefore, Subrecipient shall submit an invoice showing the total cost of the audit and the corresponding prorated charge per funding source. If applicable, Subrecipient shall submit an explanation with the reimbursement request, explaining why the percentage of audit fees exceeds the prorated amount allowable.

(b) Targeted Audits & Monitoring Visits

The GLO may at any time perform, or instruct the performance of, an annual program and/or fiscal audit, or conduct a special or targeted audit of any aspect of the Subrecipient's operation, using an auditor of the GLO's choice. Subrecipient shall maintain financial and other records prescribed by the GLO or by applicable federal or state laws, rules, and regulations.

7.04 PERIOD OF RETENTION

All records relevant to this Contract shall be retained for a period of three (3) years subsequent to the final closeout of the overall State of Texas CDBG-DR program, in accordance with federal regulations. **The GLO will notify all Program participants of the date upon which local records may be destroyed.**

ARTICLE VIII - MISCELLANEOUS PROVISIONS

8.01 LEGAL OBLIGATIONS

Subrecipient shall procure and maintain for the duration of this Contract any license, authorization, insurance, waiver, permit, qualification, or certification required by federal, state, county, or city statute, ordinance, law, or regulation to be held by Subrecipient to provide the goods or services required by this Contract. Subrecipient shall pay all taxes, assessments, fees, premiums, permits, and licenses required by law. Subrecipient shall pay any such government obligations not paid by its subcontractors during performance of this Contract. **Subrecipient shall include copies of such licenses and permits as a part of the Monthly Activity Status Report for the period during which they are obtained.**

8.02 INDEMNITY

To the extent permitted under the law, except for damages directly or proximately caused by the gross negligence of the GLO, Subrecipient shall indemnify and hold harmless the State of Texas, the GLO, and the officers, representatives, agents, and employees of the State of Texas and the GLO from any losses, claims, suits, actions, damages, or liability (including all costs and expenses of defending against all of the aforementioned) arising in connection with:

- (a) This Contract;

- (b) Any negligence, act, omission, or misconduct in the performance of the services referenced herein; or
- (c) Any claims or amounts arising or recoverable under federal or state workers' compensation laws, the Texas Tort Claims Act, or any other such laws.

Subrecipient shall be responsible for the safety and well-being of its employees, customers, and invitees. These requirements shall survive the term of this Contract until all claims have been settled or resolved and suitable evidence to that effect has been furnished to the GLO. The provisions of this Section shall survive termination of this Contract. Subrecipient has not appropriated any money for payment under this Contract and nothing in this provision requires that funds be assessed or collected or that a sinking fund be created for any Claims arising under this Contract.

8.03 INSURANCE AND BOND REQUIREMENTS

- (a) Unless Subrecipient is a self-insured governmental entity pursuant to Chapter 2259 of the Texas Government Code to self-insure, Subrecipient shall carry insurance for the duration of this Contract in types and amounts necessary and appropriate for the Project.
- (b) Subrecipient shall require all contractors, subcontractors, vendors, service providers, or any other person or entity performing work described in **Attachment A** to carry insurance for the duration of the Project in the types and amounts customarily carried by a person or entity providing such goods or services. Subrecipient shall require any person or entity required to obtain insurance under this Section to complete and file the declaration pages from the insurance policies with Subrecipient whenever a previously identified policy period expires during the term of Subrecipient's contract with the person or entity, as proof of continuing coverage. Subrecipient's contract with any such person or entity shall clearly state that acceptance of the insurance policy declaration pages by the Subrecipient shall not relieve or decrease the liability of the person or entity. **Persons or entities shall be required to update all expired policies before Subrecipient's acceptance of an invoice for monthly payment from such parties.**
- (c) Subrecipient shall require performance and payment bonds to the extent they are required under Chapter 2253 of the Texas Government Code.
- (d) **Subrecipient shall require, on all construction projects, that any person or entity required to provide Federal Construction Assurances shall complete form SF-424D, entitled "Assurances - Construction Programs," and Subrecipient shall maintain such documentation.**

8.04 ASSIGNMENT AND SUBCONTRACTS

Subrecipient shall not assign, transfer, or delegate any rights, obligations, or duties under this Contract without the GLO's prior written consent. Notwithstanding this provision,

Subrecipient may subcontract some or all of the services to be performed under this Contract. In any subcontracts, Subrecipient shall legally bind the subcontractor to perform and make such subcontractor subject to all the duties, requirements, and obligations of Subrecipient as specified in this Contract. Nothing in this Contract shall be construed to relieve Subrecipient of the responsibility for ensuring that the goods delivered, and/or the services rendered by Subrecipient and/or any of its subcontractors, comply with all the terms and provisions of this Contract.

For all construction contracts or subcontracts to which Federal Labor Standards requirements apply, Subrecipient shall submit to the GLO all labor related documentation required to ensure compliance. Subrecipient shall retain five percent (5%) of the payment due under each of Subrecipient's construction or rehabilitation subcontracts until the GLO determines that the Federal Labor Standards requirements applicable to each such contract or subcontract have been satisfied.

8.05 PROCUREMENT

Subrecipient must comply with the procurement procedures stated at 2 C.F.R. §§ 200.318 through 200.326 and all other applicable federal, state, and local procurement procedures and laws, regulations, and rules. Subrecipient must confirm that its vendors and subcontractors are not debarred from receiving state or federal funds at each of the following web addresses:

Texas Comptroller's Vendor Performance Program at:

<https://comptroller.texas.gov/purchasing/>;

and the Federal General Services Administration's System for Award Management (SAM):

<https://www.sam.gov>.

8.06 PURCHASES AND EQUIPMENT

Any purchase of Equipment under this Contract shall be made in accordance with all applicable laws, regulations, and rules including those listed in **Attachment D**. Subrecipient shall retain title to and possession of any Equipment unless and until transferred to the GLO or disposed of in accordance with federal regulations. Subrecipient shall furnish, with its final request for reimbursement, a list of all Equipment purchased with Program funds under the Contract, including the name of the manufacturer, the model number, and the serial number, if applicable. The disposition of any Equipment shall be in accordance with all applicable laws, regulations, and rules, including those listed in **Attachment D**.

8.07 COMMUNICATION WITH THIRD PARTIES

The GLO and the authorities named in **ARTICLE 7**, above, may initiate, in accordance with any legal authority granted by statute, regulation, or rule, communications with any subcontractor, and may request access to any books, documents, personnel, papers, and records of a subcontractor which are pertinent to this Contract. Such communications may be required to conduct audits, examinations, Davis-Bacon Labor Standards

interviews, and gather additional information as provided in ARTICLE 7 herein. The results of such communication will be shared with Subrecipient, in writing, prior to any publication.

8.08 RELATIONSHIP OF THE PARTIES

The Parties to this Contract are associated only for the purposes and to the extent specified in this Contract. Subrecipient is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract creates a partnership or joint venture, employer-employee or principal-agent relationships, or any liability whatsoever with respect to the indebtedness, liabilities, or obligations of Subrecipient or any other party. If applicable, Subrecipient shall be solely responsible for and the GLO shall have no obligation with respect to: withholding of income taxes, FICA, or any other taxes or fees; industrial or workers' compensation insurance coverage; accumulation of vacation leave or sick leave; or unemployment compensation coverage provided by the State.

8.09 COMPLIANCE WITH OTHER LAWS

In the performance of this Contract, Subrecipient shall comply with all applicable federal, state, and local laws, ordinances, and regulations, including those listed in **Attachments B, C, and D**. Subrecipient is deemed to know and understand all applicable laws, statutes, ordinances, and regulations affecting its performance under this Contract.

8.10 NOTICES

Any notices required under this Contract shall be deemed delivered when deposited either in the United States mail, postage paid, certified, return receipt requested; or with a common carrier, overnight, signature required, to the appropriate address below:

GLO

Texas General Land Office
1700 N. Congress Avenue, 7th Floor
Austin, TX 78701
Attention: Contracts Management Division

Subrecipient

City of Houston
900 Bagby St., 4th Floor
Houston, TX 77002
Attention: Director of Housing and Community Development Department

Notice given in any other manner shall be deemed effective only if and when received by the Party to be notified. Either Party may change its address for notice by written notice to the other Party as herein provided.

8.11 GOVERNING LAW AND VENUE

This Contract and the rights and obligations of the Parties hereto shall be governed by, and construed according to, the laws of the State of Texas, exclusive of conflicts of law provisions. Venue of any suit brought under this Contract shall be in a court of competent jurisdiction in Travis County, Texas. Subrecipient irrevocably waives any objection, including any objection to personal jurisdiction or the laying of venue or based on the grounds of *forum non conveniens*, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction with respect to this Contract or any document related hereto. **NOTHING IN THIS CONTRACT SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY THE GLO OR A WAIVER OF GOVERNMENTAL IMMUNITY BY SUBRECIPIENT.**

8.12 SEVERABILITY

If a court of competent jurisdiction determines any provision of this Contract is invalid, void, or unenforceable, the remaining terms, provisions, covenants, and conditions of this Contract shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated.

8.13 DISPUTE RESOLUTION

Subrecipient shall use the dispute resolution process established in Chapter 2260 of the Texas Government Code and related rules to attempt to resolve any dispute under this Contract, including a claim for breach of contract by the GLO, that the Parties cannot resolve in the ordinary course of business. Neither the occurrence of an event giving rise to a breach of contract claim nor the pendency of such a claim constitute grounds for Subrecipient to suspend performance of this Contract. Notwithstanding this provision, the GLO and Subrecipient reserves all legal and equitable rights and remedies available to it.

8.14 PUBLIC RECORDS

Information related to the performance of this Contract may be subject to the Public Information Act ("PIA") and will be withheld from public disclosure or released only in accordance therewith. Subrecipient shall make any information created or exchanged with the state pursuant to the Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the state/the GLO. Subrecipient shall make any information required under the PIA available to the GLO in portable document file (".pdf") format or any other format agreed between the Parties. Subrecipient's failure to mark as "confidential" or a "trade secret" any information it believes to be excepted from disclosure waives all claims Subrecipient may make against the GLO for releasing such information without prior notice to Subrecipient.

Subrecipient shall release the following information upon receipt of an open records request:

- The amount of CDBG-DR funds expected to be made available;
- The range of Activities that may be undertaken with CDBG-DR funds;

- The estimated amount of CDBG-DR funds proposed to be used for Activities that will meet the national objective of benefit to low- and moderate-income persons; and
- The proposed CDBG-DR Activities likely to result in displacement and the Subrecipient's anti-displacement and relocation plan.

8.15 AMENDMENTS TO THE CONTRACT

Amendments to decrease or increase the Budget, to add or delete an Activity, to extend the term of the Contract, and/or to make other substantial amendments to the Contract may be made only by written agreement of the Parties, under the formal amendment process except that, upon completion of the Contract and submission and approval of the Grant Completion Report, the GLO may deobligate any remaining balances by means of a close-out letter pursuant to SECTION 2.03. The formal amendment process requires submission by the GLO Project Manager of the proposed amended language or amount to the GLO Contract Management Division for the preparation of a formal Amendment and circulation for necessary GLO and Subrecipient signatures. In the sole discretion of the GLO, and in conformance with federal law, the GLO may approve other adjustments required during Project performance by the GLO by way of a Revision or Technical Guidance Letter unilaterally issued by the GLO and acknowledged by the Subrecipient. Such approvals must be in writing and may be delivered by U.S. mail or electronic mail.

Pursuant to SECTION 2.03 hereof, a final **Grant Completion Report** of all Activities performed under this Contract shall be submitted and shall include all such informal revisions approved over the life of the Contract.

8.16 REVISIONS TO PERFORMANCE STATEMENT

The Performance Statement may be revised by the Subrecipient quarterly and submitted to the GLO for approval. A proposed Revision to the Performance Statement does not require application of the formal Amendment process established in Section 8.15, above, but must be approved by the GLO, in writing, in order to take effect.

8.17 ENTIRE CONTRACT AND MODIFICATIONS

This Contract, its Attachment(s), any Amendment(s), Technical Guidance Letter(s), and/or Revision(s) issued in conjunction with this Contract, if any, constitute the entire agreement of the Parties and are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements made in connection with the subject matter hereof. Any additional or conflicting terms in Attachment(s), Technical Guidance Letter(s), and/or Revision(s) shall be harmonized with this Contract to the extent possible. Unless an Attachment, Technical Guidance Letter, or Revision specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language shall be construed consistently with the Contract.

8.18 PROPER AUTHORITY

Each Party hereto represents and warrants that the person executing this Contract on its behalf has full power and authority to legally bind its respective entity. Subrecipient acknowledges that this Contract is effective for the period of time specified in the Contract.

Any work performed by Subrecipient after the Contract terminates is performed at the sole risk of Subrecipient.

8.19 COUNTERPARTS

This Contract may be executed in any number of counterparts, each of which shall be an original, and all such counterparts shall together constitute but one and the same Contract.

8.20 SURVIVAL

The provisions of ARTICLES 5, 6, AND 7; AND SECTIONS 1.01, 1.03, 2.05, 3.02, 3.04, 8.02, 8.03, 8.07, 8.08, 8.09, 8.10, 8.11, 8.13, 8.14, 8.15 of this Contract, and any other continuing obligations of Subrecipient shall survive the termination or expiration of this Contract.

8.21 CONTRACT CLOSEOUT

Upon completion of all Activities required for the Contract, and pursuant to SECTION 2.03 hereof, Subrecipient shall prepare a final **Grant Completion Report** confirming final performance measures, budgets, and expenses and the GLO will close the contract in accordance with 2 C.F.R. §§ 200.343 through 200.345 and GLO CDBG-DR guidelines. The GLO will notify Subrecipient via official closeout letter.

8.22 INDIRECT COST RATES

Unless Subrecipient has negotiated or does negotiate an indirect cost rate with the federal government, subject to periodic renegotiations of the rate during the Contract Period, Subrecipient's indirect cost rate shall be set by 2 C.F.R. § 200.414(f), i.e., ten percent (10%).

8.23 CONFLICT OF INTEREST

- (a) Subrecipient shall abide by the provisions of this Section and include the provisions in all subcontracts. Subrecipient shall comply with all conflict of interest laws and regulations applicable to the Program.
- (b) Subrecipient shall maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts.

8.24 ENVIRONMENTAL CLEARANCE REQUIREMENTS

- (a) Subrecipient is responsible for conducting environmental reviews and for obtaining any environmental clearance necessary for successful completion of the Project. Subrecipient shall prepare environmental review or assessment of each Activity in accordance with applicable laws, regulations, rules, and guidance. Subrecipient shall maintain a written Environmental Review Record ("ERR") for each Activity, including all supporting source documentation and documentation to support any project mitigation. Subrecipient shall provide a copy of the ERR and all related source documentation to the GLO.

- (b) Subrecipient shall address inquiries and complaints and shall provide appropriate redress related to environmental Activities. Subrecipient shall document each communication issued or received hereunder in the related ERR.
- (c) The GLO may, in its sole discretion, reimburse Subrecipient for certain exempt environmental Activities, as defined in federal regulations. Reimbursement requests for exempt environmental Activities must be supported by the proper HUD-prescribed form.
- (d) The Parties acknowledge and understand that the GLO may enter into Interagency agreements with the Texas Historical Commission and other entities in order to facilitate any necessary environmental or historic review. The GLO may incorporate one or more Interagency agreement into this contract via a Technical Guidance Letter.

8.25 CITIZEN PARTICIPATION AND ALTERNATIVE REQUIREMENTS

- (a) Subrecipient must ensure that all citizens have equal and ongoing access to information about the Project, including ensuring that Project information is available in the appropriate languages for the geographical area served by the Subrecipient. Information furnished to citizens shall include, without limitation:
 - 1. The amount of CDBG-DR funds expected to be made available;
 - 2. The range of Activities that may be undertaken with the CDBG-DR funds;
 - 3. The estimated amount of the CDBG-DR funds proposed to be used for Activities meeting the national objective of benefiting low-to-moderate income persons; and
 - 4. A clear statement if any proposed CDBG-DR Activities are likely to result in displacement and the entity's anti-displacement and relocation plan.
- (b) Complaint Procedures: Subrecipient must have written citizen complaint procedures that provide a timely written response (within fifteen (15) working days) to complaints and grievances. Subrecipient shall notify citizens of the location and the days and hours when the location is open for business so they may obtain a copy of these written procedures.
- (c) Technical Assistance: If requested, Subrecipient shall provide technical assistance to persons of low and moderate income in completing applications for the use of CDBG-DR funds.
- (d) Subrecipient shall maintain a citizen participation file which includes a copy of the Subrecipient's complaint procedures, documentation and evidence of opportunities provided for citizen participation (e.g., public notices, advertisements, flyers, etc.), documentation of citizen participation events (e.g., meeting minutes, attendance lists, sign-in sheets, news reports, etc.), and documentation of any technical assistance requested and/or provided.

8.26 PROCUREMENT OF RECOVERED MATERIALS

- (a) To the extent applicable, the Provider shall make maximum use of products

containing recovered materials that are EPA-designated items unless the product cannot be acquired—

- i. Competitively within a timeframe providing for compliance with the contract performance schedule;
- ii. That meets contract performance requirements; or
- iii. At a reasonable price.

(b) To ensure maximum use of recovered/recycled materials per 2 CFR § 200.322, information about this requirement is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensiveprocurement-guideline-cpg-program>, along with the list of EPA-designated items.

8.27 INFORMATION AND DATA SECURITY STANDARDS

Subrecipient shall comply with all terms specified in the **GLO Information Security Appendix**, incorporated herein for all purposes as **Attachment F**.

8.28 STATEMENTS OR ENTRIES

Except as otherwise provided under federal law, any person who knowingly and willfully falsifies, conceals, or covers up a material fact by any trick, scheme or device or who makes any materially false, fictitious, or fraudulent statement or representation or who makes or uses any false writing or document knowing the writing or document to contain any materially false, fictitious, or fraudulent statement or entry shall be prosecuted under Title 18, United States Code, § 1001. Under penalties of 18 U.S.C. § 1001, the undersigned Provider representative hereby declares that he/she has examined this Contract and Attachments, including without limitation, the Solicitation and Solicitation Response, and to the best of his/her knowledge and belief any statements, entries, or claims made by Provider are, correct, accurate and complete.

SIGNATURE PAGES FOLLOWS

SIGNATURE PAGE FOR GLO CONTRACT NO. 19-076-008-B357
SUBRECIPIENT HOUSING CONTRACT AGREEMENT – 2016 FLOOD ALLOCATION

GENERAL LAND OFFICE

CITY OF HOUSTON

Mark A. Havens, Chief Clerk/
Deputy Land Commissioner

By: _____
Title: _____

Date of execution: _____

Date of execution: _____

OGC _____

DD _____

SDD _____

DGC _____

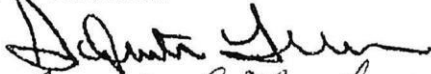
GC _____

ATTACHED TO THIS CONTRACT:

- ATTACHMENT A:** Performance Statement, Budget, and Benchmarks for Housing Projects
- ATTACHMENT B:** Federal Assurances and Certifications
- ATTACHMENT C:** General Affirmations
- ATTACHMENT D:** Nonexclusive List of Applicable Laws, Rules, and Regulations
- ATTACHMENT E:** Special Conditions
- ATTACHMENT F:** GLO Information Security Appendix
- ATTACHMENT G:** Monthly Activity Status Report

SIGNATURE PAGE FOR GLO CONTRACT NO. 19-076-008-B357
SUBRECIPIENT HOUSING CONTRACT AGREEMENT - 2016 FLOOD ALLOCATION

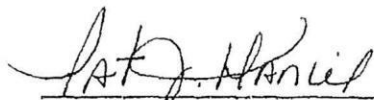
CITY OF HOUSTON


Brenda L. Murphy

MAYOR

2/26/19

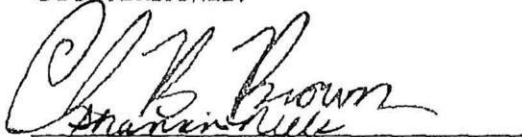
DATE



CITY SECRETARY

Assistant

COUNTERSIGNED:

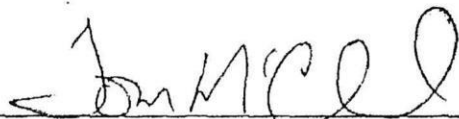

C. B. Brown

CITY CONTROLLER

DATE OF COUNTERSIGNATURE:

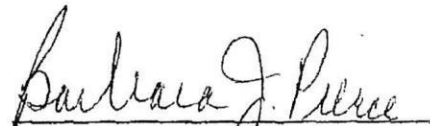
2/26/19

APPROVED:



DIRECTOR, HOUSING AND COMMUNITY
DEVELOPMENT DEPARTMENT

APPROVED AS TO FORM:


Barbara J. Pierce

SENIOR ASSISTANT CITY ATTORNEY

ATTACHMENTS FOLLOW

ATTACHMENT A

SUBRECIPIENT NAME: CITY OF HOUSTON

HOUSING PERFORMANCE STATEMENT

Subrecipient shall carry out the following housing activities in the City of Houston area in strict accordance with the terms of the Subrecipient's or GLO's approved Housing Guidelines (where applicable), Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

The subrecipient will fund the purchase of single family or multifamily housing units, the relocation of residents, and the demolition of the homes. The proposed activities will remove housing from the floodplain and prevent residential flooding in the future. This is a voluntary program and eminent domain will not be used. The City and/or a subrecipient, such as the Harris County Flood Control District, will carry out the program. Properties will be returned to green space to help absorb water and mitigate street and residential flooding in the future. Only properties impacted by a 2016 flood event are eligible. Properties will be dedicated and maintained in perpetuity for use that is compatible with open space. The subrecipient will remove approximately 250 single family or multifamily units from flood plain, high flood risk areas or Disaster Risk Reduction Areas (DRRA). The City of Houston will utilize assessments provided with Harris County MOD and FEMA data to identify areas or homes that are at risk of flooding again, were impacted by the 2016 flood events, and part of a City or County's buyout strategy. The program will benefit an area where at least 51% of residents are low- and moderate-income (LMI) households affected by the 2016 Floods, as well as arrange for the demolition of dilapidated structures and conversion of property to open space. An environmental review must be conducted at all locations prior to the execution and commencement of work.

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Buyout	LMB	250

Buyout Program (BP-LMB)

The subrecipient will remove approximately 250 single family or multifamily housing units from high flood risk areas.

The subrecipient must ensure that, upon completion, the acquired (buyout) property will be dedicated and maintained in perpetuity for use that is compatible with open space. The locations of these structures have not been determined at this time. It is estimated that 250 Housing Units will be removed.

The Subrecipient will offer relocation assistance for up to an estimated 250 households. Assistance will be provided to homeowners located in a floodplain, high flood risk areas, or Disaster Risk Reduction Area (DRRA) that agree to relocate outside of the floodplain. The properties acquired with funds provided under this Contract may be used for green space or as recreational area. Refer to the approved GLO 2015-2016 Floods Housing Guidelines for further technical guidance on the final use of the acquired property.

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CITY OF HOUSTON
HOUSING BENCHMARKS

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Housing Guidelines (where applicable)	15%	15%
15% of Project Funds drawn by subrecipient	15%	30%
25% of Project Funds drawn by subrecipient	15%	45%
50% of Project Funds drawn by subrecipient	15%	60%
75% of Project Funds drawn by subrecipient	15%	75%
100% of Project Funds drawn or activities closed by subrecipient	20%	95%
Closeout of grant accepted	5%	100%

CITY OF HOUSTON
HOUSING BUDGET

Activity Number	HUD Activity Type	Program Activity Type	Grant Award	Other Funds	Total
19-076-008_MI_BP-LMI_Houston	Acquisition - buyout of residential properties	Buyout Program - LMI	\$23,486,698	\$0	\$22,178,653
19-076-008_MI_BP-LMI_Houston	Acquisition - buyout of residential properties	Buyout Program _ Project Delivery- LMI	\$838,312	\$0	\$838,312
19-076-008_MI_Admin_Houston	Administration	Buyout Program - Admin- LMI	\$469,733	\$0	\$469,733
TOTAL			\$23,486,698	\$0	\$23,486,698

ATTACHMENT B

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Approval No. 4040-0009
Expiration Date: 01/31/2019

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20603.

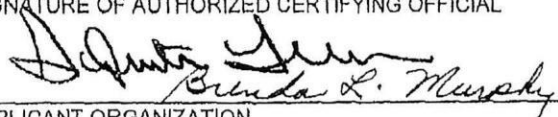
PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681- 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other non-discrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11614; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL  Brenda L. Murphy	TITLE MAYOR
APPLICANT ORGANIZATION City of Houston	DATE SUBMITTED 2/26/19

THIS FORM MUST BE EXECUTED

**CERTIFICATION REGARDING LOBBYING
COMPLIANT WITH APPENDIX A TO 24 C.F.R. PART 871**

Certification for Contracts, Grants, Loans, and Cooperative Agreements:

The undersigned certifies, to the best of his or her 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 an 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.

(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 contract, 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 subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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. Code. 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.

Statement for Loan Guarantees and Loan Insurance:

The undersigned states, to the best of his or her knowledge and belief, that: If any 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 commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.

NAME OF APPLICANT

City of Houston

AWARD NUMBER AND/OR PROJECT NAME

19-076-008-B357

PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

SIGNATURE


Brenda L. Murphy

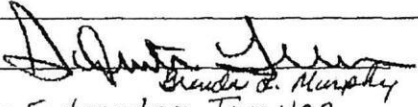
DATE

2/26/19

Disclosure of Lobbying Activities

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure)

Approved by OMB
4040-0013

<p>1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance</p>	<p>2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award</p>	<p>3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For material change only: Year _____ quarter _____ Date of last report _____</p>
<p>4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known:</p>		<p>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime: Congressional District, if known:</p>
<p>6. Federal Department/Agency:</p>	<p>7. Federal Program Name/Description: CFDA Number, if applicable: _____</p>	
<p>8. Federal Action Number, if known:</p>	<p>9. Award Amount, if known: \$ _____</p>	
<p>10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI):</p>	<p>b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI):</p>	
<p>11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>	<p>Signature:  Print Name: <u>Sylvester Turner</u> Title: <u>MAYOR</u> Telephone No.: <u>3-1011</u> Date: <u>2/26/19</u></p>	
<p>Federal Use Only</p>	<p>Authorized for Local Reproduction Standard Form - LLL (Rev. 7-97)</p>	

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity 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 a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitations for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Included prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is OMB No. 4040-0013. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (4040-0013), Washington, DC 20503.

ATTACHMENT C

General Affirmations

To the extent they apply, Provider affirms and agrees to the following, without exception:

1. Provider represents and warrants that, in accordance with Section 2155.005 of the Texas Government Code, neither Provider nor the firm, corporation, partnership, or institution represented by Provider, or anyone acting for such a firm, corporation, partnership, or institution has (1) violated any provision of the Texas Free Enterprise and Antitrust Act of 1983, Chapter 15 of the Texas Business and Commerce Code, or the federal antitrust laws, or (2) communicated directly or indirectly the contents of this Contract or any solicitation response upon which this Contract is based to any competitor or any other person engaged in the same line of business as Provider.
2. If the Contract is for services, Provider shall comply with Section 2155.4441 of the Texas Government Code, requiring the purchase of products and materials produced in the State of Texas in performing service contracts.
3. Under Section 231.006 of the Family Code, the vendor or applicant [Provider] certifies that the individual or business entity named in this Contract, bid or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate.
4. A bid or an application for a contract, grant, or loan paid from state funds must include the name and social security number of the individual or sole proprietor and each partner, shareholder, or owner with an ownership interest of at least 25 percent of the business entity submitting the bid or application. Provider certifies it has submitted this information to the GLO.
5. If the Contract is for the purchase or lease of computer equipment, as defined by Texas Health and Safety Code Section 361.952(2), Provider certifies that it is in compliance with Subchapter Y, Chapter 361 of the Texas Health and Safety Code, related to the Computer Equipment Recycling Program and the Texas Commission on Environmental Quality rules in Title 30 Texas Administrative Code Chapter 328.
6. Pursuant to Section 2155.003 of the Texas Government Code, Provider represents and warrants that it has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the Contract.
7. Payments due under the Contract shall be directly applied towards eliminating any debt or delinquency Provider owes to the State of Texas including, but not limited to, delinquent taxes, delinquent student loan payments, and delinquent child support.
8. Upon request of the GLO, Provider shall provide copies of its most recent business continuity and disaster recovery plans.

9. If the Contract is for consulting services governed by Texas Government Code Chapter 2254, Subchapter B, in accordance with Section 2254.033 of the Texas Government Code, relating to consulting services, Provider certifies that it does not employ an individual who has been employed by The GLO or another agency at any time during the two years preceding the Provider's submission of its offer to provide consulting services to the GLO or, in the alternative, Provider, in its offer to provide consulting services to the GLO, disclosed the following: (i) the nature of the previous employment with the GLO or other state agency; (ii) the date the employment was terminated; and (iii) the annual rate of compensation for the employment at the time of its termination.
10. If the Contract is not for architecture, engineering, or construction services, Provider must use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to attempt to resolve any dispute arising under the Contract.
11. If the Contract is for architecture, engineering, or construction services, subject to Texas Government Code, Section 2260.002 and Texas Civil Practice and Remedies Code Chapter 114, Provider shall use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to attempt to resolve all disputes arising under this Contract. In accordance with the Texas Civil Practice and Remedies Code, Section 114.005, claims encompassed by Texas Government Code, Section 2260.002(3) and Texas Civil Practice and Remedies Code Section 114.002 shall be governed by the dispute resolution process set forth below in subsections (a)-(d).
 - a. Notwithstanding Texas Government Code, Chapter 2260.002(3) and Chapter 114.012 and any other statute or applicable law, if the Provider's claim for breach of contract cannot be resolved by the parties in the ordinary course of business, Provider may make a claim against the GLO for breach of contract and the GLO may assert a counterclaim against the Provider as is contemplated by Texas Government Code, Chapter 2260, Subchapter B. In such event, Provider must provide written notice to the GLO of a claim for breach of the Contract not later than the 180th day after the date of the event giving rise to the claim. The notice must state with particularity: (1) the nature of the alleged breach; (2) the amount the Provider seeks as damages; and (3) the legal theory of recovery.
 - b. The chief administrative officer, or if designated in the Contract, another officer of the GLO, shall examine the claim and any counterclaim and negotiate with the Provider in an effort to resolve them. The negotiation must begin no later than the 120th day after the date the claim is received, as is contemplated by Texas Government Code, Chapter 2260, Section 2260.052.
 - c. If the negotiation under paragraph (b) above results in the resolution of some disputed issues by agreement or in a settlement, the parties shall reduce the agreement or settlement to writing and each party shall sign the agreement or settlement. A partial settlement or resolution of a claim does not waive a party's rights under this Contract as to the parts of the claim that are not resolved.

- d. If a claim is not entirely resolved under paragraph (b) above, on or before the 270th day after the date the claim is filed with the GLO, unless the parties agree in writing to an extension of time, the parties may agree to mediate a claim made under this dispute resolution procedure. This dispute resolution procedure is the Provider's sole and exclusive process for seeking a remedy for an alleged breach of contract by the GLO if the parties are unable to resolve their disputes as described in this section.
 - e. Nothing in the Contract shall be construed as a waiver of the state's or the GLO's sovereign immunity. This Contract shall not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to the State of Texas. The failure to enforce, or any delay in the enforcement, of any privileges, rights, defenses, remedies, or immunities available to the State of Texas under this Contract or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies or immunities or be considered as a basis for estoppel. The GLO does not waive any privileges, rights, defenses, or immunities available to it by entering into this Contract or by its conduct, or by the conduct of any representative of the GLO, prior to or subsequent to entering into this Contract.
 - f. Compliance with the dispute resolution process provided for in Texas Government Code, Chapter 2260, subchapter B and incorporated by reference in subsection (a)-(d) above is a condition precedent to the Provider: (1) filing suit pursuant to Chapter 114 of the Civil Practices and Remedies Code; or (2) initiating a contested case hearing pursuant to Subchapter C of Chapter 2260 of the Texas Government Code.
12. Provider represents and warrants that, pursuant to Section 2270.002 of the Texas Government Code, Provider does not boycott Israel and will not boycott Israel during the term of the Contract.
 13. This Contract is contingent upon the continued availability of lawful appropriations by the Texas Legislature. Provider understands that all obligations of the GLO under this Contract are subject to the availability of state funds. If such funds are not appropriated or become unavailable, the GLO may terminate the Contract. The Contract shall not be construed as creating a debt on behalf of the GLO in violation of Article III, Section 49a of the Texas Constitution.
 14. Provider certifies that it is not listed on the federal government's terrorism watch list as described in Executive Order 13224.
 15. In accordance with Section 669.003 of the Texas Government Code, relating to contracting with the executive head of a state agency, Provider certifies that it is not (1) the executive head of the GLO, (2) a person who at any time during the four years before the effective date of the Contract was the executive head of the GLO, or (3) a person who employs a current or former executive head of the GLO.

16. Provider represents and warrants that all statements and information prepared and submitted in connection with this Contract are current, complete, true, and accurate. Submitting a false statement or making a material misrepresentation during the performance of this Contract is a material breach of contract and may void the Contract or be grounds for its termination.
17. Pursuant to Section 2155.004(a) of the Texas Government Code, Provider certifies that neither Provider nor any person or entity represented by Provider has received compensation from the GLO to participate in the preparation of the specifications or solicitation on which this Contract is based. Under Section 2155.004(b) of the Texas Government Code, Provider certifies that the individual or business entity named in this Contract is not ineligible to receive the specified contract and acknowledges that the Contract may be terminated and payment withheld if this certification is inaccurate. This Section does not prohibit Provider from providing free technical assistance.
18. Provider represents and warrants that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization, as prohibited by Section 2252.152 of the Texas Government Code.
19. If the Contract is for professional or consulting services governed by Texas Government Code Chapter 2254, Provider represents and warrants that none of its employees including, but not limited to, those authorized to provide services under the Contract, were former employees of the GLO during the twelve (12) month period immediately prior to the date of execution of the Contract.
20. The Contract shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflicts of law provisions. The venue of any suit arising under the Contract is fixed in any court of competent jurisdiction of Travis County, Texas, unless the specific venue is otherwise identified in a statute which directly names or otherwise identifies its applicability to the GLO.
21. IF THE CONTRACT IS NOT FOR ARCHITECTURE OR ENGINEERING SERVICES GOVERNED BY TEXAS GOVERNMENT CODE CHAPTER 2254, PROVIDER, TO THE EXTENT PERMITTED BY LAW, SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND THE GLO, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES ARISING OUT OF, OR RESULTING FROM ANY ACTS OR OMISSIONS OF PROVIDER OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT AND ANY PURCHASE ORDERS ISSUED UNDER THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY PROVIDER WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND PROVIDER MAY NOT AGREE

TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL. PROVIDER AND THE GLO SHALL FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

22. IF THE CONTRACT IS FOR ARCHITECTURE OR ENGINEERING SERVICES GOVERNED BY TEXAS GOVERNMENT CODE CHAPTER 2254, PROVIDER, TO THE EXTENT PERMITTED BY LAW, SHALL INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND THE GLO, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED DAMAGES, COSTS, ATTORNEY FEES, AND EXPENSES TO THE EXTENT CAUSED BY, ARISING OUT OF, OR RESULTING FROM ANY ACTS OF NEGLIGENCE, INTENTIONAL TORTS, WILLFUL MISCONDUCT, PERSONAL INJURY OR DAMAGE TO PROPERTY, AND/OR OTHERWISE RELATED TO PROVIDER'S PERFORMANCE, AND/OR FAILURES TO PAY A SUBCONTRACTOR OR SUPPLIER BY THE PROVIDER OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, CONSULTANTS UNDER CONTRACT TO PROVIDER, OR ANY OTHER ENTITY OVER WHICH THE CONTRACTOR EXERCISES CONTROL, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY PROVIDER WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN Texas STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND PROVIDER MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL. PROVIDER AND THE GLO SHALL FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM

23. TO THE EXTENT PERMITTED BY LAW, PROVIDER SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE GLO AND THE STATE OF TEXAS FROM AND AGAINST ANY AND ALL CLAIMS, VIOLATIONS, MISAPPROPRIATIONS OR INFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHTS AND/OR OTHER INTANGIBLE PROPERTY, PUBLICITY OR PRIVACY RIGHTS, AND/OR IN CONNECTION WITH OR ARISING FROM: (1) THE PERFORMANCE OR ACTIONS OF PROVIDER PURSUANT TO THIS CONTRACT; (2) ANY DELIVERABLE, WORK PRODUCT, CONFIGURED SERVICE OR OTHER SERVICE PROVIDED HEREUNDER; AND/OR (3) THE GLO'S AND/OR PROVIDER'S USE OF OR ACQUISITION OF ANY REQUESTED SERVICES OR OTHER ITEMS PROVIDED TO THE GLO BY PROVIDER OR OTHERWISE TO WHICH THE GLO HAS ACCESS AS A RESULT OF PROVIDER'S PERFORMANCE UNDER THE CONTRACT. PROVIDER AND THE GLO shall FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. PROVIDER SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE, INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY PROVIDER

WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL (OAG) WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND PROVIDER MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM OAG. IN ADDITION, PROVIDER WILL REIMBURSE THE GLO AND THE STATE OF TEXAS FOR ANY CLAIMS, DAMAGES, COSTS, EXPENSES OR OTHER AMOUNTS, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES AND COURT COSTS, ARISING FROM ANY SUCH CLAIM, IF THE GLO DETERMINES THAT A CONFLICT EXISTS BETWEEN ITS INTERESTS AND THOSE OF PROVIDER OR IF THE GLO IS REQUIRED BY APPLICABLE LAW TO SELECT SEPARATE COUNSEL, THE GLO WILL BE PERMITTED TO SELECT SEPARATE COUNSEL AND PROVIDER WILL PAY ALL REASONABLE COSTS OF THE GLO'S COUNSEL.

24. Provider has disclosed in writing to the GLO all existing or potential conflicts of interest relative to the performance of the Contract.
25. Sections 2155.006 and 2261.053 of the Texas Government Code, prohibit state agencies from accepting a solicitation response or awarding a contract that includes proposed financial participation by a person who, in the past five years, has been convicted of violating a federal law or assessed a penalty in connection with a contract involving relief for Hurricane Rita, Hurricane Katrina, or any other disaster, as defined by Section 418.004 of the Texas Government Code, occurring after September 24, 2005. Under Sections 2155.006 and 2261.053 of the Texas Government Code, Provider certifies that the individual or business entity named in this Contract is not ineligible to receive the specified contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.
26. Provider understands that the GLO will comply with the Texas Public Information Act (Chapter 552 of the Texas Government Code) as interpreted by judicial rulings and opinions of the Attorney General of the State of Texas. Information, documentation, and other material related to this Contract may be subject to public disclosure pursuant to the Texas Public Information Act. In accordance with Section 2252.907 of the Texas Government Code, Provider shall make any information created or exchanged with the State/GLO pursuant to the Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State or the GLO.
27. The person executing this Contract certifies that he/she is duly authorized to execute this Contract on his/her own behalf or on behalf of Provider and legally empowered to contractually bind Provider to the terms and conditions of the Contract and related documents.
28. If the Contract is for architectural or engineering services, pursuant to Section 2254.0031 of the Texas Government Code, which incorporates by reference Section 271.904(d) of the Texas Local Government Code, Provider shall perform services (1) with professional skill and care ordinarily provided by competent engineers or architects practicing under

the same or similar circumstances and professional license, and (2) as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer or architect.

29. The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the Contract or indirectly through a subcontract under the Contract. The acceptance of funds directly under the Contract or indirectly through a subcontract under the Contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. Provider shall ensure that this paragraph concerning the authority to audit funds received indirectly by subcontractors through the Contract and the requirement to cooperate is included in any subcontract it awards. The GLO may unilaterally amend the Contract to comply with any rules and procedures of the state auditor in the implementation and enforcement of Section 2262.154 of the Texas Government Code.
30. Provider certifies that neither it nor its principals are debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from participation in the Contract by any state or federal agency.
31. Provider expressly acknowledges that state funds may not be expended in connection with the purchase of an automated information system unless that system meets certain statutory requirements relating to accessibility by persons with visual impairments. Accordingly, Provider represents and warrants to the GLO that any technology provided to the GLO for purchase pursuant to this Contract is capable, either by virtue of features included within the technology or because it is readily adaptable by use with other technology, of: providing equivalent access for effective use by both visual and non-visual means; presenting information, including prompts used for interactive communications, in formats intended for non-visual use; and being integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired. For purposes of this Section, the phrase "equivalent access" means a substantially similar ability to communicate with or make use of the technology, either directly by features incorporated within the technology or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans With Disabilities Act or similar state or federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands and other means of navigating graphical displays, and customizable display appearance.
32. If the Contract is for the purchase or lease of covered television equipment, as defined by Section 361.971(3) of the Texas Health and Safety Code, Provider certifies its compliance with Subchapter Z, Chapter 361 of the Texas Health and Safety Code, related to the Television Equipment Recycling Program.

ATTACHMENT D

NONEXCLUSIVE LIST OF APPLICABLE LAWS, RULES, AND REGULATIONS

If applicable to the Project, Provider must be in compliance with the following laws, rules, and regulations; and any other state, federal, or local laws, rules, and regulations as may become applicable throughout the term of the Contract, and Provider acknowledges that this list may not include all such applicable laws, rules, and regulations.

Provider is deemed to have read and understands the requirements of each of the following, if applicable to the Project under this Contract:

GENERALLY

The Acts and Regulations specified in this Contract;

Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act (Public Law No. 114-223);

Further Continuing and Security Assistance Appropriations Act, 2017 (Public Law No. 114-254);

Consolidated Appropriations Act, 2017 (Public Law No. 115-31);

The Housing and Community Development Act of 1974 (12 U.S.C. § 5301, *et seq.*);

The United States Housing Act of 1937, as amended, 42 U.S.C. § 1437f(o)(13) (2016) and related provisions governing Public Housing Authority project-based assistance, and implementing regulations at 24 C.F.R. Part 983 (2016);

Cash Management Improvement Act regulations (31 C.F.R. Part 205);

Community Development Block Grants (24 C.F.R. Part 570);

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200);

Disaster Recovery Implementation Manual; and

Guidance Documents: State of Texas Plan for Disaster Recovery ("2016 Action Plan") dated March 10, 2017, as amended.

CIVIL RIGHTS

Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d, *et seq.*); 24 C.F.R. Part 1, "Nondiscrimination in Federally Assisted Programs of the Department of Housing and Urban Development - Effectuation of Title VI of the Civil Rights Act of 1964";

Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972 (42 U.S.C. § 2000e, *et seq.*);

Title VIII of the Civil Rights Act of 1968, "The Fair Housing Act of 1968" (42 U.S.C. § 3601, *et seq.*), as amended;

Executive Order 11063, as amended by Executive Order 12259, and 24 C.F.R. Part 107, "Nondiscrimination and Equal Opportunity in Housing under Executive Order 11063"; The failure or refusal of Provider to comply with the requirements of Executive Order 11063 or 24 C.F.R. Part 107 shall be a proper basis for the imposition of sanctions

specified in 24 C.F.R. 107.60;

The Age Discrimination Act of 1975 (42 U.S.C. § 6101, *et seq.*); and

Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794.) and "Nondiscrimination Based on Handicap in Federally-Assisted Programs and Activities of the Department of Housing and Urban Development", 24 C.F.R. Part 8. By signing this Contract, Provider understands and agrees that the activities funded shall be performed in accordance with 24 C.F.R. Part 8; and the Architectural Barriers Act of 1968 (42 U.S.C. § 4151, *et seq.*), including the use of a telecommunications device for deaf persons (TDDs) or equally effective communication system.

LABOR STANDARDS

The Davis-Bacon Act, as amended (originally, 40 U.S.C. §§ 276a-276a-5 and re-codified at 40 U.S.C. §§ 3141-3148); 29 C.F.R. Part 5;

The Copeland "Anti-Kickback" Act (originally, 18 U.S.C. § 874 and re-codified at 40 U.S.C. § 3145); 29 C.F.R. Part 3;

Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (originally, 40 U.S.C. §§ 327A and 330 and re-codified at 40 U.S.C. §§ 3701-3708);

Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act) (29 C.F.R. Part 5); and

Federal Executive Order 11246, as amended.

EMPLOYMENT OPPORTUNITIES

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. § 1701u); 24 C.F.R. §§ 135.3(a)(2) and (a)(3);

The Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. § 4212);

Title IX of the Education Amendments of 1972 (20 U.S.C. §§ 1681-1688); and

Federal Executive Order 11246, as amended.

GRANT AND AUDIT STANDARDS

Single Audit Act Amendments of 1996, 31 U.S.C. § 7501;

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200);

Uniform Grant and Contract Management Act (Texas Government Code Chapter 783) and the Uniform Grant Management Standards issued by Governor's Office of Budget and Planning; and

Title 1 Texas Administrative Code § 5.167(c).

LEAD-BASED PAINT

Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831(b)).

HISTORIC PROPERTIES

The National Historic Preservation Act of 1966 as amended (16 U.S.C. § 470, *et seq.*), particularly sections 106 and 110 (16 U.S.C. §§ 470 and 470h-2), except as provided in §58.17 for Section 17 projects;

Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921), 3 C.F.R., 1971-1975 Comp., p. 559, particularly section 2(c);

Federal historic preservation regulations as follows: 36 C.F.R. Part 800 with respect to HUD programs; and

The Reservoir Salvage Act of 1960 as amended by the Archeological and Historic Preservation Act of 1974 (16 U.S.C. § 469, *et seq.*), particularly section 3 (16 U.S.C. § 469a-1).

ENVIRONMENTAL LAW AND AUTHORITIES

Environmental Review Procedures for Recipients assuming HUD Environmental Responsibilities (24 C.F.R. Part 58, as amended);

National Environmental Policy Act of 1969, as amended (42 U.S.C. §§ 4321-4347); and
Council for Environmental Quality Regulations for Implementing NEPA (40 C.F.R. Parts 1500-1508).

FLOODPLAIN MANAGEMENT AND WETLAND PROTECTION

Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951), 3 C.F.R., 1977 Comp., p. 117, as interpreted in HUD regulations at 24 C.F.R. Part 55, particularly Section 2(a) of the Order (For an explanation of the relationship between the decision-making process in 24 C.F.R. Part 55 and this part, see § 55.10.); and

Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961), 3 C.F.R., 1977 Comp., p. 121, particularly Sections 2 and 5.

COASTAL ZONE MANAGEMENT

The Coastal Zone Management Act of 1972 (16 U.S.C. § 1451, *et seq.*), as amended, particularly sections 307(c) and (d) (16 U.S.C. § 1456(c) and (d)).

SOLE SOURCE AQUIFERS

The Safe Drinking Water Act of 1974 (42 U.S.C. §§ 201, 300(f), *et seq.*, and 21 U.S.C. § 349) as amended; particularly section 1424(e)(42 U.S.C. § 300h-3(e)); and

Sole Source Aquifers (Environmental Protection Agency-40 C.F.R. Part 149).

ENDANGERED SPECIES

The Endangered Species Act of 1973 (16 U.S.C. § 1531, *et seq.*) as amended, particularly section 7 (16 U.S.C. § 1536).

WILD AND SCENIC RIVERS

The Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271, *et seq.*) as amended,

particularly sections 7(b) and (c) (16 U.S.C. § 1278(b) and (c)).

AIR QUALITY

The Clean Air Act (42 U.S.C. § 7401, *et seq.*) as amended, particularly sections 176(c) and (d) (42 U.S.C. § 7506(c) and (d)); and

Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency—40 C.F.R. Parts 6, 51, and 93).

FARMLAND PROTECTION

Farmland Protection Policy Act of 1981 (7 U.S.C. § 4201, *et seq.*), particularly sections 1540(b) and 1541 (7 U.S.C. §§ 4201(b) and 4202); and

Farmland Protection Policy (Department of Agriculture—7 C.F.R. Part 658).

HUD ENVIRONMENTAL STANDARDS

Applicable criteria and standards specified in HUD environmental regulations (24 C.F.R. Part 51)(other than the runway clear zone and clear zone notification requirement in 24 C.F.R. § 51.303(a)(3)); and

HUD Notice 79-33, Policy Guidance to Address the Problems Posed by Toxic Chemicals and Radioactive Materials, September 10, 1979.

ENVIRONMENTAL JUSTICE

Executive Order 12898 of February 11, 1994--Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, (59 FR 7629), 3 C.F.R., 1994 Comp. p. 859.

SUSPENSION AND DEBARMENT

Use of debarred, suspended, or ineligible contractors or subrecipients (24 C.F.R. § 570.609);

General HUD Program Requirements; Waivers (24 C.F.R. Part 5); and

Nonprocurement Suspension and Debarment (2 C.F.R. Part 2424).

OTHER REQUIREMENTS

Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (24 C.F.R. Part 58).

ACQUISITION / RELOCATION

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601, *et seq.*), 24 C.F.R. Part 42, and 24 C.F.R. § 570.606.

FAITH-BASED ACTIVITIES

Executive Order 13279 of December 12, 2002 - Equal Protection of the Laws for Faith-Based and Community Organizations, (67 FR 77141).

ATTACHMENT E

SPECIAL CONDITIONS

If applicable to the Activity, Subrecipient must be in compliance with the following Special Conditions and any other State, Federal, or local laws, rules, and regulations as may be applicable, throughout the term of the Contract, prior to the release of any grant funds for the Activities anticipated

Subrecipient is deemed to have read and to understand the requirements of each of the following, if applicable to the Activity under this Contract:

A. REIMBURSEMENT, GENERALLY

As provided for in Public Laws 114-223, 114-254, and 115-31, the Contract funds may not be used for activities that are eligible to be reimbursed by, or for which funds are made available by, (a) the Federal Emergency Management Agency (FEMA); (b) the Army Corps of Engineers (Corps); (c) any other federal funding source; or (d) covered by insurance, and Subrecipient shall ensure compliance with all such requirements.

B. NATIONAL FLOOD INSURANCE PROGRAM COMPLIANCE

- (1) Subrecipient must provide documentation which indicates they have received approval from the Texas Water Development Board (TWDB), the National Flood Insurance Program (NFIP) State Coordinating Agency, that appropriate ordinances or orders necessary for Subrecipient to be eligible to participate in the NFIP have been adopted.
- (2) Where activities specified in Attachment A, Performance Statement, involve structures that are located in Special Flood Hazard Areas (SFHA), flood insurance may be required, and Subrecipient shall obtain such insurance, and shall maintain documentation evidencing compliance with such requirements.
- (3) Subrecipient acknowledges and agrees that if any property that is the subject of an Activity under this Contract located within a floodplain, that the following terms and conditions shall apply:
 - a. Under the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001-4128), Federal financial assistance for acquisition and construction purposes (including rehabilitation) may not be used in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:
 - i. The community in which the area is situated is participating in the National Flood Insurance Program ("NFIP") (44 CFR parts 59 through 79), or less than one (1) year has passed since the FEMA notification regarding such hazards; and
 - ii. The community is participating in the NFIP, or that flood insurance protection is to be obtained as a condition of the approval of financial assistance to the property owner.
 - b. Where the community is participating in the NFIP and the recipient provides financial assistance for acquisition or construction purposes (including rehabilitation) for property located in an area identified by FEMA as having special flood hazards, Subrecipient is responsible for ensuring that flood insurance under the NFIP is obtained and maintained.
 - c. Under Section 582 of the National Flood Insurance Reform Act of 1994, 42 U.S.C. 515a, HUD disaster assistance that is made available in a special flood hazard area may not be used to make a payment (including any loan assistance payment) to a

person for repair, replacement, or restoration for flood damage to any personal, residential, or commercial property if:

- i. The person had previously received Federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and
 - ii. The person failed to obtain and maintain flood insurance.
- d. Subrecipient understands and agrees that it has a responsibility to inform homeowners receiving disaster assistance that triggers the flood insurance purchase requirement of their statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance, and that the transferring owner may be liable if he or she fails to do so.

C. PROJECT MAPPING/DESIGN INFORMATION

For construction projects, Subrecipient shall require and maintain copies, in written and/or digital format, of final Project record drawing(s) and engineering schematics, as constructed.

D. WATER SYSTEM IMPROVEMENTS

- (1) Prior to the GLO's release of funds for the construction of any water system improvements, Subrecipient shall provide certification to the GLO that plans, specifications, and related documents for the specified water system improvements have been prepared by the engineer selected for such activities, or the engineer's duly authorized representative, and that the review of such plans, specifications, and related documents meet the applicable Texas Commission on Environmental Quality (TCEQ) review requirements described in Title 30 of the Texas Administrative Code.
- (2) Prior to construction, Subrecipient shall provide documentation to the GLO that an approved new or amended Certificate of Convenience and Necessity (CCN), or the equivalent permit or authority for the area to be served, has been issued by the TCEQ.
- (3) Prior to Subrecipient submission of the Project Completion Report for any water system improvements described in Attachment A, Subrecipient shall provide a letter from the TCEQ that the constructed well is approved for interim use and may be temporarily placed into service pursuant to 30 Texas Administrative Code, Chapter 290—Rules and Regulations for Public Water Systems.

E. SEWER SYSTEM IMPROVEMENTS

Prior to the construction of any sewer system improvements described, Subrecipient shall provide certification that plans, specifications, and related documents for the specified sewer system improvements have been prepared by the engineer selected for such activities, or the engineer's duly authorized representative, and that the review of such plans, specifications, and related documents meet the Texas Commission on Environmental Quality (TCEQ) review requirements described in 30 Texas Administrative Code, Chapter 217, Subchapter D.

Further, prior to the construction of any sewer lines or additional service connections described in Attachment A, Subrecipient shall provide notification of the start of construction on any sewer treatment plant or other system-related improvements included in this Contract.

F. WASTEWATER TREATMENT CONSTRUCTION

Prior to incurring costs for any wastewater treatment construction in Attachment A, Subrecipient shall provide documentation of an approved permit or amendment(s) to an existing permit for such activities from the TCEQ's Water Quality Division.

In addition, Subrecipient shall provide documentation to the GLO that an approved new or amended Certificate of Convenience and Necessity (CCN), or equivalent permit or authority for the area to be served has been issued by the TCEQ.

G. SEPTIC SYSTEM IMPROVEMENTS

- (1) Subrecipient shall provide documentation that final plans, specifications, and installation of its septic system improvements have been reviewed and approved by the City or County Health Department through authority granted by the TCEQ.
- (2) Subrecipient shall mitigate all existing septic systems in accordance with 30 Texas Administrative Code Chapter 285, Subchapter D, §285.36(b), which states, "All tanks, boreholes, cesspools, seepage pits, holding tanks, and pump tanks shall have the wastewater removed by a waste transporter, holding a current registration with the executive director. All tanks, boreholes, cesspools, seepage pits, holding tanks, and pump tanks shall be filled to ground level with fill material (less than three inches in diameter), which is free of organic and construction debris."
- (3) Prior to the selection of program recipients for proposed On-Site Sewer Facilities (OSSF), Subrecipient shall provide a copy of its proposed program guidelines to for GLO review. All proposed OSSF programs must meet or exceed guidelines set forth in 30 Texas Administrative Code Chapter 285 Subchapter D.

H. BUILDING CONSTRUCTION

Subrecipient shall provide documentation that the construction of a new building and facilities are in compliance with the Texas Accessibility Standards (TAS) of the Architectural Barriers Act, Chapter 469, Texas Government Code, and the Texas Department of Licensing and Regulation (TDLR) Architectural Barriers Administrative Rules, 16 Texas Administrative Code, Part 4, Chapter 68. If estimated construction costs exceed Fifty Thousand Dollars (\$50,000.00), Construction Documents must be submitted to the Texas Department of Licensing and Regulation (TDLR) for an accessibility plan review.

I. BRIDGE CONSTRUCTION/REHABILITATION

Subrecipient shall use the minimum design requirements of the Texas Department of Transportation (TxDOT) for bridge construction/rehabilitation. Final plans and specifications must be submitted to TxDOT for review and approval prior to the start of construction, and documentation of such approval must be provided to the GLO.

J. DISASTER SHELTERS

Subrecipient shall ensure that the primary purpose of the facility, as described in Attachment A, is to serve as a disaster shelter, and shall ensure the facility is operated at all times in a manner that ensures that the priority use is to serve as a disaster shelter regardless of any other scheduled uses or commitments that existed at the time of the disaster or emergency situation. In addition Subrecipient shall prepare or be incorporated into an approved emergency management plan, as

prescribed by the Governor's Division of Emergency Management, identifying the shelter as a facility that provides short-term lodging for evacuees during and immediately after an emergency situation. Subrecipient shall submit a copy of Subrecipient's Emergency Management Plan Annex for Shelter and Mass Care to the GLO.

K. DEBRIS REMOVAL

Subrecipient shall ensure that any debris to be removed consists primarily of vegetation, construction and demolition materials from damaged or destroyed structures, and personal property. Only debris identified as the responsibility of the local jurisdiction will be eligible for the reimbursement of cost of removal.

Prior to beginning debris collection operations, Subrecipient shall address all pertinent environmental concerns, adhere to all applicable regulations, and obtain all required permits. Further, Subrecipient shall adhere to the methods described herein for the collection and storage of debris prior to proper disposal.

While construction and demolition debris may be collected and disposed of at an appropriately rated landfill, woody and/or vegetative debris must be stored prior to disposal by use of temporary debris storage and reduction sites (TDSR). Subrecipient will prepare and operate the TDSR sites, or local jurisdictions choosing to conduct their own debris operations may review Chapter 7 of the FEMA Debris Management Guide regarding the use of TDSR sites. This document may be obtained at <https://www.fema.gov/pdf/government/grant/pa/demagde.pdf>.

In order to maintain the life expectancy of landfills, Subrecipients disposing of woody and/or vegetative debris must choose burning, chipping, or grinding as the method of disposal. Any project disposing of woody and/or vegetative debris must be approved in writing by the GLO.

L. USE OF BONDS

Subrecipient must notify the GLO of its issuance and sale of bonds for completion of the project funded under this Contract.

M. NON-RENTAL HOUSING REHABILITATION ASSISTANCE PROGRAM GUIDELINES

Prior to the selection of program recipients, Subrecipient shall provide a copy of its proposed housing rehabilitation assistance program guidelines for GLO review and approval. The guidelines must include provisions for compliance with the Federal Fire Prevention and Control Act of 1974 (which requires that any housing unit rehabilitated with grant funds be protected by a hard-wired or battery-operated smoke detector) and provisions for compliance with 24 CFR 35 (HUD lead-based paint regulation).

N. HOUSING REHABILITATION OR RECONSTRUCTION ASSISTANCE:

The housing rehabilitation or reconstruction assistance provided by Subrecipient shall be in the form of a three-year unsecured forgivable promissory Note at zero interest. Provided all terms and conditions under which the assistance was provided continue to be fulfilled, the Note will be forgiven at a rate of 33 percent per year, for the first two years, and 34 percent after the third year, until the applicant fulfills their note requirement (the requirements are defined in the promissory note document).

- (1) If the homeowner occupies the home for the full three-year term, the Note expires and no repayment is required, nor will any conditions be imposed relative to the disposition of the property. If any of the terms and conditions under which the assistance was provided are

breached or if the property is sold, leased, transferred or vacated by the homeowner for any consecutive thirty (30) day period during the three-year Note term, the repayment provisions of the promissory note and DOT shall be enforced.

- (2) If, during the three-year Note term, the homeowner vacates the unit for any consecutive thirty (30) day period, the locality may forgive, as evidenced by the program director, city council, or commissioner court action, the remaining loan balance. Prior to forgiveness of all or any portion of the assistance provided, the request for forgiveness must be approved by the local governing body and be based on documented and justifiable conditions or circumstances that would result in an unnecessary hardship to the homeowner and the determination that the national objective of benefiting low to moderate-income persons was met.
- (3) The national objective will be considered met only when the program director, city council, or county commissioners court determines that a low- to moderate-income person has occupied the rehabilitated or reconstructed home for a time sufficient to meet the national objective. If the national objective was not achieved, Subrecipient is liable for repayment of an amount equal to the difference in the appraised value of the home prior to reconstruction and the sales price when the home is sold during the term of the three-year forgivable Note.
- (4) If the property is sold or transferred to a person other than an eligible LMI person, the remaining pro-rated balance of the DPL must be repaid by the Subrecipient from the sales proceeds. Notwithstanding the preceding, Subrecipient shall be held liable for any balance remaining over and above the sales proceeds. In all instances, upon completion of the three-year note or repayment of the assistance (in full or in part), the Subrecipient shall prepare and record a release of lien document in the land records of the applicable county.
- (5) Monitoring of the three-year Note is performed during and after the grant is closed. Subrecipient must utilize non-CDBG-DR funds to fulfill the monitoring obligations for its impacted recovered community.
- (6) The subrecipient will maintain a list of homeowners that do not maintain flood insurance as documented in their promissory note. These applicants will not be allowed to receive future assistance as outlined in Section B of this document.

O. RENTAL HOUSING REHABILITATION, RECONSTRUCTION, OR NEW CONSTRUCTION ASSISTANCE

The rental housing rehabilitation, reconstruction, or new construction assistance will be provided in the form of a twenty (20) year forgivable loan or grant at zero interest. Provided all terms and conditions under which the assistance was provided continue to be fulfilled, the note will be forgiven at a rate of 5 percent per year until the applicant fulfills their note requirement (the requirements are defined in the promissory note document).

The purpose of the Program is to facilitate the rehabilitation, reconstruction, and/or new construction of affordable rental housing needs within the service area of the disaster event. A minimum of 51% of the multi-family units must be restricted during the affordability period of twenty (20) years for low to moderate income (LMI) persons. The rents, at a minimum, must comply with High HOME Investment Partnership (HOME) Rents and other existing Land Use Restriction Agreement (LURA) restrictions if applicable. HOME rent limits are defined by HUD and must equal the lesser of fair market rents or 30% of the adjusted income for people earning 65% of the AMFI.

P. COASTAL MANAGEMENT

Subrecipient acknowledges and agrees that any Project that may impact a Coastal Natural Resource Area must be consistent with the goals and policies of the Texas Coastal Management Program as described in 31 Texas Administrative Code, Part 16, Chapter 501.

ATTACHMENT F

GLO Information Security Appendix

1. Definitions

"Breach of Security" or "Breach" means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of sensitive personal information including data that is encrypted if the person accessing the data has the key required to decrypt the data.

"Personal Identifying Information" or "PII" means information that alone or in conjunction with other information identifies an individual, as defined at Tex. Bus. & Com. Code § 521.002(1) as of the Effective Date of this Contract.

"Sensitive Personal Information" or "SPI" means the information categories listed at Tex. Bus. & Com. Code § 521.002(2), which as of the Effective Date of this Contract, reads as follows: (A) an individual's first name or first initial and last name in combination with any one or more of the following items, if the name and the items are not encrypted: (i) social security number; (ii) driver's license number or government-issued identification number; or (iii) account number or credit or debit card number in combination with any required security code, access code, or password that would permit access to an individual's financial account; or (B) information that identifies an individual and relates to: (i) the physical or mental health or condition of the individual; (ii) the provision of health care to the individual; or (iii) payment for the provision of health care to the individual. "Sensitive Personal Information" does not include publicly available information that is lawfully made available to the public from the federal government or a state or local government.

2. Security and Privacy Compliance

- 2.1. Subrecipient shall keep all PII and SPI received or generated under the Contract and any documents containing PII or SPI strictly confidential.
- 2.2. Subrecipient shall comply with all applicable federal and state privacy and data protection laws, as well as all other applicable regulations and directives.
- 2.3. Subrecipient shall implement administrative, physical, and technical safeguards to protect PII and SPI that are consistent with the guidelines in the National Institute of Standards and Technology ("NIST") Cybersecurity Framework Version 1.1. All such safeguards shall comply with applicable data protection and privacy laws.
- 2.4. Subrecipient will legally bind any contractors and their subcontractors to the same requirements stated herein and obligations stipulated in the Contract and documents related thereto. Subrecipient shall ensure that the requirements stated herein are imposed on any subcontractor of Provider's subcontractor(s).
- 2.5. Subrecipient will not share PII or SPI with any third parties, except as necessary for Subrecipient's performance under the Contract.

- 2.6. Subrecipient will ensure that initial privacy and security training, and annual training thereafter, is completed by its employees and contractors, including any subcontractor, that have access to PII or SPI or who create, collect, use, process, store, maintain, disseminate, disclose, dispose, or otherwise personally handle PII or SPI on behalf of Subrecipient. Subrecipient agrees to maintain and, upon request, provide documentation of training completion. The requirement for initial privacy and security training may be satisfied by verifiable existing security awareness training.
- 2.7. Any PII or SPI maintained or stored by Subrecipient or any contractor, including any subcontractor, must be stored on servers or other hardware located within the physical borders of the United States and shall not be accessed outside of the United States.

3. Data Ownership

- 3.1. The GLO shall retain full ownership of all data, including PII and SPI, provided to Subrecipient by the GLO.
- 3.2. Upon termination of the Contract, Subrecipient shall promptly return to the GLO all GLO-owned data possessed by Subrecipient and its employees, agents, or contractors, including any subcontractor. Subrecipient shall retain no copies or back-up records of GLO-owned data. If such return is infeasible or causes undue business hardship, as mutually determined by the GLO and Subrecipient, the obligations set forth in this **Attachment F**, with respect to GLO-owned data, shall survive termination of the Contract and Subrecipient shall limit any further use and disclosure of GLO Data to the purposes that make the return of or GLO-owned data infeasible or causes undue business hardship. However, no provision in this Section 3.2 in no event shall circumvent the record-keeping and access requirements of 24 C.F.R. Part 570. In lieu of the requirements in this Section 3.2, the GLO may direct Subrecipient to destroy any GLO-owned data in Subrecipient's possession. Any such destruction shall be certified by Subrecipient.

4. Data Mining

- 4.1. Subrecipient agrees not to use PII or SPI for unrelated purposes, advertising or advertising-related services, or for any other purpose not explicitly authorized by the GLO in the Contract or any document related thereto.
- 4.2. Subrecipient agrees to take all reasonably feasible physical, technical, administrative, and procedural measures to ensure that no unauthorized use of PII or SPI occurs.

5. Breach of Security

- 5.1. Subrecipient agrees to provide the GLO with the name and contact information for a Subrecipient employee which shall serve as the GLO's primary data security contact.

- 5.2. Upon discovery of a Breach of Security or suspected Breach of Security by the Subrecipient, Subrecipient agrees to use commercially reasonable efforts to notify the GLO as soon as possible upon discovery of the Breach of Security or suspected Breach of Security, but in no event shall notification occur later than twenty-four (24) hours after discovery. Notification of a Breach of Security or suspected Breach of Security shall be provided by telephone to one of the following GLO Information Security team members: Brandon Rogers, GLO Information Security Officer, at (512) 463-5763; Larissa Cameron, GLO Privacy Officer, at (512) 475-1438; Arturo Montalvo, Director of Information Security, at (512) 463-5316; and the GLO Office of Information Security (OIS) Monitoring Desk at (512) 839-7021. Within five (5) business days, Subrecipient agrees to provide, at minimum, a written preliminary report regarding the Breach or suspected Breach to the GLO with root cause analysis including a log detailing the data affected.
 - 5.3. The initial notification and preliminary report shall be submitted to the GLO Information Security Officer at brandon.rogers@glo.texas.gov.
 - 5.4. Subrecipient agrees to take all reasonable steps to promptly mitigate a Breach of Security and reduce the risk of any further Breach of Security.
 - 5.5. If the Breach of Security includes SPI, including Social Security Numbers, payment card information, or health information, Subrecipient agrees to provide affected individuals complimentary access for one (1) year of credit monitoring services.
- 6. Right to Audit**
- 6.1. At the GLO's request, Subrecipient agrees to promptly and accurately complete a NIST based information security questionnaire provided by the GLO regarding Subrecipient's business practices and information technology environment. Subrecipient would also agree to provide any external IT service provider's (that they use) SSAE16 SOC Type II, Cloud Security Alliance Cloud Controls Matrix, or similar certification.
 - 6.2. In conducting any audit under this section GLO shall keep Subrecipient's business practices and information technology environment ("City Security Information") strictly confidential and shall not use the City Security Information for any other purpose not expressly authorized by the City under this Contract and shall not disclose City Security Information to third parties. GLO shall destroy and certify to such destruction of all City Security Information and any other documents and materials related thereto within five business days of the expiration or termination of this Contract or when the need to know no longer exists, whichever is earlier.
 - 6.3. In the event of a breach of system security, subject to applicable laws, Subrecipient shall use reasonable efforts to provide full access and cooperation for all activities determined by HUD and the GLO to be required to ensure an effective incident response, including providing all requested images, log files, and event information to facilitate rapid

resolution of data breaches. All information disclosed, gathered, or accessible to the GLO, or other agency of the State of Texas, the State of Texas or HUD pursuant to this Contract, is considered City Security Information and, subject to applicable laws, is subject to the confidentiality obligations set forth in this Section 6.

ATTACHMENT G

EXHIBIT "A-2"

GLO AGREEMENT DR-17



GLO CONTRACT NO. 19-147-001-B489
COMMUNITY DEVELOPMENT BLOCK GRANT
DISASTER RECOVERY PROGRAM PROJECTS
NON-RESEARCH & DEVELOPMENT
HARVEY ROUND 1 FUNDING

The **GENERAL LAND OFFICE** (“the GLO”), a Texas state agency, and **CITY OF HOUSTON**, DUNS No. 832431985 (“Subrecipient”), each a “Party” and collectively “the Parties,” enter into this Subrecipient agreement (the “Contract”) under the U.S. Department of Housing and Urban Development Community Development Block Grant Disaster Recovery (“CDBG-DR”) program to provide financial assistance with funds appropriated under the Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Public Law 115-56), enacted on September 8, 2017, to facilitate disaster recovery, restoration, and economic revitalization and to affirmatively further fair housing, in accordance with Executive Order 12892, in areas affected by the Texas Hurricane Harvey (DR-4332), which are Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121, *et seq.*).

Through CDBG-DR Federal Award Number B-17-DM-48-0001, awarded February 9, 2018, as amended August 14, 2018, and as may be further amended from time to time, the GLO administers grant funds as Community Development Block Grants (Catalog of Federal Domestic Assistance Number 14.228, “Community Development Block Grants/State’s program and Non-Entitlement Grants in Hawaii”), as approved by the Texas Land Commissioner, and limited to use for facilitating recovery efforts in Presidentially-declared major disaster areas.

ARTICLE I - GENERAL PROVISIONS

1.01 SCOPE OF PROJECT AND SUBAWARD

(a) Scope of Project

The purpose of this Contract is to set forth the terms and conditions of Subrecipient’s participation in the CDBG-DR program. In strict conformance with the terms and conditions of this Contract, Subrecipient shall perform, or cause to be performed, the Programs listed in **Attachment A**, as applicable, in the City of Houston (the “Project”). Subrecipient shall conduct the Project in strict accordance with this Contract, including all Contract Documents listed in **SECTION 1.02** below, and any Amendments, Revisions, or Technical Guidance Letters issued by the GLO. The aggregate use of CDBG-DR funds shall benefit low- and moderate-income families in a manner that ensures that at least 70 percent of the Subaward

is expended for Activities that benefit such persons, unless another percentage is permitted by HUD in a published waiver as specified in the Federal Registers.

(b) Subaward

Subrecipient submitted a Grant Application under the CDBG-DR program. The GLO enters into this Contract based on Subrecipient's approved Grant Application.

Subject to the terms and conditions of this Contract and Subrecipient's approved Grant Application, the GLO shall issue a subaward to Subrecipient in the amount of **\$1,175,954,338.00**, payable as reimbursement of Subrecipient's allowable expenses, to be used in strict conformance with the terms of this Contract, the Program Budgets listed in **Attachment A**, and the **Performance Statements** for the Programs, attached hereto and incorporated herein for all purposes.

The GLO, in its sole discretion, may reimburse Subrecipient for allowable Project costs incurred from August 25, 2017 until the Effective Date of this Contract, in accordance with federal law, but the GLO is not liable to Subrecipient for any costs incurred prior to August 25, 2017 or after the expiration or termination of this Contract.

All funds obtained by Subrecipient from the GLO and utilized on Subrecipient's CDBG-DR Activities are subject to compliance with all Federal and State regulations governing this Contract.

1.02 CONTRACT DOCUMENTS

This Contract and the following Attachments, attached hereto and incorporated herein in their entirety for all purposes, shall govern this Contract:

ATTACHMENT A: Program Budgets

ATTACHMENT B: Federal Assurances and Certifications

ATTACHMENT C: General Affirmations

ATTACHMENT D: Nonexclusive List of Applicable Laws, Rules, and Regulations

ATTACHMENT E: Special Conditions

ATTACHMENT F: GLO Information Security Appendix

ATTACHMENT G: Program Completion Report

PERFORMANCE STATEMENT 1: Buyout Program

PERFORMANCE STATEMENT 2: Economic Revitalization Program

PERFORMANCE STATEMENT 3: Homebuyer Assistance Program

PERFORMANCE STATEMENT 4: Homeowner Assistance Program

PERFORMANCE STATEMENT 5: Housing Administration Program and Planning Program

PERFORMANCE STATEMENT 6: Multifamily Rental Program

PERFORMANCE STATEMENT 7: Public Services Program

PERFORMANCE STATEMENT 8: Single Family Development Program

PERFORMANCE STATEMENT 9: Small Rental Program

1.03 GUIDANCE DOCUMENTS

Subrecipient is deemed to have read and understood, and shall abide by, all guidance documents applicable to the CDBG-DR program, including, without limitation:

- (1) 2 C.F.R. Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- (2) The Federal Registers;
- (3) The State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1, as amended, found at <http://recovery.texas.gov/hud-requirements-reports/hurricane-harvey/index.html>; and
- (4) Federal Register publications and other relevant guidance documents posted at: <http://recovery.texas.gov/hud-requirements-reports/hurricane-harvey/index.html>.

1.04 DEFINITIONS

“Act” means Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5301, *et seq.*).

“Activity” or “Activities” means a defined class of works or services eligible to be accomplished using CDBG-DR funds. Activities are specified in a Subrecipient Performance Statement.

“Administrative and Audit Regulations” means all applicable statutes, regulations, and other laws governing administration or audit of this Contract, including Title 2, Part 200, Code of Federal Regulations and Chapters 321 and 2155 of the Texas Government Code.

“Amendment” means a written agreement, signed by the Parties hereto, which documents alterations to the Contract other than those permitted by Technical Guidance Letters or Revisions, as herein defined.

“Application” or “Grant Application” means the information Subrecipient provided to the GLO, which is the basis for the award of funding under this Contract.

“Benchmark” means the reimbursement milestones identified in a Performance Statement required for release of Administrative and Project Delivery funding throughout the life of the Contract.

“Budget” means the budget for the Programs and Activities funded by the Contract, as specified in **Attachment A** and the **Performance Statements**, respectively.

“C.F.R.” means the United States Code of Federal Regulations.

“CDBG-DR” means the U.S. Department of Housing and Urban Development’s Community Development Block Grant Disaster Recovery program.

“Construction Documents” means the engineering specifications, construction plans, and/or architectural plans for the construction of improvements funded under the Contract.

“Contract” means this entire document, along with any Performance Statement or Attachments, both physical and incorporated by reference; and any Amendments, Revisions, or Technical Guidance Letters the GLO may issue, to be incorporated by reference herein for all purposes as they are issued and provided to Subrecipient, if any.

“Contract Documents” means the documents listed in **SECTION 1.02**.

“Equipment” means tangible personal property with a useful life of more than one (1) year and an acquisition cost of Five Thousand Dollars (\$5,000.00) or more per unit, as further defined at 2 CFR § 200.313.

“Event of Default” means the occurrence of any of the events set forth in **SECTION 3.03** herein.

“Federal Assurances” means Standard Form 424B (non-construction projects) or Standard Form 424D (construction projects), as applicable, in **Attachment B**, attached hereto and incorporated herein for all purposes.

“Federal Certifications” means the “Certification Regarding Lobbying – Compliant with Appendix A to 24 C.F.R. Part 87” and Standard Form LLL, Disclosure of Lobbying Activities, also in **Attachment B**, attached hereto and incorporated herein for all purposes.

“Federal Register(s)” means the official journal of the federal government of the United States that contains government agency rules, proposed rules, and public notices including U.S. Department of Housing and Urban Development Federal Register Docket Nos. FR-6066-N-01 and FR-6109-N-01 and any other publication affecting Hurricane Harvey – Round 1 CDBG-DR funding allocations.

“Final Inspection Report” means the document submitted by a housing inspector to a Subrecipient under a CDBG-DR Housing contract, indicating the completed construction of one Housing Unit (as defined herein).

“Fiscal Year” means the period beginning July 1 and ending June 30 each year, which is the annual accounting period for the City of Houston.

“GAAP” means “generally accepted accounting principles.”

“GASB” means accounting principles as defined by the Governmental Accounting Standards Board.

“General Affirmations” means the affirmations in **Attachment C**, which Subrecipient certifies by signing this Contract.

“GLO” means the Texas General Land Office, its officers, employees, and designees.

“Housing” refers to a project involving home repair, home reconstruction, new home construction, down payment assistance, and buyout and acquisition, including housing for single-family and multi-family rental units under a CDBG-DR contract.

“Housing Unit” means one single-family dwelling or one unit in a multi-family residential complex.

“HUD” means the United States Department of Housing and Urban Development.

“Minimum Property Standards” or “MPS” means the Minimum Property Standards (MPS) established in HUD Handbook 4910.1, as amended or superseded. MPS, as read in the context of this Contract, encompasses housing quality standards established by HUD to provide “decent, safe and sanitary” housing.

“Performance Statement” means a statement of work for each Program listed in **Attachment A**, which includes specific Benchmarks and Activities required under the

Program. The Performance Statements for this Contract are listed in Section 1.02 as **Performance Statement 1, Performance Statement 2, Performance Statement 3, Performance Statement 4, Performance Statement 5, Performance Statement 6, Performance Statement 7, Performance Statement 8, and Performance Statement 9** and are substantially the forms attached hereto and incorporated herein.

“Program” means each Community Development Block Grant Disaster Recovery program administered by the City of Houston and listed in **Attachment A** (collectively, the “Programs”).

“Program Completion Report” means a report created by the GLO and included in **Attachment G**, containing an as-built accounting of all Programs completed under a CDBG-DR program, and all information required for final acceptance of deliverables and Contract closeout.

“Program Guidelines” means, collectively, the individual sets of guidelines adopted by Subrecipient and approved by the GLO governing the implementation of each Program under this Contract, as applicable.

“Project” means the work to be performed under this Contract, as described in Section 1.01(a), above and including all Programs listed in **Attachment A** and further described in the **Performance Statements**.

“Project Manager” means a representative of the GLO Community Development and Revitalization (“CDR”) Program designated to oversee the Project.

“Public Information Act” or “PIA” means Chapter 552 of the Texas Government Code.

“Revision” means the GLO’s written approval of changes to Benchmarks, movement of funds among budget categories, and other Contract adjustments the Subrecipient’s Director of Housing and Community Development and the GLO may approve without a formal Amendment.

“Setup” means documentation, submitted by a Subrecipient, necessary for the GLO to determine that housing sites meet minimum eligibility criteria, resulting in approval for the Subrecipient to move forward with the projects.

“Subrecipient” means the City of Houston, a recipient of federal CDBG-DR funds through the GLO as the pass-through funding agency. Subrecipient may also be referred to as “Provider” herein.

“Technical Guidance Letter” or “TGL” means an instruction, clarification, or interpretation of the requirements of this Contract, issued by the GLO and provided to Subrecipient, applicable to specific subject matter pertaining to this Contract, and to which the addressed Program participants shall be subject as of a specific date.

“U.S.C.” means the United States Code.

1.05 INTERPRETIVE PROVISIONS

- (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms;

- (b) The words “hereof,” “herein,” “hereunder,” and similar words refer to this Contract as a whole and not to any particular provision, section, attachment, work order, or schedule of this Contract, unless otherwise specified;
- (c) The term “including” is not limiting, and means “including, without limitation” and, unless otherwise expressly provided in this Contract,
- (d) References to contracts (including this Contract) and other contractual instruments shall be deemed to include all subsequent Amendments and other modifications thereto, but only to the extent that such Amendments and other modifications are not prohibited by the terms of this Contract:
- (e) References to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing, or interpreting the statute or regulation, as may be amended from time to time;
- (f) The captions and headings of this Contract are for convenience of reference only and shall not affect the interpretation of this Contract;
- (g) All Attachments within this Contract, including those incorporated by reference, and any Amendments, are considered part of the terms of this Contract;
- (h) This Contract may use several different limitations, regulations, or policies to regulate the same or similar matters, which will be clearly identified in the Contract. All such limitations, regulations, and policies are cumulative and each shall be performed in accordance with its terms;
- (i) Unless otherwise expressly provided, reference to any action of the GLO or by the GLO by way of consent, approval, or waiver shall be deemed modified by the phrase “in the sole discretion of the GLO”;
Notwithstanding the preceding sentence, any approval, consent, or waiver required by, or requested of, the GLO shall not be unreasonably withheld or delayed;
- (j) All due dates and/or deadlines referenced in this Contract that occur on a weekend or holiday shall be considered as if occurring on the next business day of Subrecipient;
- (k) All time periods in this Contract shall commence on the day after the date on which the applicable event occurred, report is submitted, or request is received;
- (l) Time is of the essence in this Contract;
- (m) In the event of conflicts or inconsistencies between this contract and its attachments, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority: 1) any and all applicable federal and state laws, rules, and regulations; 2) the Contract; 3) GLO-approved Program guidelines; 4) **Performance Statements**; and 5) Attachments to the Contract: **Attachment A, Attachment B, Attachment E, Attachment C, Attachment D, Attachment F, and Attachment G.**

ARTICLE II – REIMBURSEMENT, ADVANCE PAYMENT, BUDGET VARIANCE, AND INCOME

2.01 REIMBURSEMENT REQUESTS

Each invoice submitted by Subrecipient shall be supported by actual receipts, cancelled checks, and/or such other documentation that, in the judgment of the GLO, allows for full substantiation of the costs incurred. The GLO shall issue and provide to Subrecipient a Technical Guidance Letter containing the GLO-established invoice submission procedures required under this Contract. Prior to the issuance of the Technical Guidance Letter, the GLO will provide Subrecipient instructions for interim invoicing processes.

With the exception of GLO-approved allowable Project costs incurred after August 25, 2017 and before the Effective Date of this Contract, the GLO must acknowledge the successful completion by Subrecipient of a specific Benchmark, which will require the submission by Subrecipient and approval by the GLO of invoices related to said Benchmark, including invoices for expenses incurred by any subcontractor, before Subrecipient may access additional Administrative and Project Delivery funds for reimbursement as outlined in the Performance Statements.

2.02 TIMELY EXPENDITURES

In accordance with the Federal Register and to ensure timely expenditure of grant funds, Subrecipient shall submit reimbursement requests under this contract, at a minimum, quarterly.

Subrecipient shall make timely payments to its subcontractors in accordance with Chapter 2251, Texas Government Code.

Subrecipient shall submit final reimbursement requests to the GLO no later than ninety (90) days after the Contract expires or is terminated. The GLO, in its sole discretion, may deny payment and deobligate remaining funds from the Contract ninety (90) days after expiration or termination of the Contract. The GLO's ability to deobligate funds under this Section 2.02 notwithstanding, the GLO shall pay all eligible reimbursement requests.

2.03 VARIANCE

Amendments to decrease or increase the subaward amount or to add or delete a Program may be made only by written agreement of the Parties, under the formal Amendment process described in Section 8.15, below. Upon completion of any Program, the GLO shall formally close out the Program by issuing a close-out letter to Subrecipient. The GLO may, in its sole discretion and in conformance with federal law, approve other adjustments required during Project performance through a Revision or Technical Guidance Letter. Such approvals must be in writing, and may be delivered by regular mail, electronic mail, or facsimile transmission.

SUBRECIPIENT SHALL SUBMIT FINAL BUDGETS AND ACTUAL EXPENDITURES AS PART OF THE PROGRAM COMPLETION REPORTS TO THE GLO NO LATER THAN SIXTY (60) DAYS AFTER THE CONTRACT TERMINATES OR EXPIRES OR AT THE CONCLUSION OF ALL CONTRACT ACTIVITIES, WHICHEVER OCCURS FIRST. THE PROGRAM COMPLETION

REPORTS SHALL BE IN A FORMAT PRESCRIBED BY THE GLO AND SHALL CONFIRM COMPLETION OF ALL ACTIVITIES PERFORMED UNDER THIS CONTRACT.

2.04 PROGRAM INCOME

In accordance with 2 C.F.R. § 200.307, Subrecipient shall maintain records of the receipt and accrual of all Program Income, as Program Income is defined at 2 C.F.R. § 200.80. Subrecipient shall report Program Income to the GLO in accordance with **ARTICLE 4** of this Contract. Any GLO-authorized use of Program Income by Subrecipient shall be subject to GLO or HUD restrictions.

ARTICLE III - DURATION, EXTENSION, AND TERMINATION OF CONTRACT

3.01 DURATION OF CONTRACT AND EXTENSION OF TERM

This Contract shall become effective on the date signed by the last Party (“Effective Date”) and shall continue until August 16, 2024 or the Project has been fully completed and closed out, whichever date is earlier (“Contract Period”). **ANY REQUEST FOR EXTENSION MUST BE RECEIVED BY THE GLO AT LEAST SIXTY (60) DAYS BEFORE THE ORIGINAL TERMINATION DATE OF THIS CONTRACT AND, IF APPROVED, SUCH EXTENSION SHALL BE BY FORMAL WRITTEN AMENDMENT.**

Subrecipient must meet all Program Benchmarks stated in the Performance Statements. Subrecipient’s failure to meet any Benchmark may result in suspension of payment or termination under SECTION 3.02, 3.03 or 3.04 below.

3.02 EARLY TERMINATION

In the event the State of Texas or HUD eliminates funding under this Contract or the CDBG-DR Program is assigned to another state agency, the GLO may terminate this Contract by giving written notice specifying a termination date at least thirty (30) days after the date of the notice. Upon receipt of such notice, Subrecipient shall cease work, terminate any subcontracts, and incur no further expense related to this Contract. **Such early termination shall be subject to the equitable settlement of the respective interests of the Parties, accrued up to the date of termination.**

3.03 EVENTS OF DEFAULT

Each of the following events shall constitute an Event of Default under this Contract: (i) Subrecipient fails to comply with any term, covenant, or provision contained in this Contract; (ii) Subrecipient makes a general assignment for the benefit of creditors or takes any similar action for the protection or benefit of creditors; (iii) Subrecipient makes a materially incorrect representation or warranty in a Performance Statement, a reimbursement request for payment, or any report submitted to the GLO under the Contract; or (iv) notwithstanding the GLO’s option to terminate the Contract early under Section 3.02, the GLO fails to comply with any term, covenant, or provision contained in this Contract. Prior to a determination of an Event of Default, the Parties shall allow a thirty (30) day period to cure any deficiency or potential cause of an Event of Default. The Parties may extend the time allowed to cure any deficiency or potential cause of an Event

of Default. The Parties shall not arbitrarily withhold approval of an extension of the time allowed to cure a deficiency or potential cause of an Event of Default. In no event shall the amount of time allowed to cure a deficiency or potential cause of an Event of Default extend beyond the Contract Period.

3.04 REMEDIES; NO WAIVER

Upon the occurrence of any Event of Default, the Parties may avail themselves of any equitable or legal remedy available to them, including without limitation, the withholding of payment, disallowing all or part of noncompliant Activities, or suspending or terminating the Contract.

The Parties' rights or remedies under this Contract are not intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Contract, or hereafter legally existing, upon the occurrence of an Event of Default. The failure of either Party to insist upon the strict observance or performance of any of the provisions of this Contract, or to exercise any right or remedy provided in this Contract, shall not impair, waive, or relinquish any such right or remedy with respect to another Event of Default.

ARTICLE IV - CONTRACT ADMINISTRATION

4.01 SUBMISSIONS – GENERALLY

Except for legal notices that must be sent by specific instructions pursuant to **SECTION 8.10** of the Contract and all other reports and documentation the GLO requires, any report, form, or request required to be submitted to the GLO under this Contract shall be sent in the format prescribed by the GLO.

If the Subrecipient fails to timely submit documentation to the GLO in the time and manner required by the Contract, the GLO may, in its sole discretion, withhold any payments pending Subrecipient's correction of the deficiency.

(a) PROGRAM GUIDELINES

No later than the close of business sixty (60) days subsequent to the Effective Date of this Contract, Subrecipient must submit Program Guidelines to the GLO for approval.

(b) FORMS

Subrecipient must execute the forms included in **Attachment B** and certifies by the execution of this Contract to all affirmations in **Attachment C**, confirming compliance with required state and federal laws applicable to the Contract.

- (i)** General Affirmations are found in **Attachment C** and Subrecipient certifies by the execution of this Contract to all statements therein.
- (ii)** The Federal Assurances for Construction Programs (Standard Form 424D), as applicable to the Project, is found at Page 1 of **Attachment B** and must be executed by Subrecipient.

- (iii) The “Certification Regarding Lobbying – Compliant with Appendix A to 24 C.F.R. Part 87” is found at Page 3 of **Attachment B** and must be executed by Subrecipient.
- (iv) If any funds granted under this Contract have been used for lobbying purposes, Subrecipient must complete and execute Standard Form LLL, Disclosure of Lobbying Activities, found at Page 4 of **Attachment B**.

4.02 MONTHLY ACTIVITY STATUS REPORTS

Subrecipient must provide monthly Activity status reporting, in a format to be specified by the GLO for each Program identified in **Attachment A**, on or before on the fifteenth day of the month following the month in which the reported Activities were performed for the duration of the Contract. Any licenses or permits required for the work identified in the Performance Statements shall be included as a part of the monthly Activity status reports for the period during which they are obtained, pursuant to Article 8.01 herein.

ARTICLE V - FEDERAL AND STATE FUNDING, RECAPTURE OF FUNDS, AND OVERPAYMENT

5.01 FEDERAL FUNDING

- (a) Funding for this Contract is appropriated under the Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Public Law 115-56), enacted on September 8, 2017, to facilitate disaster recovery, restoration, economic revitalization, and to affirmatively further fair housing in accordance with Executive Order 12892, in areas affected by the Texas Hurricane Harvey (DR-4332), which are Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121, *et seq.*). The fulfillment of this Contract is based on those funds being made available to the GLO as the lead administrative state agency. All expenditures under this Contract must be made in accordance with this Contract, the rules and regulations promulgated under the CDBG-DR Program and any other applicable laws. **Funds disbursed under each Activity may be subject to recapture and repayment for non-compliance.**
- (b) **To participate in the CDBG-DR program, Subrecipient must have a data universal numbering system (DUNS) number, and a Commercial And Government Entity (CAGE) Code.**
- (c) **Subrecipient must report its DUNS number and CAGE Code to the GLO for use in various reporting documents. A DUNS number and CAGE Code may be obtained by visiting the Central Contractor Registration website at:**

<https://www.sam.gov>

Assistance with this web site is available by calling **866-606-8220**.

5.02 STATE FUNDING

- (a) This Contract shall not be construed as creating any debt on behalf of the State of Texas and/or the GLO in violation of Article III, Section 49, of the Texas Constitution.

In compliance with Article VIII, Section 6 of the Texas Constitution, all obligations of the GLO hereunder are subject to the availability of state funds. If such funds are not appropriated or become unavailable, the GLO may terminate this Contract. In that event, the Parties shall be discharged from further obligations, subject to the equitable settlement of their respective interests, accrued up to the date of termination.

- (b) Any claim by Subrecipient for damages under this Contract may not exceed the amount due and owing Subrecipient under the Contract or the amount of funds appropriated for payment, but not yet paid to Subrecipient, under the annual budget in effect at the time of the breach. Nothing in this provision shall be construed as a waiver of sovereign immunity.

5.03 RECAPTURE OF FUNDS

SUBRECIPIENT SHALL CARRY OUT THE ACTIVITIES UNDER THE CONTRACT IN A MANNER THAT COMPLIES WITH THE TERMS AND CONDITIONS OF THE CONTRACT AND ALL APPLICABLE LAWS. THE GLO MAY RECAPTURE AND BE REIMBURSED BY SUBRECIPIENT FOR ANY PAYMENTS MADE BY THE GLO (I) THAT EXCEED THE MAXIMUM ALLOWABLE HUD RATE; (II) THAT ARE NOT ALLOWED UNDER APPLICABLE LAWS, RULES, AND REGULATIONS; OR (III) THAT ARE OTHERWISE INCONSISTENT WITH THIS CONTRACT, INCLUDING ANY UNAPPROVED EXPENDITURES. THIS RECAPTURE PROVISION APPLIES TO ANY FUNDS EXPENDED FOR THE PROJECT OR ANY PROGRAM OR ACTIVITY THAT DOES NOT MEET A CDBG-DR PROGRAM NATIONAL OBJECTIVE AS SPECIFIED IN EACH PERFORMANCE STATEMENT OR THAT IS NOT OTHERWISE ELIGIBLE UNDER CDBG-DR REGULATIONS.

5.04 OVERPAYMENT AND DISALLOWED COSTS

Subrecipient shall be liable to the GLO for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under this Contract. Subrecipient shall reimburse disallowed costs from funds which were not provided or otherwise made available to Subrecipient under this Contract.

5.05 FINAL BENCHMARKS

To ensure all programmatic requirements are met for each Program, the GLO shall only release the final five percent (5%) of each Program Budget upon submittal of completion and acceptance by the GLO of all Activities and Benchmarks identified in each Program's Performance Statement. The GLO shall disburse each Program's retained funds within thirty (30) days following approval of each Program Completion Report and all related closeout documentation necessary to determine that Subrecipient has completed all Activities in accordance with the terms and requirements of the Performance Statement, the Contract Documents, and all applicable laws, rules, and regulations.

ARTICLE VI - INTELLECTUAL PROPERTY

6.01 OWNERSHIP AND USE

- (a) Except for City Materials (as defined below in 6.01(c)), and except for any third-party proprietary intellectual property or information for which the City does not have a legal ownership right, the Parties shall jointly own all right, title, and interest in and to all reports, or other material, data, drawings, computer programs, and codes created under this Contract by either Party, and/or any copyright or other intellectual property rights, and any material or information developed and/or required to be delivered under this Contract, with each Party having the right to use, reproduce, or publish any or all of such information and other materials without obtaining permission from the other Party and without expense or charge. For any City or third-party proprietary intellectual property or information for which the City has a license to use or access, the City shall provide the GLO at least one (1) user license.
- (b) Except for City Materials, and except for any third-party proprietary intellectual property or information for which the City and/or the GLO do not have a legal ownership right, Subrecipient grants the GLO and HUD, and GLO and HUD grants to Subrecipient, a royalty free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, for governmental purposes, all reports, or other material, data, drawings, computer programs, and codes created under this Contract by either Party, and/or any copyright or other intellectual property rights, and any material or information developed and/or required to be delivered under this Contract by either Party.
- (c) “City Materials” means all works of authorship, materials, information, and other intellectual property created prior to the performance of any City obligation under this Contract, plus any modifications or enhancements thereto and derivative works based thereon, unless any such modifications, enhancements, or derivative works were funded using CDBG-DR funds. For clarity, if modifications, enhancements, or derivative works were funded using CDBG-DR funds, then only the applicable modification, enhancements, or derivative works are not included in the definition of City Materials.

6.02 NON-ENDORSEMENT BY STATE AND THE UNITED STATES

Subrecipient shall not publicize or otherwise circulate promotional material (such as advertisements, sales brochures, press releases, speeches, still or motion pictures, articles, manuscripts, or other publications) that states or implies the GLO, State of Texas, U.S. Government, or any government employee endorses a product, service, or position the Subrecipient represents. Subrecipient may not state or imply that the GLO, the State of Texas, or the U.S. Government approves of Subrecipient’s work products or considers Subrecipient’s work product to be superior to other products or services.

6.03 PUBLICATION DISCLAIMER REQUIRED

Subrecipient shall include a disclaimer on all public information releases issued pursuant to this Contract stating that the funds for this Project or any Program are provided by the City of Houston and the Texas General Land Office through HUD's CDBG Program.

ARTICLE VII - RECORDS, AUDIT, AND RETENTION

7.01 BOOKS AND RECORDS

Subrecipient shall keep and maintain, under GAAP or GASB, as applicable, full, true, and complete records sufficient to allow the GLO, the Texas State Auditor's Office, the United States Government, and/or their authorized representatives to determine Subrecipient's compliance with this Contract and all applicable laws, rules, and regulations, including the applicable laws and regulations provided in **Attachment D**.

7.02 INSPECTION AND AUDIT

- (a) All records related to this Contract, including records of Subrecipient and its Subcontractors, shall be subject to the Administrative and Audit Regulations. Accordingly, such records and work product shall be subject, at any time, to inspection, examination, audit, and copying at the Subrecipient's primary location or any location where such records and work product may be found, with or without notice from the GLO or other government entity with necessary legal authority. Subrecipient shall cooperate fully with any federal or state entity in the conduct of inspection, examination, audit, and copying, including providing all information requested. Subrecipient will ensure that this clause concerning federal and state entities' authority to inspect, examine, audit, and copy records and work product, and the requirement to fully cooperate with the federal and state entities, is included in any subcontract it awards.
- (b) The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the Contract or indirectly through a subcontract under the Contract. Acceptance of funds directly under the Contract or indirectly through a subcontract under the Contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. **The Office of the Comptroller General of the United States, the Government Accountability Office, the Office of Inspector General, or any authorized representative of the U.S. Government shall also have this right of inspection.** Subrecipient shall ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Subrecipient and the requirement to cooperate is included in any subcontract it awards.

- (c) Subrecipient will be deemed to have read and know of all applicable federal, state, and local laws, regulations, and rules pertaining to the Project, including those identified in **Attachment D**, governing audit requirements.

7.03 SUBRECIPIENT SELF-AUDIT AND TARGETED AUDITS

(a) Subrecipient Self-Audit

Upon the GLO's or HUD's approval, Subrecipient may conduct an annual financial and compliance audit of funds received and performance rendered under this Contract. Subrecipient may use funds budgeted under this Contract to pay for that portion of the cost of such audit services properly allocable to the Activities funded under this Contract, provided that the GLO shall not pay the cost of such audit services until the GLO has received Subrecipient's satisfactory audit report and invoice, as determined by the GLO. The invoice submitted for reimbursement must clearly show the percentage of cost allocable to the Activities funded under this Contract relative to the total cost of the audit services. Therefore, Subrecipient shall submit an invoice showing the total cost of the audit and the corresponding prorated charge per funding source. If applicable, Subrecipient shall submit an explanation with the reimbursement request, explaining why the percentage of audit fees exceeds the prorated amount allowable.

(b) Targeted Audits & Monitoring Visits

The GLO may at any time perform, or instruct the performance of, an annual program and/or fiscal audit, or conduct a special or targeted audit of any aspect of the Subrecipient's operation, using an auditor of the GLO's choice. Subrecipient shall maintain financial and other records prescribed by the GLO or by applicable federal or state laws, rules, and regulations.

7.04 PERIOD OF RETENTION

All records relevant to this Contract shall be retained for a period of three (3) years subsequent to the final closeout of the overall Project, in accordance with federal regulations set forth at 2 CFR § 200.333. **The GLO will notify all CDBG-DR program participants of the date upon which local records may be destroyed.**

ARTICLE VIII - MISCELLANEOUS PROVISIONS

8.01 LEGAL OBLIGATIONS

Subrecipient shall procure and maintain for the duration of this Contract any license, authorization, insurance, waiver, permit, qualification, or certification required by federal, state, county, or city statute, ordinance, law, or regulation to be held by Subrecipient to provide the goods or services required by this Contract. Subrecipient shall pay all taxes, assessments, fees, premiums, permits, and licenses required by law. Subrecipient shall pay any such government obligations not paid by its subcontractors during performance of this Contract. **Subrecipient shall include copies of such licenses and permits as a part of the monthly Activity status reports for the period during which they are obtained.**

8.02 INDEMNITY

To the extent permitted under the law, except for damages directly or proximately caused by the gross negligence of the GLO, Subrecipient shall indemnify and hold harmless the State of Texas, the GLO, and the officers, representatives, agents, and employees of the State of Texas and the GLO from any losses, claims, suits, actions, damages, or liability (including all costs and expenses of defending against all of the aforementioned) arising in connection with:

- (a) This Contract;
- (b) Any negligence, act, omission, or misconduct in the performance of the services referenced herein; or
- (c) Any claims or amounts arising or recoverable under federal or state workers' compensation laws, the Texas Tort Claims Act, or any other such laws.

Subrecipient shall be responsible for the safety and well-being of its employees, customers, and invitees. These requirements shall survive the term of this Contract until all claims have been settled or resolved and suitable evidence to that effect has been furnished to the GLO. The provisions of this Section shall survive termination of this Contract. Subrecipient has not appropriated any money for payment under this Contract and nothing in this provision requires that funds be assessed or collected or that a sinking fund be created for any Claims arising under this Contract.

8.03 INSURANCE AND BOND REQUIREMENTS

- (a) Unless Subrecipient is a self-insured governmental entity pursuant to Chapter 2259 of the Texas Government Code to self-insure, Subrecipient shall carry insurance for the duration of this Contract in types and amounts necessary and appropriate for the Project.
- (b) Subrecipient shall require all contractors, subcontractors, vendors, service providers, or any other person or entity performing work described in **Attachment A** to carry insurance for the duration of the Project in the types and amounts customarily carried by a person or entity providing such goods or services. Subrecipient shall require any person or entity required to obtain insurance under this Section to complete and file the declaration pages from the insurance policies with Subrecipient whenever a previously identified policy period expires during the term of Subrecipient's contract with the person or entity, as proof of continuing coverage. Subrecipient's contract with any such person or entity shall clearly state that acceptance of the insurance policy declaration pages by the Subrecipient shall not relieve or decrease the liability of the person or entity. **Persons or entities shall be required to update all expired policies before Subrecipient's acceptance of an invoice for monthly payment from such parties.**
- (c) Subrecipient shall require performance and payment bonds to the extent they are required under Chapter 2253 of the Texas Government Code.

- (d) **Subrecipient shall require, on all construction projects, that any person or entity required to provide Federal Construction Assurances shall complete form SF-424D, entitled “Assurances – Construction Programs,” and Subrecipient shall maintain such documentation.**

8.04 ASSIGNMENT AND SUBCONTRACTS

Subrecipient shall not assign, transfer, or delegate any rights, obligations, or duties under this Contract without the GLO's prior written consent. Notwithstanding this provision, Subrecipient may subcontract some or all of the services to be performed under this Contract. In any subcontracts, Subrecipient shall legally bind the subcontractor to perform and make such subcontractor subject to all the duties, requirements, and obligations of Subrecipient as specified in this Contract. Nothing in this Contract shall be construed to relieve Subrecipient of the responsibility for ensuring that the goods delivered, and/or the services rendered by Subrecipient and/or any of its subcontractors, comply with all the terms and provisions of this Contract.

For all construction contracts or subcontracts to which Federal Labor Standards requirements apply, Subrecipient shall submit to the GLO all labor related documentation required to ensure compliance. Subrecipient shall retain five percent (5%) of the payment due under each of Subrecipient's construction or rehabilitation subcontracts until the GLO determines that the Federal Labor Standards requirements applicable to each such contract or subcontract have been satisfied.

8.05 PROCUREMENT

Subrecipient must comply with the procurement procedures stated at 2 C.F.R. §§ 200.318 through 200.326 and all other applicable federal, state, and local procurement procedures and laws, regulations, and rules. Subrecipient must confirm that its vendors and subcontractors are not debarred from receiving state or federal funds at each of the following web addresses:

Texas Comptroller's Vendor Performance Program at:

[https://comptroller.texas.gov/purchasing/;](https://comptroller.texas.gov/purchasing/)

and the Federal General Services Administration's System for Award Management (SAM):

<https://www.sam.gov>.

8.06 PURCHASES AND EQUIPMENT

Any purchase of Equipment under this Contract shall be made in accordance with all applicable laws, regulations, and rules including those listed in **Attachment D**. Subrecipient shall retain title to and possession of any Equipment unless and until transferred to the GLO or disposed of in accordance with federal regulations. Subrecipient shall furnish, with its final request for reimbursement, a list of all Equipment purchased with Program funds under the Contract, including the name of the manufacturer, the model

number, and the serial number, if applicable. The disposition of any Equipment shall be in accordance with all applicable laws, regulations, and rules, including those listed in **Attachment D**.

8.07 COMMUNICATION WITH THIRD PARTIES

The GLO and the authorities named in **ARTICLE 7**, above, may initiate, in accordance with any legal authority granted by statute, regulation, or rule, communications with any subcontractor, and may request access to any books, documents, personnel, papers, and records of a subcontractor which are pertinent to this Contract. Such communications may be required to conduct audits, examinations, Davis-Bacon Labor Standards interviews, and gather additional information as provided in **ARTICLE 7** herein. The results of such communication will be shared with Subrecipient, in writing, prior to any publication.

8.08 RELATIONSHIP OF THE PARTIES

The Parties to this Contract are associated only for the purposes and to the extent specified in this Contract. Subrecipient is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract creates a partnership or joint venture, employer-employee or principal-agent relationships, or any liability whatsoever with respect to the indebtedness, liabilities, or obligations of Subrecipient or any other party. If applicable, Subrecipient shall be solely responsible for and the GLO shall have no obligation with respect to: withholding of income taxes, FICA, or any other taxes or fees; industrial or workers' compensation insurance coverage; accumulation of vacation leave or sick leave; or unemployment compensation coverage provided by the State.

8.09 COMPLIANCE WITH OTHER LAWS

In the performance of this Contract, Subrecipient shall comply with all applicable federal, state, and local laws, ordinances, and regulations, including those listed in **Attachments B, C, and D**. Subrecipient is deemed to know and understand all applicable laws, statutes, ordinances, and regulations affecting its performance under this Contract.

8.10 NOTICES

Any notices required under this Contract shall be deemed delivered when deposited either in the United States mail, postage paid, certified, return receipt requested; or with a common carrier, overnight, signature required, to the appropriate address below:

GLO

Texas General Land Office
1700 N. Congress Avenue, 7th Floor
Austin, TX 78701
Attention: Contracts Management Division

Subrecipient

City of Houston
900 Bagby St., 4th Floor
Houston, TX 77002
Attention: Director of Housing and Community Development Department

Notice given in any other manner shall be deemed effective only if and when received by the Party to be notified. Either Party may change its address for notice by written notice to the other Party as herein provided.

8.11 GOVERNING LAW AND VENUE

This Contract and the rights and obligations of the Parties hereto shall be governed by, and construed according to, the laws of the State of Texas, exclusive of conflicts of law provisions. Venue of any suit brought under this Contract shall be in a court of competent jurisdiction in Travis County, Texas. Subrecipient irrevocably waives any objection, including any objection to personal jurisdiction or the laying of venue or based on the grounds of *forum non conveniens*, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction with respect to this Contract or any document related hereto. **NOTHING IN THIS CONTRACT SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY THE GLO OR A WAIVER OF GOVERNMENTAL IMMUNITY BY SUBRECIPIENT.**

8.12 SEVERABILITY

If a court of competent jurisdiction determines any provision of this Contract is invalid, void, or unenforceable, the remaining terms, provisions, covenants, and conditions of this Contract shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated.

8.13 DISPUTE RESOLUTION

Subrecipient shall use the dispute resolution process established in Chapter 2260 of the Texas Government Code and related rules to attempt to resolve any dispute under this Contract, including a claim for breach of contract by the GLO, that the Parties cannot resolve in the ordinary course of business. Neither the occurrence of an event giving rise to a breach of contract claim nor the pendency of such a claim constitute grounds for Subrecipient to suspend performance under this Contract of Programs unaffected by the claim(s) at issue. Notwithstanding this provision, the GLO and Subrecipient reserves all legal and equitable rights and remedies available to it.

8.14 PUBLIC RECORDS

Information related to the performance of this Contract may be subject to the Public Information Act ("PIA") and will be withheld from public disclosure or released only in accordance therewith. Subrecipient shall make any information created or exchanged with the state pursuant to the Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the state/the GLO. Subrecipient shall make any information required

under the PIA available to the GLO in portable document file (".pdf") format or any other format agreed between the Parties. Subrecipient's failure to mark as "confidential" or a "trade secret" any information it believes to be excepted from disclosure waives all claims Subrecipient may make against the GLO for releasing such information without prior notice to Subrecipient.

Subrecipient shall release the following information upon receipt of an open records request:

- The amount of CDBG-DR funds expected to be made available;
- The range of Programs or Activities that may be undertaken with CDBG-DR funds;
- The estimated amount of CDBG-DR funds proposed to be used for Activities that will meet the national objective of benefit to low- and moderate-income persons; and
- The proposed CDBG-DR Activities likely to result in displacement and the Subrecipient's anti-displacement and relocation plan.

8.15 AMENDMENTS TO THE CONTRACT

Amendments to decrease or increase the subaward, to add or delete a Program, to extend the term of the Contract, and/or to make other substantial amendments to the Contract may be made only by written agreement of the Parties, under the formal amendment process except that, upon completion of a Program, the GLO shall issue a close-out letter pursuant to **SECTION 2.03**. The formal amendment process requires submission by the GLO Project Manager of the proposed amended language or amount to the GLO Contract Management Division for the preparation of a formal Amendment and circulation for necessary GLO and Subrecipient signatures. In the sole discretion of the GLO, and in conformance with federal law, the GLO may approve other adjustments required during Project performance by the GLO by way of a Revision or Technical Guidance Letter unilaterally issued by the GLO and acknowledged by the Subrecipient. Such approvals must be in writing and may be delivered by U.S. mail or electronic mail.

Pursuant to **SECTION 2.03** hereof, final **Program Completion Reports** for all Programs performed under this Contract shall be submitted to the GLO and shall include all such informal revisions agreed to by the Subrecipient and GLO over the life of the Contract.

8.16 REVISIONS TO PERFORMANCE STATEMENTS

Performance Statements may be revised by the Subrecipient quarterly and submitted to the GLO for approval. A proposed Revision to any Performance Statement does not require application of the formal Amendment process established in Section 8.15, above, but must be approved by the GLO, in writing, in order to take effect.

8.17 ENTIRE CONTRACT AND MODIFICATIONS

This Contract, its Attachment(s), any Amendment(s) Technical Guidance Letter(s), and/or Revision(s) issued in conjunction with this Contract, if any, constitute the entire agreement of the Parties and are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements made in connection with the

subject matter hereof. Any additional or conflicting terms in Attachment(s), Technical Guidance Letter(s), and/or Revision(s) shall be harmonized with this Contract to the extent possible. Unless an Attachment, Technical Guidance Letter, or Revision specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language shall be construed consistently with the Contract.

8.18 PROPER AUTHORITY

Each Party hereto represents and warrants that the person executing this Contract on its behalf has full power and authority to legally bind its respective entity. Subrecipient acknowledges that this Contract is effective for the period of time specified in the Contract. Any work performed by Subrecipient after the Contract terminates is performed at the sole risk of Subrecipient.

8.19 COUNTERPARTS

This Contract may be executed in any number of counterparts, each of which shall be an original, and all such counterparts shall together constitute but one and the same Contract.

8.20 SURVIVAL

The provisions of **ARTICLES 5, 6, AND 7; AND SECTIONS 1.01, 1.03, 2.05, 3.02, 3.04, 8.02, 8.03, 8.07, 8.08, 8.09, 8.10, 8.11, 8.13, 8.14, 8.15** of this Contract, and any other continuing obligations of Subrecipient shall survive the termination or expiration of this Contract.

8.21 CONTRACT CLOSEOUT

Upon completion of all Programs and Activities required for the Contract, and pursuant to **SECTION 2.03** hereof, Subrecipient shall prepare final **Program Completion Reports** confirming final performance measures, budgets, and expenses and the GLO will close the Contract in accordance with 2 C.F.R. §§ 200.343 through 200.345 and GLO CDBG-DR guidelines consistent therewith. The GLO will notify Subrecipient via official closeout letter upon review of the final Program Completion Report.

8.22 INDIRECT COST RATES

Unless Subrecipient has negotiated or does negotiate an indirect cost rate with the federal government, subject to periodic renegotiations of the rate during the Contract Period, Subrecipient's indirect cost rate shall be set by 2 C.F.R. § 200.414(f), i.e., ten percent (10%).

8.23 CONFLICT OF INTEREST

- (a) Subrecipient shall abide by the provisions of this Section and include the provisions in all subcontracts. Subrecipient shall comply with all conflict of interest laws and regulations applicable to the Program.
- (b) Subrecipient shall maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts, which standards may be located in various

Subrecipient governing documents, including but not limited to, the Subrecipient's Charter, Code of Ordinances, Administrative Procedures, Executive Orders, and Policies and Procedures.

8.24 ENVIRONMENTAL CLEARANCE REQUIREMENTS

- (a) Subrecipient is responsible for conducting environmental reviews and for obtaining any environmental clearance necessary for successful completion of the Project. Subrecipient shall prepare environmental review or assessment of each Activity in accordance with applicable laws, regulations, rules, and guidance. Subrecipient shall maintain a written Environmental Review Record ("ERR") for each Activity, including all supporting source documentation and documentation to support any project mitigation. Subrecipient shall provide a copy of the ERR and all related source documentation to the GLO.
- (b) Subrecipient shall address inquiries and complaints and shall provide appropriate redress related to environmental Activities. Subrecipient shall document each communication issued or received hereunder in the related ERR.
- (c) The GLO may, in its sole discretion, reimburse Subrecipient for certain exempt environmental Activities, as defined in federal regulations. Reimbursement requests for exempt environmental Activities must be supported by the proper HUD-prescribed form.
- (d) The Parties acknowledge and understand that the GLO may enter into Interagency agreements with the Texas Historical Commission, including GLO Contract No. 19-127-000-B465, and other entities in order to facilitate any necessary environmental or historic review. The GLO may incorporate one or more Interagency agreement into this contract via a Technical Guidance Letter.

8.25 CITIZEN PARTICIPATION AND ALTERNATIVE REQUIREMENTS

- (a) Subrecipient must ensure that all citizens have equal and ongoing access to information about the Programs, including ensuring that Program information is available in the appropriate languages for the geographical area served by the Subrecipient. Information furnished to citizens shall include, without limitation:
 - 1. The amount of CDBG-DR funds expected to be made available;
 - 2. The range of Activities that may be undertaken with the CDBG-DR funds;
 - 3. The estimated amount of the CDBG-DR funds proposed to be used for Activities meeting the national objective of benefiting low-to-moderate income persons; and
 - 4. A clear statement if any proposed CDBG-DR Activities are likely to result in displacement and the entity's anti-displacement and relocation plan.

- (b) Complaint Procedures: Subrecipient must have written citizen complaint procedures that provide a timely written response (within fifteen (15) working days) to complaints and grievances. Subrecipient shall notify citizens of the location and the days and hours when the location is open for business, so they may obtain a copy of these written procedures.
- (c) Technical Assistance: Subrecipient shall provide technical assistance to all Program participants, regardless of income, abilities, or LMI status, and shall make reasonable accommodations for any potential Program participant who requires assistance to access any Program. For example, Subrecipient shall provide an alternative means for completing a Program application for any applicant who is unable to access an online application.
- (d) Subrecipient shall maintain a citizen participation file which includes a copy of the Subrecipient's complaint procedures, documentation and evidence of opportunities provided for citizen participation (e.g., public notices, advertisements, flyers, etc.), documentation of citizen participation events (e.g., meeting minutes, attendance lists, sign-in sheets, news reports, etc.), and documentation of any technical assistance requested and/or provided.

8.26 SIGNAGE REQUIREMENTS

On any public building or public facility funded under this Contract, Subrecipient shall place permanent signage. Signs shall be placed in a prominent, visible public location. Subrecipient shall format each sign to best fit the architectural design of the building or facility but should be legible from at least three (3) feet distance.

For other construction projects (e.g., water transmission lines, sewer collection lines, drainage, roadways, housing rehabilitation) funded under this Contract, Subrecipient shall place temporary signage erected in a prominent location at the construction project site or along a major thoroughfare within the locality.

All signage required under this Section 8.25 shall contain the following:

“This project is funded by the City of Houston, the Texas General Land Office of the State of Texas, and the United States Department of Housing and Urban Development through the Community Development Block Grant Program to provide for disaster recovery and restoration of infrastructure for communities impacted by Hurricane Harvey.”

8.27 PROCUREMENT OF RECOVERED MATERIALS

- (a) To the extent applicable, the Provider shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired—
 - i. Competitively within a timeframe providing for compliance with the contract performance schedule;
 - ii. That meet contract performance requirements; or
 - iii. At a reasonable price.
- (b) To ensure maximum use of recovered/recycled materials per 2 CFR § 200.322,

information about this requirement is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensiveprocurement-guideline-cpg-program>, along with the list of EPA-designated items.

8.28 INFORMATION AND DATA SECURITY STANDARDS

Subrecipient shall comply with all terms specified in the **GLO Information Security Appendix**, incorporated herein for all purposes as **Attachment F**.

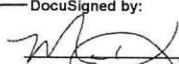
8.29 STATEMENTS OR ENTRIES

Except as otherwise provided under federal law, any person who knowingly and willfully falsifies, conceals, or covers up a material fact by any trick, scheme or device or who makes any materially false, fictitious, or fraudulent statement or representation or who makes or uses any false writing or document knowing the writing or document to contain any materially false, fictitious, or fraudulent statement or entry shall be prosecuted under Title 18, United States Code, § 1001. Under penalties of 18 U.S.C. § 1001, the undersigned Provider representative hereby declares that he/she has examined this Contract and Attachments, including without limitation, the Solicitation and Solicitation Response, and to the best of his/her knowledge and belief any statements, entries, or claims made by Provider are, correct, accurate and complete.

SIGNATURE PAGES FOLLOW

**GLO SIGNATURE PAGE FOR GLO CONTRACT NO. 19-147-001-B489
SUBRECIPIENT AGREEMENT – HURRICANE HARVEY – ROUND 1**

GENERAL LAND OFFICE

DocuSigned by:

Mark A. Havens, Chief Clerk/
Deputy Land Commissioner

Date of execution: 1/5/2019

OGC ^{DS} gm
DD ^{DS} HL
SDD ^{DS} HL
DGC ^{DS} MB
GC ^{DS} JG

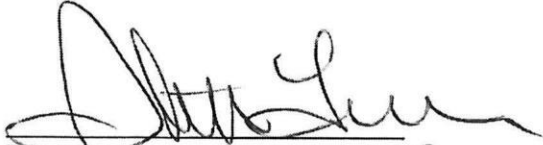
ATTACHED TO THIS CONTRACT:

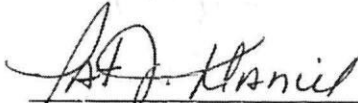
- ATTACHMENT A:** Program Budgets
- ATTACHMENT B:** Federal Assurances and Certifications
- ATTACHMENT C:** General Affirmations
- ATTACHMENT D:** Nonexclusive List of Applicable Laws, Rules, and Regulations
- ATTACHMENT E:** Special Conditions
- ATTACHMENT F:** GLO Information Security Appendix
- ATTACHMENT G:** Program Completion Report
- PERFORMANCE STATEMENT 1: Buyout Program**
- PERFORMANCE STATEMENT 2:** Economic Revitalization Program
- PERFORMANCE STATEMENT 3:** Homebuyer Assistance Program
- PERFORMANCE STATEMENT 4:** Homeowner Assistance Program
- PERFORMANCE STATEMENT 5:** Housing Administration Program and Planning Program
- PERFORMANCE STATEMENT 6:** Multifamily Rental Program
- PERFORMANCE STATEMENT 7:** Public Services Program
- PERFORMANCE STATEMENT 8:** Single Family Development Program
- PERFORMANCE STATEMENT 9: Small Rental Program**

CITY OF HOUSTON SIGNATURE PAGE FOLLOWS

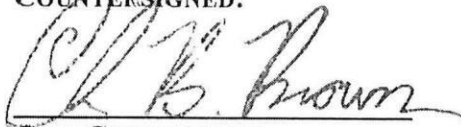
CITY OF HOUSTON SIGNATURE PAGE FOR GLO CONTRACT NO. 19-147-001-B489
SUBRECIPIENT AGREEMENT – HURRICANE HARVEY – ROUND 1

CITY OF HOUSTON


MAYOR 1-4-19


CITY SECRETARY Assistant


COUNTERSIGNED:


CITY CONTROLLER
Geneth Volk

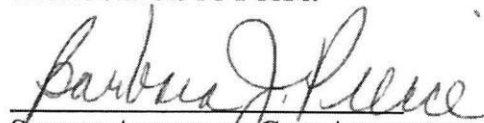
DATE OF COUNTERSIGNATURE:

1-4-19

APPROVED:


DIRECTOR, HOUSING AND
COMMUNITY DEVELOPMENT
DEPARTMENT

APPROVED AS TO FORM:


SENIOR ASSISTANT CITY ATTORNEY

ATTACHMENTS FOLLOW

**CITY OF HOUSTON SIGNATURE PAGE FOR GLO CONTRACT No. 19-147-001-B489
SUBRECIPIENT AGREEMENT – HURRICANE HARVEY – ROUND 1**

CITY OF HOUSTON

MAYOR

CITY SECRETARY

COUNTERSIGNED:

DATE OF COUNTERSIGNATURE:

CITY CONTROLLER

APPROVED:

APPROVED AS TO FORM:

DocuSigned by:

Tom McLasland

**DIRECTOR, HOUSING AND
COMMUNITY DEVELOPMENT
DEPARTMENT**

SENIOR ASSISTANT CITY ATTORNEY

ATTACHMENTS FOLLOW

CITY OF HOUSTON PROGRAM BUDGETS

Activity No.	HUD Activity Type	Other Funds	Total
	Homeowner Assistance Program		\$ 392,729,436
	Single Family Development Program		\$ 204,000,000
	Multifamily Rental Program		\$ 321,278,580
	Small Rental Program		\$ 61,205,100
	Homebuyer Assistance Program		\$ 21,741,300
	Buyout Program		\$ 40,800,000
	Public Services		\$ 60,000,000
	Economic Revitalization Program		\$ 30,264,834
	Houston Planning		\$ 23,100,000
	Houston Housing Administration		\$ 20,835,088
	Total		\$ 1,175,954,338

Draft – For review/discussion purposes only. Final Programs and Budgets to be approved by the U.S. Department of Housing and Urban Development.

ASSURANCES - CONSTRUCTION PROGRAMSOMB Approval No. 4040-0009
Expiration Date: 01/31/2019

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.


PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681- 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other non-discrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL DocuSigned by: 	TITLE Director
APPLICANT ORGANIZATION City of Houston, Housing and Community Development	DATE SUBMITTED 1/4/2019

Disclosure of Lobbying Activities

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure)

<p>1. Type of Federal Action: a. contract _____ b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance</p>	<p>2. Status of Federal Action: a. bid/offer/application _____ b. initial award c. post-award</p>	<p>3. Report Type: a. initial filing _____ b. material change</p> <p>For material change only: Year _____ quarter _____ Date of last report _____</p>
<p>4. Name and Address of Reporting Entity: _____ Prime _____ Subawardee Tier _____, if Known:</p> <p>Congressional District, if known:</p>	<p>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</p> <p>Congressional District, if known:</p>	
<p>6. Federal Department/Agency:</p>	<p>7. Federal Program Name/Description:</p> <p>CFDA Number, if applicable: _____</p>	
<p>8. Federal Action Number, if known:</p>	<p>9. Award Amount, if known: \$ _____</p>	
<p>10. a. Name and Address of Lobbying Registrant <i>(if individual, last name, first name, MI):</i></p>	<p>b. Individuals Performing Services <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i></p>	
<p>11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.</p>	<p>Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____</p>	
<p>Federal Use Only</p>	<p>Authorized for Local Reproduction Standard Form - LLL (Rev. 7-97)</p>	

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity 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 a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitations for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Included prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB control Number. The valid OMB control number for this information collection is OMB No. 4040-0013. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (4040-0013), Washington, DC 20503.

General Affirmations

To the extent they apply, Subrecipient affirms and agrees to the following, without exception:

1. Subrecipient represents and warrants that, in accordance with Section 2155.005 of the Texas Government Code, neither Subrecipient nor the firm, corporation, partnership, or institution represented by Subrecipient, or anyone acting for such a firm, corporation, partnership, or institution has (1) violated any provision of the Texas Free Enterprise and Antitrust Act of 1983, Chapter 15 of the Texas Business and Commerce Code, or the federal antitrust laws, or (2) communicated directly or indirectly the contents of this Contract or any solicitation response upon which this Contract is based to any competitor or any other person engaged in the same line of business as Subrecipient.
2. If the Contract is for services, Subrecipient shall comply with Section 2155.4441 of the Texas Government Code, requiring the purchase of products and materials produced in the State of Texas in performing service contracts.
3. Under Section 231.006 of the Family Code, the Subrecipient certifies that Provider's legal entity named in this Contract, bid or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate.
4. A bid or an application for a contract, grant, or loan paid from state funds must include the name and social security number of the individual or sole proprietor and each partner, shareholder, or owner with an ownership interest of at least 25 percent of the business entity submitting the bid or application. Subrecipient certifies it has submitted this information to the GLO.
5. If the Contract is for the purchase or lease of computer equipment, as defined by Texas Health and Safety Code Section 361.952(2), Subrecipient certifies that it is in compliance with Subchapter Y, Chapter 361 of the Texas Health and Safety Code, related to the Computer Equipment Recycling Program and the Texas Commission on Environmental Quality rules in Title 30 Texas Administrative Code Chapter 328.
6. Pursuant to Section 2155.003 of the Texas Government Code, Subrecipient represents and warrants that it has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the Contract.
7. Payments due under the Contract shall be directly applied towards eliminating any debt or delinquency Subrecipient owes to the State of Texas including, but not limited to, delinquent taxes, delinquent student loan payments, and delinquent child support.
8. Upon request of the GLO, Subrecipient shall provide copies of its most recent business continuity and disaster recovery plans.

9. If the Contract is for consulting services governed by Texas Government Code Chapter 2254, Subchapter B, in accordance with Section 2254.033 of the Texas Government Code, relating to consulting services, Subrecipient certifies that it does not employ an individual who has been employed by The GLO or another agency at any time during the two years preceding the Subrecipient's submission of its offer to provide consulting services to the GLO or, in the alternative, Subrecipient, in its offer to provide consulting services to the GLO, disclosed the following: (i) the nature of the previous employment with the GLO or other state agency; (ii) the date the employment was terminated; and (iii) the annual rate of compensation for the employment at the time of its termination.
10. If the Contract is not for architecture, engineering, or construction services, Subrecipient must use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to attempt to resolve any dispute arising under the Contract.
11. If the Contract is for architecture, engineering, or construction services, subject to Texas Government Code, Section 2260.002 and Texas Civil Practice and Remedies Code Chapter 114, Subrecipient shall use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to attempt to resolve all disputes arising under this Contract. In accordance with the Texas Civil Practice and Remedies Code, Section 114.005, claims encompassed by Texas Government Code, Section 2260.002(3) and Texas Civil Practice and Remedies Code Section 114.002 shall be governed by the dispute resolution process set forth below in subsections (a)-(d).
 - a. Notwithstanding Texas Government Code, Chapter 2260.002(3) and Chapter 114.012 and any other statute or applicable law, if the Subrecipient's claim for breach of contract cannot be resolved by the parties in the ordinary course of business, Subrecipient may make a claim against the GLO for breach of contract and the GLO may assert a counterclaim against the Subrecipient as is contemplated by Texas Government Code, Chapter 2260, Subchapter B. In such event, Subrecipient must provide written notice to the GLO of a claim for breach of the Contract not later than the 180th day after the date of the event giving rise to the claim. The notice must state with particularity: (1) the nature of the alleged breach; (2) the amount the Subrecipient seeks as damages; and (3) the legal theory of recovery.
 - b. The chief administrative officer, or if designated in the Contract, another officer of the GLO, shall examine the claim and any counterclaim and negotiate with the Subrecipient in an effort to resolve them. The negotiation must begin no later than the 120th day after the date the claim is received, as is contemplated by Texas Government Code, Chapter 2260, Section 2260.052.
 - c. If the negotiation under paragraph (b) above results in the resolution of some disputed issues by agreement or in a settlement, the parties shall reduce the agreement or settlement to writing and each party shall sign the agreement or settlement. A partial settlement or resolution of a claim does not waive a party's rights under this Contract as to the parts of the claim that are not resolved.

- d. If a claim is not entirely resolved under paragraph (b) above, on or before the 270th day after the date the claim is filed with the GLO, unless the parties agree in writing to an extension of time, the parties may agree to mediate a claim made under this dispute resolution procedure. This dispute resolution procedure is the Subrecipient's sole and exclusive process for seeking a remedy for an alleged breach of contract by the GLO if the parties are unable to resolve their disputes as described in this section.
 - e. Nothing in the Contract shall be construed as a waiver of the state's or the GLO's sovereign immunity. This Contract shall not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to the State of Texas. The failure to enforce, or any delay in the enforcement, of any privileges, rights, defenses, remedies, or immunities available to the State of Texas under this Contract or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies or immunities or be considered as a basis for estoppel. The GLO does not waive any privileges, rights, defenses, or immunities available to it by entering into this Contract or by its conduct, or by the conduct of any representative of the GLO, prior to or subsequent to entering into this Contract.
 - f. Compliance with the dispute resolution process provided for in Texas Government Code, Chapter 2260, subchapter B and incorporated by reference in subsection (a)-(d) above is a condition precedent to the Subrecipient: (1) filing suit pursuant to Chapter 114 of the Civil Practices and Remedies Code; or (2) initiating a contested case hearing pursuant to Subchapter C of Chapter 2260 of the Texas Government Code.
12. Subrecipient represents and warrants that, pursuant to Section 2270.002 of the Texas Government Code, Subrecipient does not boycott Israel and will not boycott Israel during the term of the Contract.
 13. This Contract is contingent upon the continued availability of lawful appropriations by the Texas Legislature. Subrecipient understands that all obligations of the GLO under this Contract are subject to the availability of state funds. If such funds are not appropriated or become unavailable, the GLO may terminate the Contract. The Contract shall not be construed as creating a debt on behalf of the GLO in violation of Article III, Section 49a of the Texas Constitution.
 14. Subrecipient certifies that it is not listed on the federal government's terrorism watch list as described in Executive Order 13224.
 15. In accordance with Section 669.003 of the Texas Government Code, relating to contracting with the executive head of a state agency, Subrecipient certifies that it is not (1) the executive head of the GLO, (2) a person who at any time during the four years before the effective date of the Contract was the executive head of the GLO, or (3) a person who employs a current or former executive head of the GLO.

16. Subrecipient represents and warrants that all statements and information prepared and submitted in connection with this Contract are current, complete, true, and accurate. Submitting a false statement or making a material misrepresentation during the performance of this Contract is a material breach of contract and may void the Contract or be grounds for its termination.
17. Pursuant to Section 2155.004(a) of the Texas Government Code, Subrecipient certifies that neither Subrecipient nor any person or entity represented by Subrecipient has received compensation from the GLO to participate in the preparation of the specifications or solicitation on which this Contract is based. Under Section 2155.004(b) of the Texas Government Code, Subrecipient certifies that the individual or business entity named in this Contract is not ineligible to receive the specified contract and acknowledges that the Contract may be terminated and payment withheld if this certification is inaccurate. This Section does not prohibit Subrecipient from providing free technical assistance.
18. Subrecipient represents and warrants that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization, as prohibited by Section 2252.152 of the Texas Government Code.
19. If the Contract is for professional or consulting services governed by Texas Government Code Chapter 2254, Subrecipient represents and warrants that none of its employees including, but not limited to, those authorized to provide services under the Contract, were former employees of the GLO during the twelve (12) month period immediately prior to the date of execution of the Contract.
20. The Contract shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflicts of law provisions. The venue of any suit arising under the Contract is fixed in any court of competent jurisdiction of Travis County, Texas, unless the specific venue is otherwise identified in a statute which directly names or otherwise identifies its applicability to the GLO.
21. IF THE CONTRACT IS NOT FOR ARCHITECTURE OR ENGINEERING SERVICES GOVERNED BY TEXAS GOVERNMENT CODE CHAPTER 2254, SUBRECIPIENT SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND THE GLO, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES ARISING OUT OF, OR RESULTING FROM ANY ACTS OR OMISSIONS OF SUBRECIPIENT OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT AND ANY PURCHASE ORDERS ISSUED UNDER THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY SUBRECIPIENT WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND

SUBRECIPIENT MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL. SUBRECIPIENT AND THE GLO SHALL FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

22. IF THE CONTRACT IS FOR ARCHITECTURE OR ENGINEERING SERVICES GOVERNED BY TEXAS GOVERNMENT CODE CHAPTER 2254, SUBRECIPIENT SHALL INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND THE GLO, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED DAMAGES, COSTS, ATTORNEY FEES, AND EXPENSES TO THE EXTENT CAUSED BY, ARISING OUT OF, OR RESULTING FROM ANY ACTS OF NEGLIGENCE, INTENTIONAL TORTS, WILLFUL MISCONDUCT, PERSONAL INJURY OR DAMAGE TO PROPERTY, AND/OR OTHERWISE RELATED TO SUBRECIPIENT'S PERFORMANCE, AND/OR FAILURES TO PAY A SUBCONTRACTOR OR SUPPLIER BY THE SUBRECIPIENT OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, CONSULTANTS UNDER CONTRACT TO SUBRECIPIENT, OR ANY OTHER ENTITY OVER WHICH THE CONTRACTOR EXERCISES CONTROL, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY SUBRECIPIENT WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN Texas STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND SUBRECIPIENT MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL. SUBRECIPIENT AND THE GLO SHALL FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM
23. SUBRECIPIENT SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE GLO AND THE STATE OF TEXAS FROM AND AGAINST ANY AND ALL CLAIMS, VIOLATIONS, MISAPPROPRIATIONS OR INFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHTS AND/OR OTHER INTANGIBLE PROPERTY, PUBLICITY OR PRIVACY RIGHTS, AND/OR IN CONNECTION WITH OR ARISING FROM: (1) THE PERFORMANCE OR ACTIONS OF SUBRECIPIENT PURSUANT TO THIS CONTRACT; (2) ANY DELIVERABLE, WORK PRODUCT, CONFIGURED SERVICE OR OTHER SERVICE PROVIDED HEREUNDER; AND/OR (3) THE GLO'S AND/OR SUBRECIPIENT'S USE OF OR ACQUISITION OF ANY REQUESTED SERVICES OR OTHER ITEMS PROVIDED TO THE GLO BY SUBRECIPIENT OR OTHERWISE TO WHICH THE GLO HAS ACCESS AS A RESULT OF SUBRECIPIENT'S PERFORMANCE UNDER THE CONTRACT. SUBRECIPIENT AND THE GLO shall FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. SUBRECIPIENT SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE, INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY SUBRECIPIENT WITH THE

OFFICE OF THE TEXAS ATTORNEY GENERAL (OAG) WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND SUBRECIPIENT MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM OAG. IN ADDITION, SUBRECIPIENT WILL REIMBURSE THE GLO AND THE STATE OF TEXAS FOR ANY CLAIMS, DAMAGES, COSTS, EXPENSES OR OTHER AMOUNTS, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES AND COURT COSTS, ARISING FROM ANY SUCH CLAIM. IF THE GLO DETERMINES THAT A CONFLICT EXISTS BETWEEN ITS INTERESTS AND THOSE OF SUBRECIPIENT OR IF THE GLO IS REQUIRED BY APPLICABLE LAW TO SELECT SEPARATE COUNSEL, THE GLO WILL BE PERMITTED TO SELECT SEPARATE COUNSEL AND SUBRECIPIENT WILL PAY ALL REASONABLE COSTS OF THE GLO'S COUNSEL.

24. Subrecipient has disclosed in writing to the GLO all existing or potential conflicts of interest relative to the performance of the Contract.
25. Sections 2155.006 and 2261.053 of the Texas Government Code prohibit state agencies from accepting a solicitation response or awarding a contract that includes proposed financial participation by a person who, in the past five years, has been convicted of violating a federal law or assessed a penalty in connection with a contract involving relief for Hurricane Rita, Hurricane Katrina, or any other disaster, as defined by Section 418.004 of the Texas Government Code, occurring after September 24, 2005. Under Sections 2155.006 and 2261.053 of the Texas Government Code, Subrecipient certifies that the individual or business entity named in this Contract is not ineligible to receive the specified contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.
26. Subrecipient understands that the GLO will comply with the Texas Public Information Act (Chapter 552 of the Texas Government Code) as interpreted by judicial rulings and opinions of the Attorney General of the State of Texas. Information, documentation, and other material related to this Contract may be subject to public disclosure pursuant to the Texas Public Information Act. In accordance with Section 2252.907 of the Texas Government Code, Subrecipient shall make any information created or exchanged with the State/GLO pursuant to the Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State or the GLO.
27. The person executing this Contract certifies that he/she is duly authorized to execute this Contract on his/her own behalf or on behalf of Subrecipient and legally empowered to contractually bind Subrecipient to the terms and conditions of the Contract and related documents.
28. If the Contract is for architectural or engineering services, pursuant to Section 2254.0031 of the Texas Government Code, which incorporates by reference Section 271.904(d) of the Texas Local Government Code, Subrecipient shall perform services (1) with professional skill and care ordinarily provided by competent engineers or architects

practicing under the same or similar circumstances and professional license, and (2) as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer or architect.

29. The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the Contract or indirectly through a subcontract under the Contract. The acceptance of funds directly under the Contract or indirectly through a subcontract under the Contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. Subrecipient shall ensure that this paragraph concerning the authority to audit funds received indirectly by subcontractors through the Contract and the requirement to cooperate is included in any subcontract it awards. The GLO may unilaterally amend the Contract to comply with any rules and procedures of the state auditor in the implementation and enforcement of Section 2262.154 of the Texas Government Code.
30. Subrecipient certifies that neither it nor its principals are debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from participation in the Contract by any state or federal agency.
31. Subrecipient expressly acknowledges that state funds may not be expended in connection with the purchase of an automated information system unless that system meets certain statutory requirements relating to accessibility by persons with visual impairments. Accordingly, Subrecipient represents and warrants to the GLO that any technology provided to the GLO for purchase pursuant to this Contract is capable, either by virtue of features included within the technology or because it is readily adaptable by use with other technology, of: providing equivalent access for effective use by both visual and non-visual means; presenting information, including prompts used for interactive communications, in formats intended for non-visual use; and being integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired. For purposes of this Section, the phrase "equivalent access" means a substantially similar ability to communicate with or make use of the technology, either directly by features incorporated within the technology or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans With Disabilities Act or similar state or federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands and other means of navigating graphical displays, and customizable display appearance.
32. If the Contract is for the purchase or lease of covered television equipment, as defined by Section 361.971(3) of the Texas Health and Safety Code, Subrecipient certifies its compliance with Subchapter Z, Chapter 361 of the Texas Health and Safety Code, related to the Television Equipment Recycling Program.

33. Pursuant to Section 572.069 of the Texas Government Code, Subrecipient certifies it has not employed and will not employ a former state officer or employee who participated in a procurement or contract negotiations for the GLO involving Subrecipient within two (2) years after the date that the contract is signed, or the procurement is terminated or withdrawn. This certification only applies to former state officers or employees whose state service or employment ceased on or after September 1, 2015.

NONEXCLUSIVE LIST OF APPLICABLE LAWS, RULES, AND REGULATIONS

If applicable to a Program or Activity, Provider must be in compliance with the following laws, rules, and regulations; and any other state, federal, or local laws, rules, and regulations as may become applicable throughout the term of the Contract, and Provider acknowledges that this list may not include all such applicable laws, rules, and regulations.

Provider and is deemed to have read and understands the requirements of each of the following, if applicable to the Project under this Contract:

GENERALLY

The Acts and Regulations specified in this Contract;

Continuing Appropriations Act, 2018 and Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (Public Law 115-56);

The Housing and Community Development Act of 1974 (12 U.S.C. § 5301 *et seq.*);

The United States Housing Act of 1937, as amended, 42 U.S.C. § 1437f(o)(13) (2016) and related provisions governing Public Housing Authority project-based assistance, and implementing regulations at 24 C.F.R. Part 983 (2016);

Cash Management Improvement Act regulations (31 C.F.R. Part 205);

Community Development Block Grants (24 C.F.R. Part 570);

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200);

Disaster Recovery Implementation Manual;

GLO Housing Guidelines; and

State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1, dated April 6, 2018, as amended.

CIVIL RIGHTS

Title VI of the Civil Rights Act of 1964, (42 U.S.C. § 2000d *et seq.*); 24 C.F.R. Part 1, "Nondiscrimination in Federally Assisted Programs of the Department of Housing and Urban Development - Effectuation of Title VI of the Civil Rights Act of 1964";

Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972 (42 U.S.C. § 2000e, *et seq.*);

Title VIII of the Civil Rights Act of 1968, "The Fair Housing Act of 1968" (42 U.S.C. § 3601, *et seq.*), as amended;

Executive Order 11063, as amended by Executive Order 12259, and 24 C.F.R. Part 107, "Nondiscrimination and Equal Opportunity in Housing under Executive Order 11063"; The failure or refusal of Provider to comply with the requirements of Executive Order 11063 or 24 C.F.R. Part 107 shall be a proper basis for the imposition of sanctions specified in 24 C.F.R. 107.60;

The Age Discrimination Act of 1975 (42 U.S.C. § 6101, *et seq.*); and

Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794.) and "Nondiscrimination

Based on Handicap in Federally-Assisted Programs and Activities of the Department of Housing and Urban Development", 24 C.F.R. Part 8. By signing this Contract, Provider understands and agrees that the activities funded shall be performed in accordance with 24 C.F.R. Part 8; and the Architectural Barriers Act of 1968 (42 U.S.C. § 4151, *et seq.*), including the use of a telecommunications device for deaf persons (TDDs) or equally effective communication system.

LABOR STANDARDS

The Davis-Bacon Act, as amended (originally, 40 U.S.C. §§ 276a-276a-5 and re-codified at 40 U.S.C. §§ 3141-3148); 29 C.F.R. Part 5;

The Copeland "Anti-Kickback" Act (originally, 18 U.S.C. § 874 and re-codified at 40 U.S.C. § 3145); 29 C.F.R. Part 3;

Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (originally, 40 U.S.C. §§ 327A and 330 and re-codified at 40 U.S.C. §§ 3701-3708);

Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Non-construction Contracts Subject to the Contract Work Hours and Safety Standards Act) (29 C.F.R. Part 5); and

Federal Executive Order 11246, as amended.

EMPLOYMENT OPPORTUNITIES

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. § 1701u); 24 C.F.R. §§ 135.3(a)(2) and (a)(3);

The Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. § 4212);

Title IX of the Education Amendments of 1972 (20 U.S.C. §§ 1681-1688); and

Federal Executive Order 11246, as amended.

GRANT AND AUDIT STANDARDS

Single Audit Act Amendments of 1996, 31 U.S.C. § 7501;

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200);

Uniform Grant and Contract Management Act (Texas Government Code Chapter 783) and the Uniform Grant Management Standards, issued by Governor's Office of Budget and Planning; and

Title 1 Texas Administrative Code § 5.167(c).

LEAD-BASED PAINT

Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831(b)).

HISTORIC PROPERTIES

The National Historic Preservation Act of 1966 as amended (16 U.S.C. § 470, *et seq.*), particularly sections 106 and 110 (16 U.S.C. §§ 470 and 470h-2), except as provided in §58.17 for Section 17 projects;

Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921), 3 C.F.R., 1971-1975 Comp., p. 559, particularly section 2(c);

Federal historic preservation regulations as follows: 36 C.F.R. Part 800 with respect to HUD programs; and

The Reservoir Salvage Act of 1960, as amended by the Archeological and Historic Preservation Act of 1974 (16 U.S.C. § 469, *et seq.*), particularly section 3 (16 U.S.C. § 469a-1).

ENVIRONMENTAL LAW AND AUTHORITIES

Environmental Review Procedures for Recipients assuming HUD Environmental Responsibilities (24 C.F.R. Part 58, as amended);

National Environmental Policy Act of 1969, as amended (42 U.S.C. §§ 4321-4347); and

Council for Environmental Quality Regulations for Implementing NEPA (40 C.F.R. Parts 1500-1508).

FLOODPLAIN MANAGEMENT AND WETLAND PROTECTION

Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951), 3 C.F.R., 1977 Comp., p. 117, as interpreted in HUD regulations at 24 C.F.R. Part 55, particularly Section 2(a) of the Order (For an explanation of the relationship between the decision-making process in 24 C.F.R. Part 55 and this part, see § 55.10.); and

Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961), 3 C.F.R., 1977 Comp., p. 121 particularly Sections 2 and 5.

COASTAL ZONE MANAGEMENT

The Coastal Zone Management Act of 1972 (16 U.S.C. § 1451, *et seq.*), as amended, particularly sections 307(c) and (d) (16 U.S.C. § 1456(c) and (d)).

SOLE SOURCE AQUIFERS

The Safe Drinking Water Act of 1974 (42 U.S.C. §§ 201, 300(f), *et seq.*, and 21 U.S.C. § 349) as amended; particularly section 1424(e)(42 U.S.C. § 300h-3(e)); and

Sole Source Aquifers (Environmental Protection Agency-40 C.F.R. part 149.).

ENDANGERED SPECIES

The Endangered Species Act of 1973 (16 U.S.C. § 1531, *et seq.*) as amended, particularly section 7 (16 U.S.C. § 1536).

WILD AND SCENIC RIVERS

The Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271, *et seq.*) as amended, particularly sections 7(b) and (c) (16 U.S.C. § 1278(b) and (c)).

AIR QUALITY

The Clean Air Act (42 U.S.C. § 7401, *et seq.*) as amended, particularly sections 176(c) and (d) (42 U.S.C. §7506(c) and (d)).

Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency-40 C.F.R. Parts 6, 51, and 93).

FARMLAND PROTECTION

Farmland Protection Policy Act of 1981 (7 U.S.C. § 4201, *et seq.*) particularly sections 1540(b) and 1541 (7 U.S.C. §§ 4201(b) and 4202); and

Farmland Protection Policy (Department of Agriculture-7 C.F.R. part 658).

HUD ENVIRONMENTAL STANDARDS

Applicable criteria and standards specified in HUD environmental regulations (24 C.F.R. Part 51)(other than the runway clear zone and clear zone notification requirement in 24 C.F.R. § 51.303(a)(3); and

HUD Notice 79-33, Policy Guidance to Address the Problems Posed by Toxic Chemicals and Radioactive Materials, September 10, 1979.

ENVIRONMENTAL JUSTICE

Executive Order 12898 of February 11, 1994—Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, (59 FR 7629), 3 C.F.R., 1994 Comp. p. 859.

SUSPENSION AND DEBARMENT

Use of debarred, suspended, or ineligible contractors or subrecipients (24 C.F.R. § 570.609);

General HUD Program Requirements; Waivers (24 C.F.R. Part 5); and

Nonprocurement Suspension and Debarment (2 C.F.R. Part 2424).

OTHER REQUIREMENTS

Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (24 C.F.R. Part 58).

ACQUISITION / RELOCATION

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601, *et seq.*), 24 C.F.R. Part 42, and 24 C.F.R. § 570.606.

FAITH-BASED ACTIVITIES

Executive Order 13279 of December 12, 2002 - Equal Protection of the Laws for Faith-Based and Community Organizations, (67 FR 77141).

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SPECIAL CONDITIONS

If applicable to a Program or Activity, Subrecipient must be in compliance with the following Special Conditions and any other State, Federal, or local laws, rules, and regulations as may be applicable, throughout the term of the Contract, prior to the release of any grant funds for the Programs or Activities anticipated.

Subrecipient is deemed to have read and to understand the requirements of each of the following, if applicable to the Program or Activity under this Contract:

A. REIMBURSEMENT, GENERALLY

As provided for in Public Law 115-56, the Contract funds may not be used for activities that are eligible to be reimbursed by, or for which funds are made available by, (a) the Federal Emergency Management Agency (FEMA); (b) the Army Corps of Engineers (Corps); (c) any other federal funding source; or (d) covered by insurance, and Subrecipient shall ensure compliance with all such requirements.

B. NATIONAL FLOOD INSURANCE PROGRAM COMPLIANCE

- (1) Subrecipient must provide documentation which indicates they have received approval from the Texas Water Development Board (TWDB), the National Flood Insurance Program (NFIP) State Coordinating Agency, that appropriate ordinances or orders necessary for Subrecipient to be eligible to participate in the NFIP have been adopted.
- (2) Where Activities specified in a Performance Statement, involve structures that are located in Special Flood Hazard Areas (SFHA), flood insurance may be required, and Subrecipient shall obtain such insurance, and shall maintain documentation evidencing compliance with such requirements.
- (3) Subrecipient acknowledges and agrees that if any property that is the subject of an Activity under this Contract located within a floodplain, that the following terms and conditions shall apply:
 - a. Under the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001- 4128), Federal financial assistance for acquisition and construction purposes (including rehabilitation) may not be used in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:
 - i. The community in which the area is situated is participating in the National Flood Insurance Program ("NFIP") (44 CFR parts 59 through 79), or less than one (1) year has passed since the FEMA notification regarding such hazards; and
 - ii. The community is participating in the NFIP, or that flood insurance protection is to be obtained as a condition of the approval of financial assistance to the property owner.
 - b. Where the community is participating in the NFIP and the recipient provides financial assistance for acquisition or construction purposes (including rehabilitation) for property located in an area identified by FEMA as having special flood hazards, Subrecipient is responsible for ensuring that flood insurance under the NFIP is obtained and maintained.
 - c. Under Section 582 of the National Flood Insurance Reform Act of 1994, 42 U.S.C. 515a, HUD disaster assistance that is made available in a special flood hazard area may not be used to make a payment (including any loan assistance payment) to a person for repair, replacement, or restoration for flood damage to any personal, residential, or commercial property if:
 - i. The person had previously received Federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and

- ii. The person failed to obtain and maintain flood insurance.
- d. Subrecipient understands and agrees that it has a responsibility to inform homeowners receiving disaster assistance that triggers the flood insurance purchase requirement of their statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance, and that the transferring owner may be liable if he or she fails to do so.

C. PROJECT MAPPING/DESIGN INFORMATION

For construction projects, Subrecipient shall require and maintain copies, in written and/or digital format, of final Project record drawing(s) and engineering schematics, as constructed.

D. WATER SYSTEM IMPROVEMENTS

- (1) Prior to the GLO's release of funds for the construction of any water system improvements, Subrecipient shall provide certification to the GLO that plans, specifications, and related documents for the specified water system improvements have been prepared by the engineer selected for such activities, or the engineer's duly authorized representative, and that the review of such plans, specifications, and related documents meet the applicable Texas Commission on Environmental Quality (TCEQ) review requirements described in Title 30 of the Texas Administrative Code.
- (2) Prior to construction, Subrecipient shall provide documentation to the GLO that an approved new or amended Certificate of Convenience and Necessity (CCN), or the equivalent permit or authority for the area to be served, has been issued by the TCEQ.
- (3) Prior to Subrecipient submission of the Project Completion Report for any water system improvements described in Attachment A, Subrecipient shall provide a letter from the TCEQ that the constructed well is approved for interim use and may be temporarily placed into service pursuant to 30 Texas Administrative Code, Chapter 290—Rules and Regulations for Public Water Systems.

E. SEWER SYSTEM IMPROVEMENTS

Prior to the construction of any sewer system improvements described, Subrecipient shall provide certification that plans, specifications, and related documents for the specified sewer system improvements have been prepared by the engineer selected for such activities, or the engineer's duly authorized representative, and that the review of such plans, specifications, and related documents meet the Texas Commission on Environmental Quality (TCEQ) review requirements described in 30 Texas Administrative Code, Chapter 217, Subchapter D.

Further, prior to the construction of any sewer lines or additional service connections described in Attachment A, Subrecipient shall provide notification of the start of construction on any sewer treatment plant of other system-related improvements included in this Contract.

F. WASTEWATER TREATMENT CONSTRUCTION

Prior to incurring costs for any wastewater treatment construction in Attachment A, Subrecipient shall provide documentation of an approved permit or amendment(s) to an existing permit for such activities from the TCEQ's Water Quality Division.

In addition, Subrecipient shall provide documentation to the GLO that an approved new or amended Certificate of Convenience and Necessity (CCN), or equivalent permit or authority for the area to be served has been issued by the TCEQ.

G. SEPTIC SYSTEM IMPROVEMENTS

- (1) Subrecipient shall provide documentation that final plans, specifications, and installation of its septic system improvements have been reviewed and approved by the City or County Health Department through authority granted by the TCEQ.
- (2) Subrecipient shall mitigate all existing septic systems in accordance with 30 Texas Administrative Code Chapter 285, Subchapter D, §285.36(b), which states, "All tanks, boreholes, cesspools, seepage pits, holding tanks, and pump tanks shall have the wastewater removed by a waste transporter, holding a current registration with the executive director. All tanks, boreholes, cesspools, seepage pits, holding tanks, and pump tanks shall be filled to ground level with fill material (less than three inches in diameter), which is free of organic and construction debris."
- (3) Prior to the selection of program recipients for proposed On-Site Sewer Facilities (OSSF), Subrecipient shall provide a copy of its proposed program guidelines to for GLO review. All proposed OSSF programs must meet or exceed guidelines set forth in 30 Texas Administrative Code Chapter 285 Subchapter D.

H. BUILDING CONSTRUCTION

Subrecipient shall provide documentation that the construction of a new building and facilities are in compliance with the Texas Accessibility Standards (TAS) of the Architectural Barriers Act, Chapter 469, Texas Government Code, and the Texas Department of Licensing and Regulation (TDLR) Architectural Barriers Administrative Rules, 16 Texas Administrative Code, Part 4, Chapter 68. If estimated construction costs exceed Fifty Thousand Dollars (\$50,000.00), Construction Documents must be submitted to the Texas Department of Licensing and Regulation (TDLR) for an accessibility plan review.

I. BRIDGE CONSTRUCTION/REHABILITATION

Subrecipient shall use the minimum design requirements of the Texas Department of Transportation (TxDOT) for bridge construction/rehabilitation. Final plans and specifications must be submitted to TxDOT for review and approval prior to the start of construction, and documentation of such approval must be provided to the GLO.

J. DISASTER SHELTERS

Subrecipient shall ensure that the primary purpose of a facility designated a "disaster shelter" is to serve as a disaster shelter, and shall ensure the facility is operated at all times in a manner that ensures that the priority use is to serve as a disaster shelter regardless of any other scheduled uses or commitments that existed at the time of the disaster or emergency situation. In addition, Subrecipient shall prepare or be incorporated into an approved emergency management plan, as prescribed by the Texas Division of Emergency Management, identifying the shelter as a facility that provides short-term lodging for evacuees during and immediately after an emergency situation. Subrecipient shall submit a copy of Subrecipient's Emergency Management Plan Annex for Shelter and Mass Care to the GLO.

K. DEBRIS REMOVAL

Subrecipient shall ensure that any debris to be removed consists primarily of vegetation, construction and demolition materials from damaged or destroyed structures, and personal property. Only debris identified as the responsibility of the local jurisdiction will be eligible for the reimbursement of cost of removal.

Prior to beginning debris collection operations, Subrecipient shall address all pertinent environmental concerns, adhere to all applicable regulations, and obtain all required permits. Further, Subrecipient

shall adhere to the methods described herein for the collection and storage of debris prior to proper disposal.

While construction and demolition debris may be collected and disposed of at an appropriately rated landfill, woody and/or vegetative debris must be stored prior to disposal by use of temporary debris storage and reduction sites (TDSR). Subrecipient will prepare and operate the TDSR sites, or local jurisdictions choosing to conduct their own debris operations may review Chapter 7 of the FEMA Debris Management Guide regarding the use of TDSR sites. This document may be obtained at <https://www.fema.gov/pdf/government/grant/pa/demagde.pdf>.

In order to maintain the life expectancy of landfills, Subrecipients disposing of woody and/or vegetative debris must choose burning, chipping, or grinding as the method of disposal. Any project disposing of woody and/or vegetative debris must be approved in writing by the GLO.

L. USE OF BONDS

Subrecipient must notify the GLO of its issuance and sale of bonds for completion of the Project funded under this Contract.

M. PROGRAM GUIDELINES

Prior to the selection of Program beneficiaries for each Program, Subrecipient shall provide to the GLO, for GLO review and approval, a copy of its proposed guidelines for the Program. The guidelines must meet or exceed the requirements in the Federal Registers. The guidelines must include provisions for compliance with the Federal Fire Prevention and Control Act of 1974 (which requires that any housing unit rehabilitated with grant funds be protected by a hard-wired or battery-operated smoke detector) and provisions for compliance with 24 CFR 35 (HUD lead-based paint regulation), as applicable.

N. COMPLIANCE PERIODS FOR PROGRAMS

Subrecipient shall adopt appropriate compliance periods for each Program or Activity, as applicable, in accordance with Federal Register regulations. The specific compliance period and loan term requirements will be recorded in the Program Guidelines, subject to GLO approval.

O. COASTAL MANAGEMENT

Subrecipient acknowledges and agrees that any Project that may impact a Coastal Natural Resource Area must be consistent with the goals and policies of the Texas Coastal Management Program as described in 31 Texas Administrative Code, Part 16, Chapter 501.

P. INELIGIBLE HOUSING ACTIVITIES

The following are ineligible housing activities:

- (1) Forced mortgage payoff
- (2) Incentive payments to households that move to disaster-impacted floodplains
- (3) Properties that served as second homes at the time of the disaster, or following the disaster, are not eligible for rehabilitation assistance or housing incentives
- (4) Rehabilitation/reconstruction of homes located in the floodway
- (5) Rehabilitation/reconstruction of a home where:
 - i. the combined household income is greater than 120 percent AMI or the national median, and
 - ii. the property was as located in a floodplain at the time of the disaster, and

- iii. the property owner did not maintain flood insurance on the damaged property, even when the property owner was not required to obtain and maintain such insurance.
- (6) Assistance for the repair, replacement, or restoration of a property to a person who has failed to meet Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a), which states that no Federal disaster relief assistance made available in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for “repair, replacement, or restoration” for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditional on the person first having obtained flood insurance under applicable Federal law and the person has subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property.

GLO Information Security Appendix

1. Definitions

“Breach of Security” or “Breach” means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of sensitive personal information including data that is encrypted if the person accessing the data has the key required to decrypt the data.

“Personal Identifying Information” or “PII” means information that alone or in conjunction with other information identifies an individual, as defined at Tex. Bus. & Com. Code § 521.002(1) as of the Effective Date of this Contract.

“Sensitive Personal Information” or “SPI” means the information categories listed at Tex. Bus. & Com. Code § 521.002(2), which as of the Effective Date of this Contract, reads as follows: (A) an individual's first name or first initial and last name in combination with any one or more of the following items, if the name and the items are not encrypted: (i) social security number; (ii) driver's license number or government-issued identification number; or (iii) account number or credit or debit card number in combination with any required security code, access code, or password that would permit access to an individual's financial account; or (B) information that identifies an individual and relates to: (i) the physical or mental health or condition of the individual; (ii) the provision of health care to the individual; or (iii) payment for the provision of health care to the individual. “Sensitive Personal Information” does not include publicly available information that is lawfully made available to the public from the federal government or a state or local government.

2. Security and Privacy Compliance

- 2.1. Subrecipient shall keep all PII and SPI received or generated under the Contract and any documents containing PII or SPI strictly confidential.
- 2.2. Subrecipient shall comply with all applicable federal and state privacy and data protection laws, as well as all other applicable regulations and directives.
- 2.3. Subrecipient shall implement administrative, physical, and technical safeguards to protect PII and SPI that are consistent with the guidelines in the National Institute of Standards and Technology (“NIST”) Cybersecurity Framework Version 1.1. All such safeguards shall comply with applicable data protection and privacy laws.
- 2.4. Subrecipient will legally bind any contractors and their subcontractors to the same requirements stated herein and obligations stipulated in the Contract and documents related thereto. Subrecipient shall ensure that the requirements stated herein are imposed on any subcontractor of Provider’s subcontractor(s).
- 2.5. Subrecipient will not share PII or SPI with any third parties, except as necessary for Subrecipient’s performance under the Contract.

- 2.6. Subrecipient will ensure that initial privacy and security training, and annual training thereafter, is completed by its employees and contractors, including any subcontractor, that have access to PII or SPI or who create, collect, use, process, store, maintain, disseminate, disclose, dispose, or otherwise personally handle PII or SPI on behalf of Subrecipient. Subrecipient agrees to maintain and, upon request, provide documentation of training completion. The requirement for initial privacy and security training may be satisfied by verifiable existing security awareness training.
- 2.7. Any PII or SPI maintained or stored by Subrecipient or any contractor, including any subcontractor, must be stored on servers or other hardware located within the physical borders of the United States and shall not be accessed outside of the United States.

3. Data Ownership

- 3.1. The GLO shall retain full ownership of all data, including PII and SPI, provided to Subrecipient by the GLO.
- 3.2. Upon termination of the Contract, Subrecipient shall promptly return to the GLO all GLO-owned data possessed by Subrecipient and its employees, agents, or contractors, including any subcontractor. Subrecipient shall retain no copies or back-up records of GLO-owned data. If such return is infeasible or causes undue business hardship, as mutually determined by the GLO and Subrecipient, the obligations set forth in this **Attachment G**, with respect to GLO-owned data, shall survive termination of the Contract and Subrecipient shall limit any further use and disclosure of GLO Data to the purposes that make the return of or GLO-owned data infeasible or causes undue business hardship. However, no provision in this Section 3.2 in no event shall circumvent the record-keeping and access requirements of 24 C.F.R. Part 570. In lieu of the requirements in this Section 3.2, the GLO may direct Subrecipient to destroy any GLO-owned data in Subrecipient's possession. Any such destruction shall be certified by Subrecipient.

4. Data Mining

- 4.1. Subrecipient agrees not to use PII or SPI for unrelated purposes, advertising or advertising-related services, or for any other purpose not explicitly authorized by the GLO in the Contract or any document related thereto.
- 4.2. Subrecipient agrees to take all reasonably feasible physical, technical, administrative, and procedural measures to ensure that no unauthorized use of PII or SPI occurs.

5. Breach of Security

- 5.1. Subrecipient agrees to provide the GLO with the name and contact information for a Subrecipient employee which shall serve as the GLO's primary data security contact.

- 5.2. Upon discovery of a Breach of Security or suspected Breach of Security by the Subrecipient, Subrecipient agrees to use commercially reasonable efforts to notify the GLO as soon as possible upon discovery of the Breach of Security or suspected Breach of Security, but in no event shall notification occur later than twenty-four (24) hours after discovery. Notification of a Breach of Security or suspected Breach of Security shall be provided by telephone to one of the following GLO Information Security team members: Brandon Rogers, GLO Information Security Officer, at (512) 463-5763; Larissa Cameron, GLO Privacy Officer, at (512) 475-1438; Arturo Montalvo, Director of Information Security, at (512) 463-5316; and the GLO Office of Information Security (OIS) Monitoring Desk at (512) 839-7021. Within five (5) business days, Subrecipient agrees to provide, at minimum, a written preliminary report regarding the Breach or suspected Breach to the GLO with root cause analysis including a log detailing the data affected.
- 5.3. The initial notification and preliminary report shall be submitted to the GLO Information Security Officer at brandon.rogers@glo.texas.gov.
- 5.4. Subrecipient agrees to take all reasonable steps to promptly mitigate a Breach of Security and reduce the risk of any further Breach of Security.
- 5.5. If the Breach of Security includes SPI, including Social Security Numbers, payment card information, or health information, Subrecipient agrees to provide affected individuals complimentary access for one (1) year of credit monitoring services.

6. Right to Audit

- 6.1. At the GLO's request, Subrecipient agrees to promptly and accurately complete a NIST based information security questionnaire provided by the GLO regarding Subrecipient's business practices and information technology environment. Subrecipient would also agree to provide any external IT service provider's (that they use) SSAE16 SOC Type II, Cloud Security Alliance Cloud Controls Matrix, or similar certification.
- 6.2. In conducting any audit under this section GLO shall keep Subrecipient's business practices and information technology environment ("City Security Information") strictly confidential and shall not use the City Security Information for any other purpose not expressly authorized by the City under this Contract and shall not disclose City Security Information to third parties. GLO shall destroy and certify to such destruction of all City Security Information and any other documents and materials related thereto within five business days of the expiration or termination of this Contract or when the need to know no longer exists, whichever is earlier.
- 6.3. In the event of a breach of system security, subject to applicable laws, Subrecipient shall use reasonable efforts to provide full access and cooperation for all activities determined by HUD and the GLO to be required to ensure an effective incident response, including providing all requested images, log files, and event information to facilitate rapid

resolution of data breaches. All information disclosed, gathered, or accessible to the GLO, or other agency of the State of Texas, the State of Texas or HUD pursuant to this Contract, is considered City Security Information and, subject to applicable laws, is subject to the confidentiality obligations set forth in this Section 6.



Texas General Land Office Community Development & Revitalization Program HOUSING Program Completion Report

Subrecipient/Grant Administrator:

GLO Contract Number:

DUNS No.

Contract Start Date:

Contract End Date:

HOUSING

Part I. General Reports

Certificate of Expenditures:

Activity	GLO-CDR Budget	GLO-CDR Funds Drawn To-Date	GLO-CDR Funds not Received (including pending draws)		Local Contribution	Percent Matched
			GLO-CDR Reserved Funds	Unutilized Funds (Deob)		
Total						0 %

Civil Rights & Citizen Participation:

Requirements met and forms attached: Equal Employment Opportunity Section 3 Excessive Force Policy and Resolution Section 504

Fair Housing Activity (describe):

Work Completed Date:

Certifications:

As Executive Director, I certify that:

- a. All activities undertaken with funds provided under the contract identified in this report, have, to the best of my knowledge, been carried out in accordance with the contract agreement;
- b. The information contained in this Project Completion Report is accurate to the best of my knowledge;
- c. All records related to contractor activities are available for review;
- d. GLO-DR funds were not used to reduce the level of local financial support for housing and community development activities;
- e. The persons to benefit from the activities described in Exhibit A, Performance Statement, of this contract are receiving service or a benefit from the use of the new or improved facilities and activities;
- f. For all activities undertaken with funds provided under the contract identified in this report, promotion of MBE participation has been undertaken;
- e. All requirements to Affirmatively Further Fair Housing have been met; and
- f. Proper provision has been made for the payment of all unpaid costs and unsettled third-party claims and the State of Texas is under no obligation to make any further payment to the recipient under the contract agreement in excess of the amount identified in the Certificate of Expenditures table as "GLO-CDR Reserved Funds".

<hr/> Name and Title (Print)	<hr/> Signature	<hr/> Date
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Attachments: The following documents support this report.

Original Submittal,
also submitted via email

Revision Date revised:

Part II. Performance Report

Report work performed, performance measures and beneficiary data for each contract budget activity.

Actual Accomplishments:

Activity/Project:			
Project Description/Location:			
Project Accomplishments:		Total #:	

HUD Performance Measures:

Activity	Objective	Outcome
Benefit Indicator		
Special Category		

Beneficiary Detail - Activities

Identify all activities that benefit the persons reported on this sheet; report beneficiary details for those persons and households.

Activity:

Beneficiaries by Demographic:

	No. of Persons			No. of Households (demographics of the Head of Household)		
	Male	Female	Total	Male	Female	Total
Gender						
Race	Non-Hispanic	Hispanic	Sub-Total	Non-Hispanic	Hispanic	Sub-Total
Grand Total:						

Beneficiaries by Income:

Income Level	No. of Persons	No. of Owner Occupied Households	No. of Renter Occupied Households
Very Low (at or below 30% of the AMFI)			
Low (31-50% of the AMFI)			
Moderate (51-80% of the AMFI)			
Non-Low/Moderate (above 80% of the AMFI)			
Total			

Subtotal - All Low/Mod		
Percent Low/Mod	0.00%	0

Click "+" button to include another Activity/Project.

Part III Final Financial Interest Report

Report all contracts executed under this CDBG-DR contract that are valued at or above \$2,000.

Contracts with no subcontractors

Type of Services	Business Name	Contract Amount			Qtr Executed
		CDBG-DR Funds	Other Funds	Total Dollars	

At least one contract executed under this CDBG-DR contract includes subcontracts valued at or above \$10,000.

No contracts executed under this CDBG-DR contract include subcontracts valued at or above \$10,000.

CITY OF HOUSTON

BUYOUT PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following housing activities in the City of Houston in strict accordance with the terms of the Subrecipient's approved Buyout Program Guidelines, Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

The Subrecipient will provide a Buyout Program to remove homes from the housing stock that are in areas with a high risk of flooding or in areas at a high risk of flooding for Low- to Moderate-Income ("LMI") individual households affected by Hurricane Harvey. The Subrecipient may offer buyouts to Low- to Moderate Income individual households under the Low- to Moderate Buyout (LMB) or Low- to Moderate Income Housing Incentive (LMHI) or urgent need (UN), thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5304(b)(3)). Project Delivery and Administration costs, as defined in the State of Texas Plan for Disaster Recovery, enacted May 1, 2018, as amended, will not exceed ten percent (10%) and two percent (2%), respectively, of the total grant allocation. An environmental review must be conducted at all locations prior to the execution and commencement of work.

Eligible activities for the funds are as listed in HCDA section 105(a)(1), 105(a)(7-9) 105(a)(24-25), 5305(a)(8), 24 CFR 570.20(b)(4), and; 24 CFR 570.201(g) including but are not limited to Buyouts; Demolition; Relocation Assistance; Payment of Non-Federal Share; Housing incentives. A waiver eligible under FR-6066-N-01 permits housing incentives and other requirements for one-for one replacement housing, relocation, and Real property acquisition requirements.

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Buyout Program	LMHI	100
Buyout Program	UN	100

Buyout Program

The Subrecipient will offer a Buyout Program that will remove approximately two hundred (200) single family or multifamily homes from areas with high flood risk. The maximum assistance provided to each property will be two hundred fifty thousand dollars (\$250,000) for buyout assistance including incentives/moving and settlement costs and other eligible project costs. The

Subrecipient will purchase residential structures that have flooded and demolish them to create park amenities, open space, or detention areas. The program is voluntary and is intended to assist residents to move out of areas that have been impacted by multiple disasters or are at high risk of flooding from future disasters. The program is also intended to reduce the impact of future disasters, while encouraging targeted revitalization efforts and the creation of open space.

The Subrecipient may work with subrecipients, such as the Harris County Flood Control District or other City Departments to implement this program. If a designee of the Subrecipient is selected, the Subrecipient will work with the designee to choose buyout project locations. Buyouts under this program may be part of a larger City or County buyout strategy, in accordance with a long-term plan for the property to become future open space or detention, to avoid removing a viable property from the housing market. It may include the buyout of impacted single and multifamily housing. Buyout property will be maintained in perpetuity as greenspace, as applicable to buyouts.

To be eligible for Assistance the Residential Structure Homeowner Properties must be Owner-occupied at the time of the storm; served as homeowner's primary residence; sustained damage from Hurricane Harvey; the property is environmentally cleared; and the property is located in a Disaster Risk Reduction Area (DRRA), repetitive flood risk area or Floodplain. The Homeowner applicants and co-applicants must be current on payments for child support; furnish evidence that property taxes are current, under an approved payment plan, or that they have an exemption under current laws and Homeowner applicants must agree to a limited subrogation of any future awards related to Hurricane Harvey, to ensure duplication of benefits compliance.

To be eligible for assistance, the Rental Property must be Renter-occupied at the time of the storm; sustained damage from Hurricane Harvey; the property is environmentally cleared; and the property is located in DRRA, repetitive flood risk area or Floodplain. The Rental Property owners must furnish evidence that property taxes are current, they are under an approved payment plan, or that they have an exemption under current laws.

Buyout Program guidelines will detail applicant or project eligibility requirements, application process, compliance with Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) regulations, and other information.

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City of Houston
Buyout Program Benchmarks

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Housing Guidelines	15%	15%
15% of Program Funds drawn by Subrecipient	15%	30%
25% of Program Funds drawn by Subrecipient	15%	45%
50% of Program Funds drawn by Subrecipient	15%	60%
75% of Program Funds drawn by Subrecipient	15%	75%
100% of Program Funds drawn or activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

City of Houston
Buyout Program Budget

Activity No	HUD Activity Type	Grant Award	Other Funds	Total
18-###-###_MI_BP-LMI_CityofHouston	Buyout Program – LMHI	\$18,360,000	\$0	\$18,360,000
18-###-###_MI_BP-UN_CityofHouston	Buyout Program - UN	\$18,360,000	\$0	\$18,360,000
18-###-###_MI_BP-LMI_CityofHouston	Project Delivery- BP-LMHI	\$2,040,000	\$0	\$2,040,000
18-###-###_MI_BP-UN_CityofHouston	BP-Project Delivery - UN	\$2,080,000	\$0	\$2,080,000
	TOTAL	\$40,800,000	\$0	\$40,800,000

CITY OF HOUSTON

ECONOMIC REVITALIZATION PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following economic revitalization activities in the City of Houston in strict accordance with the terms of the Subrecipient's approved Program Guidelines, Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

The Subrecipient will provide an Economic Revitalization Program to help create job for Low to Moderate Income ("LMI") individuals and to improve the economic viability of areas affected by Hurricane Harvey in order to meet the National Objective of benefiting low- to moderate-income persons, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5304(b)(3)). Project Delivery costs will be not exceed six percent (6%).

Economic Revitalization activities that are eligible for funding are listed in HCDA section 105(a)(17), 105(a)(19), 105(a)(22). Economic revitalization activities must contribute to the long-term recovery and restoration of housing. A waiver eligible under FR-6066-N-01 permits other national objective documentation and public benefit standards.

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Economic Revitalization Program	LMI	813 jobs created/ retained

Economic Revitalization Program

The Subrecipient will offer an Economic Revitalization Program, which will support a comprehensive recovery by creating or retaining eight hundred thirteen (813) jobs at or below fifty thousand (\$50,000) per job created or retained for low and moderate-income persons through the provision of capital, credit and technical assistance to businesses, including microenterprises. Assistance may be provided through loans or grants, and assistance may be part of a revolving loan fund. It is intended that this program will support small businesses that include, but is not limited to, those providing housing construction services, to work with and complement the housing programs funded with Community Development Block Grant-Disaster Recovery funds. Economic revitalization activities must contribute to the long-term recovery and restoration of housing. The Subrecipient may utilize public and private nonprofit agencies, authorities, or

organizations and for-profit organizations to carry out the program. The application or Notice of Funding Availability/ Request for Proposal (NOFA/ RFP) process will clearly establish the process and acceptance period, threshold criteria, and the award process. Selection criteria will likely include: the need for program, cost reasonableness and effectiveness, activity management and implementation, and experience/past performance. Eligible subrecipients include public or private nonprofit agencies, authorities, or organizations and for-profit organizations.

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City of Houston
Economic Revitalization Program Benchmarks

Benchmark	Incremental Cap for Charges by Benchmark for Project Delivery Funds	Cumulative Billing Cap by Benchmark for Project Delivery Funds
Approval of Notice Housing Guidelines, or NOFA/RFP.	15%	15%
15% of Program Funds drawn by Subrecipient	15%	30%
25% of Program Funds drawn by Subrecipient	15%	45%
50% of Program Funds drawn by Subrecipient	15%	60%
75% of Program Funds drawn by Subrecipient	15%	75%
100% of Program Funds drawn or activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

City of Houston
Economic Revitalization Program Budget

Activity No	HUD Activity Type	Grant Award	Other Funds	Total
18-###-###_MI_ER-LMI_CityofHouston	Economic Revitalization - LMI	\$28,448,944	\$0	\$28,448,944
18-###-###_MI_ER-LMI_CityofHouston	ER-Project Delivery-LMI	\$1,815,890	\$0	\$1,815,890
	TOTAL	\$30,264,834	\$0	\$30,264,834

CITY OF HOUSTON

HOMEBUYER ASSISTANCE PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following housing activities in the City of Houston in strict accordance with the terms of the Subrecipient’s approved Homebuyer Assistance Program Guidelines, Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

The Subrecipient will provide a Homebuyer Assistance Program to provide funds for down payment, closing cost, principal buydown, and other direct financial assistance for Low- to Moderate-Income (“LMI”) individual households and households earning between eighty percent (80%) and one hundred twenty percent (120%) Area Median Income (AMI), in order to meet the dual National Objectives of benefiting low- to moderate-income persons and meeting an urgent need, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5304(b)(3)). Project Delivery and Administration costs, as defined in the State of Texas Plan for Disaster Recovery, enacted May 1, 2018, as amended, will not exceed ten percent (10%) and two percent (2%), respectively, of the total grant allocation for both Non-Rental and Rental Activities. An environmental review must be conducted at all locations prior to the execution and commencement of work.

This activity is eligible for Community Development Block Grant – Disaster Recovery funds as listed in 24 CFR 570.201(n) and HCDA section 105(a)(24). A waiver eligible under FR-6066-N-01 permits Homeownership assistance for households earning up to one hundred twenty percent (120%) Area Median Income and down payment assistance for up to one hundred percent (100%) of the down payment.

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Homebuyer Assistance Program	LMI	200
Homebuyer Assistance Program	UN	452

Homebuyer Assistance Program

The Subrecipient will provide a Homebuyer Assistance Program, which will assist eligible applicant households earning up to one hundred twenty percent (120%) of the area median income (AMI) to purchase a home. The program will assist approximately six hundred fifty-two (652) eligible households, of which it is estimated two hundred (200) will be low to moderate income households. The Homebuyer Assistance Program will prioritize households that were impacted by Hurricane Harvey, to facilitate the movement of low to moderate income households into new homes after their homes were damaged by Hurricane Harvey. Assistance may include down payment assistance, closing cost assistance, principal buydown, and other direct financial assistance to homebuyers to finance the purchase of a home. Direct homeownership assistance under 570.201(n) allows the Subrecipient to pay up to one hundred percent (100%) of the down payment amount required by the lender. The City may also utilize other forms of direct homebuyer assistance such as subsidizing interest rates and mortgage principal amounts, including making grants to reduce the effective interest rate on the amount needed by the eligible household to achieve an affordable mortgage payment level. The maximum amount per unit is thirty thousand dollars (\$30,000). Refer to the Homebuyer Assistance Program Guidelines for additional technical guidance.

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City of Houston
Homebuyer Assistance Program Benchmarks

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Homebuyer Assistance Guidelines	15%	15%
15% of Program Funds drawn by Subrecipient	15%	30%
25% of Program Funds drawn by Subrecipient	15%	45%
50% of Program Funds drawn by Subrecipient	15%	60%
75% of Program Funds drawn by Subrecipient	15%	75%
100% of Program Funds drawn or activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

City of Houston
Homebuyer Assistance Program Budget

Activity No	HUD Activity Type	Grant Award	Other Funds	Total
18-###-###_MI_HBA-LMI_CityOfHouston	Homebuyer Assistance Program - LMI	\$6,000,000	\$0	\$6,000,000
18-###-###_MI_HBA-UN_CityOfHouston	Homebuyer Assistance Program - UN	\$13,567,170	\$0	\$13,567,170
18-###-###_MI_HBA-UN_CityOfHouston	HBA-Project Delivery-LMI	\$666,667	\$0	\$666,667
18-###-###_MI_HBA-UN_CityOfHouston	HBA-Project Delivery-UN	\$1,507,463	\$0	\$1,507,463
	TOTAL	\$21,741,300	\$0	\$21,741,300

CITY OF HOUSTON

HOMEOWNER ASSISTANCE PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following housing activities in the City of Houston in strict accordance with the terms of the Subrecipient's approved Homeowner Assistance Program Guidelines, Contract, and all Attachments, whether attached physically or incorporated by reference.

Homeowner Assistance Program (HoAP)

The Subrecipient will provide City Managed Rehabilitation, Elevation and Reconstruction, Reimbursement, Acquisition, Homeowner Managed Rehabilitation, and Interim Mortgage Assistance. Activities are for Low to Moderate Income ("LMI") individual households and non-Low to Moderate Income individuals that were affected by Hurricane Harvey in order to meet the dual National Objectives of benefiting low-to moderate-income persons and meeting an Urgent Need, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5304(b)(3)). Project Delivery and Administration costs, as defined in the State of Texas Plan for Disaster Recovery, enacted May 1, 2018, as amended, will not exceed ten (10%) and two percent (2%), respectively, of the total grant allocation. An environmental review must be conducted at all locations prior to the execution and commencement of work.

Eligible housing activities allowed under CDBG-DR; HCDA Section 105(a)(1), 105(a)(3-4), 105(a)(8) 105(a)(11), 105(a)(18), and 105(a)(25), 24 CFR 570.201(g) include but are not limited to single family owner-occupied rehabilitation and reconstruction; Hazard mitigation; Relocation assistance; demolition only; other activities associated with the recovery of impacted single family housing stock; payment of non-federal share. A waiver eligible under FR-6066-N-01 permits housing incentives and other requirements for one-for-one replacement housing, relocation, and Real property acquisition requirements. A modification to the limitation on emergency grant payments for interim mortgage assistance will also be used as stated in the same Federal Register.

The following estimated activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
City Managed Rehabilitation	LMI	1,348
City Managed Rehabilitation	UN	67
Reimbursement	LMI	177
Reimbursement	UN	1,519

Acquisition	LMI	35
Homeowner Managed Rehabilitation	LMI	221
Homeowner Managed Rehabilitation	UN	259
Interim Mortgage Assistance	LMI	353
Interim Mortgage Assistance	UN	88
Total		4,067

The City of Houston will be performing the following housing activities as part of the Homeowner Assistance Program (HoAP) within the city limits of Houston. Refer to the Homeowner Assistance Program Guidelines for further technical guidance regarding each program. Guidelines must be posted on the Subrecipient's website.

City Managed, Elevation, Rehabilitation and Reconstruction

The Subrecipient will provide homeowner rehabilitation and reconstruction assistance activities for an estimated one thousand four hundred fifteen (1,415) households of which it is anticipated that one thousand three hundred forty-eight (1,348) will be Low to Moderate Income households. The City will manage and complete the construction process for the rehabilitation or reconstruction of damaged homes on behalf of homeowners. The City anticipates contracting with a firm(s) to provide design and construction services for the rehabilitation or reconstruction of damaged properties.

Subrecipient must ensure that, upon completion, the rehabilitated, repaired, or reconstructed portion of each property complies with local building codes, and that the entire structure complies with local health and safety codes and standards and all applicable federal, state, and local building codes, the City's Minimum Property Standards (MPS), and compliance with one of the Green Building Standards as required by the Harvey Federal Register.

All reconstructed and newly constructed housing units must comply with the universal design features in new construction, as established by the GLO's Construction Standards, RESCHECK Certification, the International Residential Codes, as required by Subchapter G, Chapter 214, Local Government Code and one of the following Specifications, such as Energy Standards verified by a U.S. Department of Energy Building Energy Codes Program. All replacement housing, including manufactured housing units or modular homes, must comply with Housing and Urban

Development (HUD), program guidelines, construction standards and state, local, or regional building codes, as applicable.

Subrecipient shall conduct at a minimum a 50% inspection and final inspection as required by the GLO rehabilitation and reconstruction standards to meet the International Residential Code 2012, or the Local, County, State, or Federal Code, whichever is most stringent. If any Housing Units are located within a Catastrophe Area, as defined in Section 2210.005 of the Texas Insurance Code and suffer damage due to windstorms and/or hail, Subrecipient obtain certificates of completion from the Texas Department of Insurance pursuant to the requirements of Section 2210.2515 of the Texas Insurance Code and City's permitting office.

Reimbursement

The Subrecipient will offer a reimbursement option to an estimated one thousand six hundred ninety-six (1,696) households of which it is estimated that one hundred seventy-seven (177) will be Low to Moderate Income households. The assisted households will have completed partial or full repairs on their home before applying to the program. Households may be eligible for reimbursement of eligible expenses incurred, prior to application to the program, for work performed to minimum program standards, following an environmental clearance. Xactimate or a similar industry standard tool will be used to ensure cost reasonableness and the work will be verified through an on-site inspection by subrecipient or subrecipient's designee.

Subrecipient must ensure that, upon completion, the rehabilitated, repaired, or reconstructed portion of each property complies with local building codes, and that the entire structure complies with local health and safety codes and standards and all applicable federal, state, and local building codes, including the City's Minimum Property Standards (MPS).

Subrecipient shall conduct a final inspection (site inspection verifying completion of repairs).

Homeowner Managed Rehabilitation, Elevation and Reconstruction

The Subrecipient will provide a Homeowner Managed Rehabilitation option for four hundred eighty (480) households of which it is estimated that two hundred twenty-one (221) will be Low to Moderate Income households. The Subrecipient will assist homeowners to manage their own rehabilitation process and will provide construction advisory services for homeowners. The program will allow homeowners who have started the process and are under contract with a contractor at the time of application but need financial assistance to complete repairs. Homeowners will select their own licensed and insured contractor(s) and contract verifications, subject to approval and verification by the Subrecipient. Xactimate® or similar industry standard tools will be used to ensure cost reasonableness and the work will be validated through an on-site inspection. Homeowner managed rehabilitation, elevation, and reconstruction will only be available to homeowners who have initiated the repair process and are under contract with a contractor at the time of application.

Subrecipient must ensure that, upon completion, the rehabilitated, repaired, or reconstructed portion of each property complies with local building codes, and that the entire structure complies with local health and safety codes and standards and all applicable federal, state, and local building codes, including the City's Minimum Property Standards (MPS)

Subrecipient shall conduct progress inspections to verify repairs are completed and requirements are satisfied.

Acquisition

The Subrecipient may elect to voluntarily acquire single family homes for rehabilitation or reconstruction. The home acquired may then be reconstructed through the Single-Family Development Program or rehabilitated or reconstructed by partners. These homes would then be offered for sale to Low to Moderate homebuyers or to another homeowner with a damaged home. It is estimated that the Acquisition option may acquire an estimated thirty-five (35) homes. Assistance will be provided to homeowners located in a floodplain or residing in a repetitive flood area that agree to relocate outside of the floodplain. The Relocation incentive assistance will be offered. Applicant may receive post-disaster fair market value, which may include incentives. However, incentives may not be given to applicants that move into disaster-impacted floodplains.

Interim Mortgage Assistance

The Subrecipient will offer interim mortgage assistance for an estimated four hundred forty-one (441) households of which it is estimated that three hundred fifty-three (353) will be Low to Moderate Income households. Assistance will be provided to homeowners being served under the Homeowner Assistance Program who are making both a mortgage payment on their storm-damaged home and making a rental payment for their temporary home. These homeowners may be eligible to receive up to twenty (20) months of assistance based on the lesser of their monthly mortgage and temporary rental housing payments. This option may be considered when the rehabilitation or reconstruction of a home extends beyond three (3) months, during which mortgage payments may be due, but the home remains uninhabitable. Determination of reasonable and necessary award amounts, including duplication of benefits calculation, retroactive eligibility, and specific performance milestones for the rehabilitation/reconstruction of homes, will be established in the program guidelines.

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City of Houston
Homeowner Assistance Program Benchmarks

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Housing Guidelines	15%	15%
15% of Program Funds drawn by Subrecipient	15%	30%
25% of Program Funds drawn by Subrecipient	15%	45%
50% of Program Funds drawn by Subrecipient	15%	60%
75% of Program Funds drawn by Subrecipient	15%	75%
100% of Program Funds drawn or activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

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City of Houston
Homeowner Assistance Program Budget

Activity No	HUD Activity Type	Grant Award	Other Funds	Total
City Managed Rehabilitation	Rehabilitation & Reconstruction - LMI	\$156,382,597	\$0	\$156,382,597
City Managed Rehabilitation	Rehabilitation & Reconstruction - UN	\$5,345,649	\$0	\$5,345,649
Reimbursement	Reimbursement -LMI	\$14,138,260	\$0	\$14,138,260
Reimbursement	Reimbursement -UN	\$121,553,039	\$0	\$121,553,039
Acquisition	Acquisition - LMI	\$7,069,130	\$0	\$7,069,130
Homeowner Managed Rehabilitation	Homeowner Managed Rehabilitation - LMI	\$17,672,825	\$0	\$17,672,825
Homeowner Managed Rehabilitation Option	Homeowner Managed Rehabilitation - UN	\$20,691,298	\$0	\$20,691,298
Interim Mortgage Assistance	Interim Mortgage Assistance Option - LMI	\$8,482,956	\$0	\$8,482,956
Interim Mortgage Assistance	Interim Mortgage Assistance Option - UN	\$2,120,739	\$0	\$2,120,739
Project Delivery	HoAP - Project Delivery - LMI	\$22,778,307	\$0	\$22,778,307
Project Delivery	HoAP - Project Delivery - UN	\$16,494,636		\$16,494,636
	TOTAL	\$392,729,436	\$0	\$392,729,436

City of Houston
Administration and Planning Program Budget

Activity No	HUD Activity Type	Grant Award	Other Funds	Total
18-###-###_ MI_Admin- CityOfHouston	Administration Program	\$20,835,088	\$0	\$20,835,088
18-###-###_MI- Plan- CityofHouston	Planning Program	\$23,100,000	\$0	\$23,100,000
	TOTAL	\$43,935,088	\$0	\$43,935,088

CITY OF HOUSTON

MULTIFAMILY RENTAL PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following housing activities in the City of Houston in strict accordance with the terms of the Subrecipient’s approved Multifamily Rental Program Guidelines, Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

The Subrecipient will repair multifamily properties and build new multifamily developments for Low- to Moderate Income (“LMI”) individual households affected by Hurricane Harvey, in order to meet the National Objective of benefiting low- to moderate income persons, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5304(b)(3)). Project Delivery and Administration costs, as defined in the State of Texas Plan for Disaster Recovery, enacted May 1, 2018, as amended, will not exceed ten percent (10%) and two percent (2%), respectively, of the total grant allocation. An environmental review must be conducted at all locations prior to the execution and commencement of work.

Eligible activities include rehabilitation, reconstruction, new construction, and acquisition. HCDA Section 105 (a)(1), 105(a)(3-4), 105(a)(7-8), 105(a)(11), and 105(a)(14-15). A waiver eligible under FR-6066-N-01 permits new housing construction.

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Multifamily Rental Program	LMI	1,530

Multifamily Rental Program

The Subrecipient will offer a Multifamily Rental Housing program to provide an additional one thousand five hundred thirty (1,530) affordable units for low- to moderate-income households within the City of Houston. The program will include new construction, the acquisition and/or rehabilitation of multifamily rental housing, and strategic land acquisition for multifamily developments. The program will address the affordable housing shortage and meet the needs of disaster impacted rental households, including those in public housing. This program will also provide housing designed to meet the needs of special populations. Subrecipient will prioritize transactions leveraged with housing tax credits, conventional equity, conventional debt, tax exempt debt, deferred developer fees, seller notes, in-kind equity and other potential funding sources. The maximum award is forty million dollars (\$40,000,000) per development. The eligibility criteria include the following:

- i. Project must meet Community Development Block Grant-Disaster Recovery eligibility requirements

- ii. Development must be located within the city limits of Houston, except in certain cases where the City and County partner on projects that provide housing
- iii. At a minimum, fifty-one percent (51%) of the units rehabilitated or developed will be reserved for a lien period for low to moderate income households earning eighty percent (80%) or less of the Area Median Family Income (AMFI) at affordable rents. For rehabilitation or reconstruction, the lien period will be a minimum of fifteen (15) years, and for new construction, the lien period will be a minimum of twenty (20) years.
- iv. Any substantial rehabilitation, as defined by 24 CFR 5.100, or new construction of a building with more than four rental units will include installation of broadband infrastructure, as required.
- v. Property owners receiving disaster assistance that triggers the flood insurance purchase requirement have a statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance in writing and to maintain such written notification in the documents evidencing the transfer of the property, and the transferring owner may be liable if he or she fails to do so.
- vi. Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a) prohibits flood disaster assistance in certain circumstances. In general, it provides that no Federal disaster relief assistance in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for “repair, replacement, or restoration” for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditioned on the person first having obtained flood insurance under applicable Federal law and the person has subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property. No disaster assistance may be provided for the repair, replacement, or restoration of a property to a person who has failed to meet this requirement.

Refer to the approved Multifamily Rental Program Guidelines for further technical guidance.

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City of Houston
Multifamily Rental Program Benchmarks

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Multifamily Rental Program Guidelines	15%	15%
15% of Program Funds drawn by Subrecipient	15%	30%
25% of Program Funds drawn by Subrecipient	15%	45%
50% of Program Funds drawn by Subrecipient	15%	60%
75% of Program Funds drawn by Subrecipient	15%	75%
100% of Program Funds drawn or activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

City of Houston
Multifamily Rental Program Budget

Activity No	HUD Activity Type	Grant Award	Other Funds	Total
18-###-###_MI_R-Multi-LMI_CityOfHouston	Multifamily Rental Program - LMI	\$289,150,722	\$0	\$289,150,722
18-###-###_MI_R-CityOfHouston	Multi-Project Delivery-LMI	\$32,127,858	\$0	\$32,127,858
	TOTAL	\$321,278,580	\$0	\$321,278,580

CITY OF HOUSTON

PUBLIC SERVICES PERFORMANCE STATEMENT

Subrecipient shall carry out the following public services activities in the City of Houston in strict accordance with the terms of the Subrecipient's approved Public Services Guidelines, Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

The Subrecipient will provide public services to approximately three hundred thousand (300,000) low- and moderate-income ("LMI") persons affected by Hurricane Harvey to support residents to find housing, remedy housing issues, or to become more resilient in future disasters in order to meet the National Objective of benefiting low- to moderate-income persons, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5304(b)(3)). Project Delivery and Administration costs, as defined in the State of Texas Plan for Disaster Recovery, enacted May 1, 2018, as amended, will not exceed ten percent (10%) for housing activities and 6% for non-housing activities and two percent (2%), respectively, of the total grant allocation for both Non-Rental and Rental Activities. An environmental review must be conducted on all projects prior to the execution and commencement of work. Eligible activities include the provision of public services as listed in HCDA Sec. 105(a)(8).

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Public Services	LMI	300,000

Public Services Program

The Subrecipient will provide public services to approximately three hundred thousand (300,000) low to moderate income persons. The program will provide a comprehensive approach to recovery for Houstonians. These services will support residents to find housing, remedy housing issues, and/or become more resilient in future disasters, creating a stronger, more prepared community. Services will be made accessible to individuals with wide-ranging barriers through varying outreach strategies, partnerships with organizations serving people with disabilities, and making accommodations, as needed.

Services may include housing counseling, legal assistance, transportation services, fair housing services, health/mental health services, employment training, workforce development, and other services to address the needs of those impacted by Hurricane Harvey. To address the needs of those impacted who have become homeless or are at risk of becoming homeless. Housing

counseling and legal assistance services will assist in furthering fair housing by addressing housing barriers and allowing residents greater choice to move to neighborhoods with higher opportunity. Employment training and workforce development programs, including those that support housing recovery and housing construction, will address the need for job skills to support recovery. In addition, workforce development will help boost long-term recovery by supplying residents of impacted communities with the necessary skills and opportunities to increase household income. To address the needs of those impacted who have become homeless or are at risk of becoming homeless, services may include subsistence payments, rental housing subsidies, security deposits, and other services to assist in housing and/or rehousing this population.

The provision of public services is also intended to assist residents in preparing and qualifying for housing programs offered by the Subrecipient. Remedying title or tax issues through legal services and providing housing counseling for low to moderate income communities may prepare more residents to become eligible for programs such as the Subrecipients Homeowner Assistance and Homebuyer Assistance Programs.

Refer to the approved Public Services Guidelines for further technical guidance.

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City of Houston
Public Services Benchmarks

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Public Services Guidelines	15%	15%
15% of Program Funds drawn by Subrecipient	15%	30%
25% of Program Funds drawn by Subrecipient	15%	45%
50% of Program Funds drawn by Subrecipient	15%	60%
75% of Program Funds drawn by Subrecipient	15%	75%
100% of Program Funds drawn or activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

City of Houston
Public Services Program Budget

Activity No	HUD Activity Type	Grant Award	Other Funds	Total
18-###-###_MI_Public-LMI_CityofHouston	Public Service - LMI	\$56,760,000	\$0	\$56,760,000
18-###-###_MI_Public-LMI_CityofHouston	Public-Project Delivery-LMI	\$3,240,000	\$0	\$3,240,000
	TOTAL	\$60,000,000	\$0	\$60,000,000

CITY OF HOUSTON

SINGLE FAMILY DEVELOPMENT PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following housing activities in the City of Houston in strict accordance with the terms of the Subrecipient’s approved Single Family Development Guidelines, Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

The Subrecipient will provide new affordable single family homes for Low- to Moderate-Income (“LMI”) individual households affected by Hurricane Harvey, in order to meet the National Objective of benefiting low- to moderate-income persons, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5304(b)(3)). Project Delivery and Administration costs, as defined in the State of Texas Plan for Disaster Recovery, enacted May 1, 2018, as amended, will not exceed ten (10%) and two percent (2%), respectively, of the total grant allocation for both Non-Rental and Rental Activities. An environmental review must be conducted at all locations prior to the execution and commencement of work.

New construction is eligible based on information provided in the Federal Register waiving the requirements of 42 U.S.C.(a) HCDA Section 105 (a)(1), 105(a)(4), 105(a)(7-8), 105(a)(11), 105(a)(14-15); A waiver eligible under FR-6066-N-01 permits new housing construction.

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Single Family Development	LMI	1,020

Single Family Development Program

The Subrecipient will offer a Single Family Development Program to provide one thousand twenty (1,020) new affordable single family homes for low and moderate income homebuyers This program will work in conjunction with other recovery programs to provide housing options for those directly impacted by Hurricane Harvey and those indirectly impacted due to the resulting shortage of available housing.

The construction cost is limited to two hundred thousand dollars (\$200,000) per home, however additional allocations, above the two hundred thousand dollars (\$200,000) threshold may be provided to address certain site-specific conditions including accessibility needs environmental

issues, resiliency/mitigation measures, municipal ordinances, and neighborhood requirements. Additional allocations may be allowed based on the submitted application, onsite inspection and additional requirements that will be outlined in the Standard Operating Procedure. The City will work with applicants who require American with Disabilities (ADA) accommodations to select properties that satisfy their ADA needs; and/or will incorporate ADA construction for new homes built on empty lots. The maximum award of assistance was estimated utilizing information from existing repair and reconstruction programs. The maximum amount of assistance for each unit constructed and inclusive of site-specific conditions shall not exceed two hundred seventy-two thousand dollars (\$272,000). Refer to the approved Single-Family Development Guidelines for further technical guidance.

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City of Houston
Single Family Development Program Benchmarks

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Housing Guidelines	15%	15%
15% of Program Funds drawn by Subrecipient	15%	30%
25% of Program Funds drawn by Subrecipient	15%	45%
50% of Program Funds drawn by Subrecipient	15%	60%
75% of Program Funds drawn by Subrecipient	15%	75%
100% of Program Funds drawn or activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

City of Houston
Single Family Development Program Budget

Activity No	HUD Activity Type	Grant Award	Other Funds	Total
18-###-###_MI_SF-LMI_CityofHouston	Single Family Development Program - LMI	\$183,600,000	\$0	\$183,600,000
18-###-###_MI_SF-LMI_CityofHouston	SF Project Delivery -LMI	\$20,400,000	\$0	\$20,400,000
	TOTAL	\$204,000,000	\$0	\$204,000,000

CITY OF HOUSTON

SMALL RENTAL PROGRAM PERFORMANCE STATEMENT

Subrecipient shall carry out the following housing activities in the City of Houston in strict accordance with the terms of the Subrecipient’s approved Small Rental Program Guidelines, Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

The Subrecipient will rehabilitate small rental properties (one (1) to seven (7) units) for Low- to Moderate-Income (“LMI”) individual households affected by Hurricane Harvey in order to meet the National Objective of benefiting low- to moderate-income persons, thus satisfying the criteria listed in Section 104(b)(3) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5304(b)(3)). Project Delivery and Administration costs, as defined in the State of Texas Plan for Disaster Recovery, enacted May 1, 2018, as amended, will not exceed ten (10%) and two percent (2%), respectively, of the total grant allocation for both Non-Rental and Rental Activities. An environmental review must be conducted at all locations prior to the execution and commencement of work.

Eligible Program activities include Rehabilitation, Reconstruction, New Construction, and Acquisition. HCDA Section 105 (a)(1), 105(a)(3-4), 105(a)(7-8), 105(a)(11), and 105(a)(14-15). A waiver eligible under FR-6066-N-01 permits new housing construction

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Small Rental Program	LMI	600

Small Rental Program

The Subrecipient will provide a Small Rental Program to rebuild the affordable rental housing stock damaged by Hurricane Harvey by rehabilitating small rental properties (defined in this program as individual buildings with no more than seven (7) residential units) and create new housing stock through infill development of new small rental properties. This program, along with the Multifamily Rental Program, intends to meet the increased demand for affordable rental housing in Houston by rehabilitating or building approximately six hundred (600) units of rental housing, which will be available to low-and moderate-income households. It will provide financial assistance, through forgivable loans, to landlord applicants who serve a low- to moderate-income market. Refer to the approved Small Rental Program Guidelines for further technical guidance.

Property owner applicants must provide proof that the property taxes are current, have an approved payment plan, or have an approved property tax exemption in place. Applicants must agree to a limited subrogation of any future awards related to Hurricane Harvey according to duplication of benefits requirements and agree to lien period and lien requirements.

Properties must not be in a floodway and have an environmental clearance.

Developments must meet Community Development Block Grant- Disaster Recovery eligibility requirements and be located within the city limits of Houston (except in certain cases where the City and County partner on projects that provide housing).

If a single-family unit is rehabilitated or developed, it must be reserved for low to moderate income households. At least two (2) units in a duplex or triplex must be reserved for low to moderate income households. Any substantial rehabilitation, as defined by 24 CFR 5.100, or new construction of a building with more than four (4) rental units will include installation of broadband infrastructure, as required. Developments may include more than one (1) property, such as with a scattered site rental development.

Property owners receiving disaster assistance that triggers the flood insurance purchase requirement have a statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance in writing and to maintain such written notification in the documents evidencing the transfer of the property, and the transferring owner may be liable if he or she fails to do so. Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a) prohibits flood disaster assistance in certain circumstances. In general, it provides that no Federal disaster relief assistance made available in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for "repair, replacement, or restoration" for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditioned on the person first having obtained flood insurance under applicable Federal law and the person has subsequently failed to obtain and maintain flood insurance as required under applicable Federal law on such property. No disaster assistance may be provided for the repair, replacement, or restoration of a property to a person who has failed to meet this requirement.

Applicable elevation requirements will apply to development and rehabilitation.

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City of Houston
Small Rental Program Benchmarks

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Small Rental Program Guidelines	15%	15%
15% of Program Funds drawn by Subrecipient	15%	30%
25% of Program Funds drawn by Subrecipient	15%	45%
50% of Program Funds drawn by Subrecipient	15%	60%
75% of Program Funds drawn by Subrecipient	15%	75%
100% of Program Funds drawn or activities closed by Subrecipient	20%	95%
Closeout of Program accepted	5%	100%

City of Houston
Small Rental Program Budget

Activity No	HUD Activity Type	Grant Award	Other Funds	Total
18-###-###_MI_R-Small-LMI_CityofHouston	Small Rental Program - LMI	\$55,084,590	\$0	\$55,084,590
18-###-###_MI_R-Small-LMI_CityofHouston	Small - Project Delivery- LMI	\$6,120,510	\$0	\$6,120,510
	TOTAL	\$61,205,100	\$0	\$61,205,100



**AMENDMENT NO. 1 TO
GLO CONTRACT NO. 19-076-008-B357**

THE GENERAL LAND OFFICE (the "GLO") and CITY OF HOUSTON ("Subrecipient"), each a "Party" and collectively "the Parties" to GLO Contract No. 19-076-008-B357 (the "Contract"), desire to amend the Contract.

WHEREAS, the Parties desire to replace Subrecipient's DUNS Number with its Texas Identification Number (TIN); and

WHEREAS, the Parties desire to revise or replace certain language in the Contract to correct certain administrative errors; and

WHEREAS, the Parties desire to revise the Performance Statement, Budget, and Benchmarks for Infrastructure Projects;

NOW, THEREFORE, the Parties agree as follows:

1. Subrecipient's DUNS Number **145057811** is deleted from the Contract and replaced with the Texas Identification Number (TIN) **17460011640**.
2. **ATTACHMENT A** to the Contract, **Performance Statements, Budget, and Benchmarks for Housing Projects**, is deleted in its entirety and replaced with the **Revised Performance Statement, Budget, and Benchmarks for Housing Projects**, attached hereto and incorporated herein in its entirety for all purposes as **ATTACHMENT A-1**.
3. **SECTION 8.28** of the Contract is deleted in its entirety and replaced with the following:

"8.28 STATEMENTS OR ENTRIES

WARNING: ANY PERSON WHO KNOWINGLY MAKES A FALSE CLAIM OR STATEMENT TO HUD MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES UNDER 18 U.S.C. § 287, 18 U.S.C. § 1001, AND 31 U.S.C. § 3729.

Except as otherwise provided under federal law, any person who knowingly and willfully falsifies, conceals, or covers up a material fact by any trick, scheme, or device; makes any materially false, fictitious, or fraudulent statement or representation; or makes or uses any false writing or document despite knowing the writing or document to contain any materially false, fictitious, or fraudulent statement

or entry shall be prosecuted under Title 18, United States Code, § 1001.

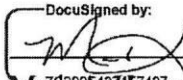
Under penalties of 18 U.S.C. § 287, 18 U.S.C. § 1001, and 31 U.S.C. § 3729, the undersigned Subrecipient representative hereby declares that he/she has examined this Contract and Attachments and, to the best of his/her knowledge and belief, any statements, entries, or claims made by Subrecipient are true, accurate, and complete.”






4. This Amendment shall be effective upon the date of the last signature.
5. The terms and conditions of the Contract not amended herein shall remain in force and effect.

SIGNATURE PAGE FOLLOWS

**SIGNATURE PAGE FOR AMENDMENT NO. 1 TO
GLO CONTRACT NO. 19-076-008-B357**

GENERAL LAND OFFICE

DocuSigned by:

Mark A. Havens, Chief Clerk/
Deputy Land Commissioner
Date of execution: 4/29/2020

OGC	
PM	
SDD	
DGC	
GC	

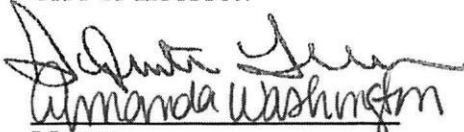
ATTACHED TO THIS AMENDMENT:

ATTACHMENT A-1 Revised Performance Statement, Budget, and Benchmarks for Housing Projects

CITY OF HOUSTON SIGNATURE PAGE FOLLOWS

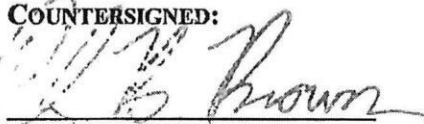
**CITY OF HOUSTON SIGNATURE PAGE FOR AMENDMENT NO. 1 TO
GLO CONTRACT NO. 19-076-008-B357**

CITY OF HOUSTON


MAYOR

4-8-2020
DATE


CITY SECRETARY Assistant

COUNTERSIGNED:

CITY CONTROLLER

DATE OF COUNTERSIGNATURE:
4-14-2020

APPROVED:
DocuSigned by:
Tom McLasland 4/7/2020
BB4243B4670F4BE
**DIRECTOR, HOUSING AND
COMMUNITY DEVELOPMENT
DEPARTMENT**

APPROVED AS TO FORM:
DocuSigned by:
Myrna Weingold 4/8/2020
ED00ED26602E46C
SENIOR ASSISTANT CITY ATTORNEY

SUBRECIPIENT NAME: CITY OF HOUSTON

HOUSING PERFORMANCE STATEMENT

Subrecipient shall carry out the following housing activities in the City of Houston area in strict accordance with the terms of Subrecipient's or GLO's approved Housing Guidelines (where applicable), Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

Subrecipient will fund the purchase of multifamily properties, assist with the relocation of residents, and demolish structures to reduce density in vulnerable areas. The proposed Activities will remove housing from the floodplain and prevent residential flooding in the future. This is a voluntary program and eminent domain will not be used. The City and/or a subrecipient, such as the Harris County Flood Control District, will carry out the program. Properties will be returned to green space to help absorb water and mitigate street and residential flooding in the future. Only properties impacted by a 2016 flood event are eligible. Properties will be dedicated and maintained in perpetuity for use that is compatible with open space. Subrecipient will remove approximately 3 properties from the floodplain and/or high flood risk areas. The City of Houston will utilize assessments provided with Harris County MOD and FEMA data to identify areas or homes that are at risk of flooding again and were impacted by the 2016 flood events. The program will benefit an area where at least 51% of residents are low- and moderate-income (LMI) households, as well as arrange for the demolition of dilapidated structures and conversion of property to open space. An environmental review must be conducted at all locations prior to the execution and commencement of work.

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Properties
Buyout	LMI	3

Buyout Program (BP-LMI)

Subrecipient will remove approximately 3 of properties from high flood risk areas.

Subrecipient must ensure that, upon completion, the acquired (buyout) property will be dedicated and maintained in perpetuity for use that is compatible with open space. The locations of these properties have not been determined at this time.

Subrecipient will offer relocation assistance for up to an estimated 3 properties. Assistance will be provided to residents located in a floodplain that agree to relocate outside of the floodplain. The properties acquired with funds provided under this Contract may be used for green space or as recreational area.

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CITY OF HOUSTON
HOUSING BENCHMARKS

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Housing Guidelines (where applicable)	15%	15%
15% of Project Funds drawn by subrecipient	15%	30%
25% of Project Funds drawn by subrecipient	15%	45%
50% of Project Funds drawn by subrecipient	15%	60%
75% of Project Funds drawn by subrecipient	15%	75%
100% of Project Funds drawn or Activities closed by subrecipient	20%	95%
Closeout of grant accepted	5%	100%

CITY OF HOUSTON
HOUSING BUDGET

HUD Activity Type	Program Activity Type	Grant Award	Other Funds	Total
Acquisition - buyout of residential properties	Buyout Program – LMI	\$22,178,653	\$0	\$22,178,653
Acquisition - buyout of residential properties	Buyout Program _ Project Delivery– LMI	\$838,312	\$0	\$838,312
Administration	Buyout Program - Admin- LMI	\$469,733	\$0	\$469,733
TOTAL		\$23,486,698	\$0	\$23,486,698

EXHIBIT "B"

FEDERAL CONTRACT REQUIREMENTS

EXHIBIT "B"

FEDERAL CONTRACT REQUIREMENTS

All references to "Contractor" in this Exhibit shall apply to any contractor, or subcontractor performing work on behalf of the Contractor pursuant to the foregoing Agreement/Contract, as applicable. The following Federal Contract Requirements will generally apply to all Contractors. Also see 2 CFR Part 200; applicable federal program requirements at 24 CFR Part 570 (CDBG), 24 CFR Part 92 (HOME), 24 CFR Part 574 (HOPWA), 24 CFR Part 576 (Emergency Solutions Grant); and applicable laws, rules and regulations relating to other programs administered by the U.S. Department of Housing and Urban Development ("HUD").

SECTION 1

Public Law 88-352 and Public Law 90-284; Affirmatively Furthering Fair Housing; Executive Order 11063

A. The Contractor shall comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352 42 U.S.C. §2000d et seq.) ("Title VI") and with Title 24 Code of Federal Regulations (CFR) Part 1, which implements Title VI. In accordance with Title VI, no person in the United States shall, on the basis of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Contractor receives federal financial assistance. The Contractor will immediately take any measures necessary to comply with Title VI. If any real property or structure thereon is provided or improved with the aid of federal financial assistance, this clause shall obligate the owner, or in the case of any transfer of such property, any transferee, to comply with the requirements and restrictions contained in this clause for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.

B. The Contractor shall comply with Public Law 90-284, which refers to Title VII of the Civil Rights Act of 1968, also known as the Fair Housing Act (42 U.S.C. §3601 et seq.), which provides that it is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States and prohibits any person from discriminating in the sale of rental of housing, the financing of housing, or the provision of brokerage services, including otherwise making unavailable or denying a dwelling to any person, because of race, color, religion, sex or national origin. In accordance with the Fair Housing Act, the Secretary of HUD requires that grantees administer all programs and activities related to housing and urban development in a manner to affirmatively further the policies of the Fair Housing Act. Furthermore, in accordance with section 104(b)(2) of the Act, for each community receiving a grant, the certification that the grantee will affirmatively further fair housing shall specifically require the grantee to take meaningful actions to further the goals identified in the grantee's AFH conducted in accordance with the requirements of 24 CFR §§5.150 - 5.180 and take no action that is materially inconsistent with its obligation to affirmatively further fair housing.

C. Executive Order 11063, as amended by Executive Order 12259 (3 CFR §§1959-1963 Com., p. 652; 3 CFR §1980 Comp., p 307) (Equal Opportunity in Housing), and implementing regulations in 24 CFR Part 107, as applicable.

SECTION 2

Non-Discrimination in Programs and Activities

The Contractor shall comply with the Age Discrimination Act of 1975 and implementing federal regulations, **42 U.S.C. §6101 et seq.**, issued pursuant to the Act. Any prohibition against discrimination on the basis of age under the Age Discrimination Act, or with respect to an otherwise qualified handicapped individual as provided in Chapter 126 of Title 42 and chapter 5 of Title 47 shall also apply to any such program or activity. (Also see 29 U.S.C.A. §794)

SECTION 3

National Flood Insurance Program

A. If applicable, this Agreement is subject to the requirements of the Flood Disaster Protection Act of 1973 (P.L. 93-234) for areas identified by HUD as having special flood hazards. The use of any funds provided for acquisition or construction in identified areas shall be subject to the Mandatory Purchase of Flood Insurance requirements of section 102(a) of said act.

B. 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 the land is located in an area identified by HUD as having a special flood hazard, provisions which obligate the transferee and its successors or assigns to obtain and maintain, during the life of the project, flood insurance as required under section 102(a) of the Flood Disaster Protection Act of 1973, as amended. These provisions shall be required notwithstanding the fact that the construction on the land is not itself funded with funds provided under this Agreement.

SECTION 4

Displacement, Relocation, Acquisition and Replacement of Housing

Contractor understands that projects funded hereunder may be subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. §4601-4655), as applicable; and that individuals or businesses that are required to move from real property, permanently or involuntarily as a direct result of rehabilitation, demolition, or acquisition for the project assisted hereunder must be compensated pursuant to the URA.

SECTION 5
Employment and Contracting Opportunities

A. **Executive Order 11246, as amended by Executive Orders 11375, 11478, 12086, and 12107 (Equal Employment Opportunity)**

The Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion sex, or national origin. Contractor will take affirmative action to ensure applicants are employed, and 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. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The Contractor will send to each labor union or representative of workers with which the Contractor has a collective bargaining agreement or other contract or understanding, a notice to be provided by the City, advising the labor union or workers' representative of the Contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, as amended, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor set forth at 41 CFR Part 60.

(5) The Contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, as amended, and by the rules, regulations and orders of the Secretary of the U.S. Department of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this Agreement or with any of such rules, regulations or orders, this Agreement may be canceled, terminated or suspended in whole or in part and the Contractor may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, as amended, other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of the U.S. Department of Labor, or as otherwise provided by law.

(7) The Contractor will include provisions similar to paragraph 1 through 7 in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of the U.S. Department of Labor, issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, as amended, so that such provisions will be binding upon subcontractors or vendors. The Contractor will take such action with respect to any subcontract or purchase order as the City may direct as a means of enforcing such provisions including sanctions for noncompliance: PROVIDED, however, that in the event the Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the City, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

B. Section 3 Of The Housing and Urban Development Act of 1968

(1) The work to be performed under this Agreement is on a project assisted under a program providing federal financial assistance from the Department of Housing and Urban Development (HUD). Section 3 of the Housing and Urban Development Act of 1968, as amended, (12 U.S.C. §1701u, "Section 3") and implementing regulations at 24 CFR Part 135 apply to the Agreement. Under Section 3, to the greatest extent feasible, for any contract award in excess of \$100,000, the Contractor shall give opportunities for training and employment to lower-income residents of the City and shall award contracts for work in connection with the project to business concerns which are located in or owned in substantial part by persons residing in the City.

(2) The Contractor will comply with the provisions of Section 3, and all applicable rules and orders of HUD issued thereunder prior to the execution of the Agreement. The Contractor certifies and agrees that there is no contractual or other disability which would prevent compliance with these requirements.

(3) The Contractor shall 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 the labor organization or workers' representative of the 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) The Contractor will include or have included a Section 3 clause in every subcontract for work in connection with the project. The Contractor shall, at the direction of the City, take appropriate action pursuant to any subcontract upon a finding that the subcontractor is in violation of this Section 3 clause. The Contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR Part 135. The Contractor shall not let any subcontract unless the subcontractor has provided the Contractor with a preliminary statement of ability to comply with the requirements of this Section 3 clause.

(5) Compliance with the provisions of Section 3, and all applicable rules and orders of HUD issued thereunder prior to the execution of this Agreement shall be a

condition of the federal financial assistance provided to the project. These provisions are binding upon the City, its contractors and subcontractors, their successors and assigns. Failure to fulfill these requirements shall subject the City, its contractors and subcontractors, their successors and assigns to those sanctions specified by the grant or loan agreement or contract through which federal assistance is provided.

(6) The Contractor shall have completed, signed and delivered a Voluntary Compliance Form (provided by the City) to the Director prior to the execution of this Agreement.

SECTION 6
Lead-Based Paint Poisoning Prevention Act

The Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. §§4851-4856), and the implementing regulations at 24 CFR Part 35, Subparts A, B, J, K and R may apply to activities under the Agreement.

SECTION 7
Use of Debarred, Suspended, or Ineligible Contractors or Subrecipients

(a) The Contractor shall not employ, award contracts to, or otherwise engage the services of any contractor or subcontractor during any period of debarment, suspension, or placement in ineligibility status under the provisions of 24 CFR Part 5 or under the authority of the City.

(b) The Contractor shall not use federal funds for any contract for the construction, alteration or repair of the project funded under this Agreement with any contractor or subcontractor listed on the governmentwide Excluded Parties List System in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR Part 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp., p. 189) and 12689 (3 CFR Part 1989 Comp., p. 235), "Debarment and Suspension." The Excluded Parties List System in SAM contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

SECTION 8
Uniform Administrative Requirements, Cost Principles and Audit Requirements

The Contractor shall comply with "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards" as set forth under 2 CFR Part 200, as applicable.

SECTION 9
Conflict of Interest

A. In the procurement of supplies, equipment, construction, and services by the City or a subrecipient, the conflict of interest provisions in 2 CFR Part 200, Subpart B - General Provisions, shall apply.

B. In all cases not governed by 2 CFR Part 200, Subpart B, the provisions of this section shall apply. Such cases include, but may not be limited to, the acquisition and disposition of real property and the provision of assistance by the recipient, by its subrecipients, or to individuals, businesses or other private entities under eligible activities which authorize such assistance (e.g. rehabilitation, preservation, and other improvements of private properties or facilities).

- (i) No persons described in paragraph (ii) (below) who exercise or have exercised any functions or responsibilities with respect to federal activities or who are in a position to participate in a decision-making process or gain inside information with regard to federal assisted activities, may obtain a personal or financial interest or benefit from, or have any interest in any contract, subcontract, or agreement or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter with respect to the federal assisted activity, or with respect to the proceeds of the federal assisted activity.
- (ii) The requirements of paragraph (i) apply to any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, of any designated public agency, or subrecipient which receives funds under the federal grant.

SECTION 10
Eligibility for Aliens Not Lawfully Present in U.S.

Contractor understands that aliens not lawfully present in the U.S., as described in 49 CFR §24.208, are not eligible to apply for benefits under certain federal activities.

SECTION 11
Compliance with Clean Air and Water Acts

This Agreement may be subject to the requirements of the Clean Air Act, as amended (42 U.S.C. §§7401-7671q), the Federal Water Pollution Control Act, as amended (33 U.S.C. §§1251-1387) and the regulations issued under the Clean Air Act and the Federal Water Pollution Control Act and by the Environmental Protection Agency. In compliance with, the regulations, Contractor agrees that:

A. No facility to be utilized in the project or program is on the list of Violating Facilities issued by the U.S. Environmental Protection Agency (EPA) pursuant to **40 CFR §15.20**.

B. The Contractor will comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, (42 U.S.C. §§7401-7671q), and the Federal Water Pollution Control Act, as amended (33 U.S.C. §§1251-1387).

C. As a condition for the award of this Agreement, the Contractor shall give prompt notice to the City of any notification of violations received from the Office of Federal Activities or the EPA, indicating that a facility utilized or to be utilized is under consideration to be listed on the EPA List of Violating Facilities.

D. The Contractor will include or cause to be included the requirements contained in paragraphs A through C of this clause in every lower-tier nonexempt contract and will take such action as the City may direct as a means of enforcing such provisions.

E. In no event shall any amount of the funds provided under the Agreement be utilized with respect to a facility which has given rise to a conviction under section 113(c)(1) of the Clean Air Act or section 309(c) of the Federal Water Pollution Control Act.

F. Contractors who receive subcontracts/subgrants of amounts in excess of \$150,000 are required to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. §§7401-7671q) and the Federal Water Pollution Control Act, as amended (33 U.S.C. §§1251-1387).

G. Any violations of this Section 12 must be reported to the Federal awarding agency, the Regional Office of the Environmental Protection Agency (EPA), and the City.

SECTION 12 **Architectural Barriers Act**

The Architectural Barriers Act of 1968 (42 U.S.C. §§4151-4157) requires certain Federal and Federally funded buildings and other facilities to be designed, constructed, or altered in accordance with standards that insure accessibility to, and use by, physically handicapped people. A building or facility designed, constructed or altered with funds allocated or reallocated under this part after December 11, 1995, and that meets the definition of "residential structure" as defined in 24 CFR §40.2 or the definition of "building" as defined in 41 CFR §101-19.602(a) is subject to the requirements of the Architectural Barriers Act of 1968 (42 U.S.C. §§4151-4157) and shall comply with the Uniform Federal Accessibility Standards (Appendix A to 24 CFR Part 40 for residential structures, and Appendix A to 41 CFR Part 101-19, Subpart 10119.6, for general type buildings).

SECTION 13 **The Americans with Disabilities Act**

The Americans with Disabilities Act, also referred to as the ADA (42 U.S.C. §12131; 47 U.S.C. §§155, 201, 218 and 225), provides comprehensive civil rights to individuals with disabilities in the areas of employment, public accommodations, State and local government services, and telecommunications. It further provides that discrimination includes a failure to design and construct facilities for first occupancy no later than January 25, 1993 that are readily accessible to and usable by individuals with disabilities. Further, the ADA requires the removal of architectural barriers and communication barriers that are structural in nature in existing facilities, where such removal is readily achievable--that is, easily accomplishable and able to be carried out without much difficulty or expense.

SECTION 14
Records for Audit Purposes

Without limitation to any other provision of the foregoing Agreement/Contract the Contractor shall maintain all records concerning the program or project financed under this Agreement which the City reasonably requires from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient pursuant to 2 CFR §200.333. The Contractor shall maintain records required by **24 CFR §135.92** for the period required under 2 CFR §200.333. The Contractor will give the City, HUD, the Comptroller General of United States, the General Accounting Office, or any of their authorized representatives access to and the right to examine, copy, or reproduce all records pertaining to the acquisition and construction of the project and the operation of the program or project. The right to access shall continue as long as the records are required to be maintained **under 2 CFR §200.336**.

SECTION 15
Audit Requirements

A. Limited Scope Audit - Contractor understands that Non-Federal entities that expend less than \$750,000 a year in Federal awards are exempt from Federal audit requirements for that year, but records must be available for review and audit as described hereinabove at Section 17. Contractor further understands that limited scope audits can and may be required by the City for non-Federal entities that expend less than \$750,000. If the City requires such limited scope audits, same shall be performed in accordance with 2 CFR Part 200, Subpart F - Audit Requirements.

B. Single Audit - Single Audit - Contractor further understands that non-Federal entities that expend \$750,000 or more a year in Federal awards shall have a single audit conducted pursuant to 2 CFR Part 200, Subpart F - Audit Requirements, except when an election is made to have a program specific audit pursuant to and described in 2 CFR Part 200, Subpart F - Audit Requirements. Once the Contract is executed, Contractor understands that it is barred from considering such audit and must have a single audit conducted as described hereinabove.

SECTION 16
Additional Federal Requirements under 2 CFR PART 200, Appendix II, as applicable

(A) **Simplified Acquisition Threshold.** Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. §1908, as may be amended from time to time, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) **Contract Minimum for Termination for Cause and Convenience.** All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be affected and the basis for settlement.

(C) **Davis Bacon Act, as amended (40 U.S.C. §§3141–3148)**. When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. §§3141–3144, and 3146–3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(D) **Copeland Anti-Kick Back Act**. Contracts must also include a provision for compliance with the Copeland “Antikickback” Act (40 U.S.C. §3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(E) **Contract Work Hours and Safety Standards Act (40 U.S.C. §§3701–3708)**. Where applicable, all contracts awarded by the nonfederal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §3702 and §3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. §3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. §3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) **Rights to Inventions made under a Contract or Agreement**. If the Federal award meets the definition of “funding agreement” under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

(G) **Energy Policy and Conservation Act.** Contractor must comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. §6201).

(H) **Byrd Anti-Lobbying Amendment (31 U.S.C. §1352).** Contractors that apply or bid for an award of \$100,000 or more must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. §1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(I) **Procurement of Recovered Materials.** See 2 CFR §200.322.

EXHIBIT "C"

OPERATING BUDGET

Revenue	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
								\$120,000	\$100,000	\$80,000	\$60,000	\$40,000	\$20,000
Expenses													
Utilities													
Insurance								\$7,800	\$7,800	\$7,800	\$7,800	\$7,800	\$7,800
Property Management Fees								\$3,600	\$3,000	\$2,400	\$1,800	\$1,200	\$600
Office Salary								\$16,666	\$16,666	\$16,666	\$16,666	\$16,666	\$16,666
Office Rent													
Trash								\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Office Internet and Phone								\$350	\$350	\$350	\$350	\$350	\$350
Advertising and Promotion								\$700	\$0	\$0	\$0	\$0	\$0
Software Costs								\$400	\$400	\$400	\$400	\$400	\$400
Pest Control								\$450	\$450	\$450	\$450	\$450	\$450
Maintenance								\$5,700	\$5,700	\$5,700	\$5,700	\$5,700	\$5,700
Total expenses								\$42,166	\$40,566	\$39,566	\$38,766	\$37,966	\$37,166
Net Operating Income								\$77,834	\$59,434	\$40,434	\$21,234	\$2,034	(\$17,166)

*Estimate based on Effective Date of March 2021 with Feasibility of 90 Days with two 30 Day Extensions. Estimated closing in Sep 2021. Wind down period from Sept - Jan 2022

SCHEDULE 1

VOLUNTARY ACQUISITION – INFORMATIONAL NOTICE

[EXECUTED TO BE INSERTED]

VOLUNTARY ACQUISITION – Informational Notice - (Agencies with Eminent Domain Authority)

Grantee or Agency Letterhead

NOTICE OF INTEREST

January 8, 2020

Dear Mr. Wood:

City of Houston, is interested in acquiring property you own at 3200 North MacGregor Way, Houston Texas 77004 for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the Multi Family Buyout Program. Federal funds are administered by the City's Housing and Community Development Department.

Please be advised that the City of Houston possess eminent domain authority to acquire property, however, in the event you are not interested in selling your property, or if we cannot reach an amicable agreement for the purchase of your property, we will **not** pursue its acquisition under eminent domain. Your property is not a necessary part of the proposed project and is not part of an intended, planned, or designed project area where substantially all of the property within the area is to be acquired.

The fair market value is estimated to be \$5,580,000.00 to purchase your property. However, since this transaction is voluntary; current or future negotiations may result in a different price that may be the same, or higher or lower than this amount. Please contact us at your convenience if you are interested in selling your property.

The property must be evaluated in accordance with the environmental regulations at 24 C.F.R. Part 58 and the National Environmental Policy Act (NEPA) at 40 C.F.R. Parts 1500-1508, as applicable. If the information found indicates that the property is not compliant with an applicable law or authority, the Seller(s) and Buyer(s) must be provided the opportunity to withdraw from the agreement.

In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are **not** eligible for relocation assistance. However, tenant-occupants displaced as a result of voluntary acquisition may be entitled to URA relocation assistance and must be informed in writing as soon as feasible.

If you have any questions about this notice or the proposed project, please contact

Rupa Sen, Real Estate Manager
2100 Travis Street, 9th FL | Houston, Texas 77002
832-394-6217 | rupa.sen@houstontx.gov

Very truly yours,

Tom McCasland, Director

SELLER'S RECEIPT AND ACKNOWLEDGMENT OF NOTICE OF INTEREST

Name: _____ Date _____
Title: _____

Name: _____ Date _____
Title: _____

SCHEDULE 2

TEXAS DISCLOSURES

1.1 **Notice Required by Chapter 49, Water Code.** If all or any part of the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services pursuant to Chapter 49 of the Texas Water Code, then Seller shall deliver to Purchaser, and Purchaser shall execute, the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district prior to or concurrently with the execution and delivery of this Agreement.

1.2 **Notice Required by § 13.257, Water Code.** Pursuant to Section 13.257 of the Texas Water Code, please be advised as follows: "The real property, described above, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property." Purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of this Agreement for the purchase of the Land and improvements described herein.

1.3 **Annexation Notice.** To the extent Section 5.011 of the Texas Property Code is applicable to all or any portion of the Property or this transaction, Purchaser hereby acknowledges and agrees that Seller delivered the following notice to Purchaser prior to execution of this Agreement:

"NOTICE REGARDING POSSIBLE ANNEXATION

If the property that is the subject of this Agreement is located outside the limits of a municipality, the property may now or later be included in the extraterritorial jurisdiction. To determine if the property is located within a municipality's extraterritorial jurisdiction or is likely to be located with a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity of the property for further information. The foregoing notice has been given solely in order to comply with Section 5.011 of the Texas Property Code and Seller makes no representation whether and to what extent the property may already be located within the limits of a municipality."

1.4 **STATUTORY NOTICE REGARDING POSSIBLE LIABILITY FOR ADDITIONAL TAXES.**

"STATUTORY NOTICE REGARDING POSSIBLE LIABILITY FOR ADDITIONAL TAXES. If for the current ad valorem tax year the taxable value of the land that is the subject of this Agreement is determined by a special appraisal method that allows for appraisal of the land at less than

its market value, the person to whom the land is transferred may not be allowed to qualify the land for that special appraisal in a subsequent tax year and the land may then be appraised at its full market value. In addition, the transfer of the land or a subsequent change in the use of the land may result in the imposition of an additional tax plus interest as a penalty for the transfer or the change in the use of the land. The taxable value of the land and the applicable method of appraisal for the current tax year is public information and may be obtained from the tax appraisal district established for the County in which the land is located.”

1.5 **Intentionally Deleted.**

1.6 **Additional Texas Statutory Notices.**

1.6.1 . INTENTIONALLY DELETED

1.6.2 **Notice of Property Located in an Agricultural Development District.** If the Property is located in an agricultural development district, then in accordance with § 60.063 of the Texas Agricultural Code: (1) Seller shall give to Purchaser a written notice that the Property is located in such a district at least one (1) business day prior to the expiration of the Option Period; (2) Purchaser agrees to acknowledge receipt of the notice in writing once received; and (3) at the Closing, a separate copy of the notice with current information about the district will be executed by Seller and Purchaser and recorded in the deed records of the county in which the Property is located.

1.6.3 **Public Improvement Districts.** If the Property is in a public improvement district, §5.014 of the Texas Property Code, requires Seller to notify Purchaser as follows: As a Purchaser of this Property, Purchaser is obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372 of the Texas Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Purchaser's failure to pay the assessments could result in a lien on and the foreclosure of the Property.

1.6.4 **Propane Gas System Service Area.** If the Property is located in a propane gas system service area owned by a distribution system retailer, Seller must give Purchaser written notice as required by § 141.010 of the Texas Utilities Code, which notice shall be given at least one (1) business day prior to the expiration of the Option Period.

Controller's Office

To the Honorable Mayor and City Council of the City of Houston, Texas:

I hereby certify, with respect to the money required for the contract, agreement, obligation or expenditure contemplated by the ordinance set out below that:

- () Funds have been encumbered out of funds previously appropriated for such purpose.
- () Funds have been certified and designated to be appropriated by separate ordinance to be approved prior to the approval of the ordinance set out below.
- () Funds will be available out of current or general revenue prior to the maturity of any such obligation.
- () No pecuniary obligation is to be incurred as a result of approving the ordinance set out below.
- () The money required for the expenditure or expenditures specified below is in the treasury, in the fund or funds specified below, and is not appropriated for any other purposes.
- () A certificate with respect to the money required for the expenditure or expenditures specified below is attached hereto and incorporated herein by this reference.

() Other - Grant Funds Available *under ord # 2019-109*
Date: 2-19, 2019 *Cheryl Brown*
City Controller of the City of Houston, Texas

sc mg FUND REF: na AMOUNT: -0- ENCUMB. NO.: GN5083-19

City of Houston, Texas, Ordinance No. 2019-109

RD AN ORDINANCE APPROVING AND AUTHORIZING A CONTRACT BETWEEN THE CITY OF HOUSTON AND THE TEXAS GENERAL LAND OFFICE TO PROVIDE FOR THE USE OF COMMUNITY DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY 2016 FLOOD EVENTS (CDBG-DR16) FUNDS FOR A HOUSING BUYOUT PROGRAM; CONTAINING FINDING AND PROVISIONS RELATING TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * *

WHEREAS, on September 12, 2018, pursuant to Ordinance No. 2018-721, the City Council of the City of Houston ("City Council") authorized the submission of the 2016 Housing Project Application to the Texas General Land Office ("GLO") requesting funding for the Community Development Block Grant 2016 Flood Events ("CDBG-DR16") in the amount of \$23,486,698.00 for a Housing Buyout Program and acceptance of the CDBG-DR16 funds if awarded; and

WHEREAS, the Housing Buyout Program ("Program"), is designed to fund the purchase of single family and/or multifamily properties, the relocation of residents living in the properties, and the demolition of the homes remaining on the properties that were impacted by the 2016 flood events; and

WHEREAS, the proposed activities will remove housing from floodplains preventing future housing development on such properties, and will dedicate these properties for a use compatible with open space, recreational, or floodplain and wetlands management practices, with the potential for serving as flood control in the future; and

WHEREAS, this Program may be carried out by the City or a subrecipient; and

WHEREAS, the Housing and Community Development Department ("HCDD") will come back to Council for approval of specific projects or target areas for the Program; and

WHEREAS, HCDD now recommends that City Council 1) approve and authorize a contract between the City and the GLO ("Contract"), in substantially the form attached hereto as **Exhibit "A"**, to provide for the use of \$23,486,698.00 in CDBG-DR16 funds for a Housing Buyout Program; and 2) authorize the Mayor, or the Mayor's designee, in consultation with the City Attorney, without the need for further approval by City Council, to execute the final Contract and other related documents in order to carry out the intent and objectives of the Contract; **NOW THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS

Section 1. That the facts and recitals contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are adopted as part of this Ordinance.

Section 2. That the City Council hereby approves and authorizes the Contract between the City and the GLO, in substantially the form attached hereto under **Exhibit "A"**, to provide for the use of \$23,486,698.80 in CDBG-DR16 funds for the Housing Buyout Program.

Section 3. That the City Council hereby approves and authorizes the Mayor or the Mayor's designee, in consultation with the City Attorney, without the need for further approval by City Council, to execute the final Contract, in substantially the form attached hereto as **Exhibit "A"**, and other related documents on behalf of the City of Houston; and the Mayor, City Controller, City Secretary, and Director of the City's Housing and Community Development Department, collectively and individually, are hereby authorized to take all actions necessary to

effectuate the City's intent and objectives in approving such Contract and related documents, or other undertakings described in the title of this Ordinance, in the event of changed circumstances, including to make such changes to the Contract, in consultation with the City Attorney, prior to its execution by the City Controller as may be necessary or otherwise required by the GLO and/or HUD to achieve this purpose so long as those changes do not impair the intended purpose of the Contract or require the appropriation, allocation, or expenditure of any funds. The City Secretary (or in the absence of the City Secretary, any Assistant City Secretary) is hereby authorized to attest to all such signatures and to affix the seal of the City to all such instruments. The City Attorney is hereby authorized to take all action necessary to enforce legal obligations under said contracts, agreements or other undertakings, without further authorization from City Council.

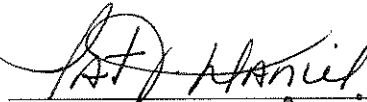
Section 4. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 20th day of February, 2019.

APPROVED this _____ day of _____, 2019.

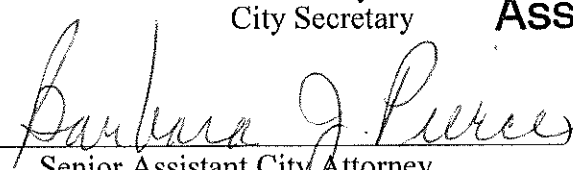
Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is FEB 26 2019.



City Secretary **Assistant**

(Prepared by Legal Dept.
(BJP/KCI/02/04/19)



Senior Assistant City Attorney

(Requested by Tom McCasland, Director, Housing and Community Development Department)
(L.D. File No.0291800482002)

FUND REF: Grant Fund

z:\bet\ordinance\orddisasterrecovery\floodeventsDR16.doc

CAPTION PUBLISHED IN DAILY COURT
 REVIEW
 DATE: FEB 26 2019

AYE	NO	
✓		MAYOR TURNER
....	COUNCIL MEMBERS
✓		STARDIG
✓		DAVIS
✓		COHEN
ABSENT		BOYKINS
ABSENT	ABSENT-OUT OF CITY ON PERSONAL BUSINESS	MARTIN
ABSENT		LE
✓		TRAVIS
✓		CISNEROS
✓		GALLEGOS
✓		LASTER
✓		CASTEX-TATUM
✓		KNOX
✓		ROBINSON
✓		KUBOSH
✓		EDWARDS
✓		CHRISTIE
CAPTION	ADOPTED	

EXHIBIT A



GLO CONTRACT NO. 19-076-008-B357
COMMUNITY DEVELOPMENT BLOCK GRANT
DISASTER RECOVERY PROGRAM HOUSING PROJECTS
NON-RESEARCH & DEVELOPMENT
2016 FLOOD ALLOCATION

The **GENERAL LAND OFFICE** (“the GLO”), a Texas state agency, and **CITY OF HOUSTON**, DUNS No. 832431985 (“Subrecipient”) (each a “Party” and collectively “the Parties,”) enter into this Subrecipient agreement (the “Contract”) under the U.S. Department of Housing and Urban Development Community Development Block Grant Disaster Recovery (“CDBG-DR”) program to provide financial assistance with funds appropriated under the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act (Public Law 114-223), enacted on September 29, 2016, the Further Continuing and Security Assistance Appropriations Act, 2017 (Public Law 114-254), enacted on December 10, 2016, and the Consolidated Appropriations Act, 2017 (Public Law 115-31), enacted on May 5, 2017, to facilitate disaster recovery, restoration, and economic revitalization and to affirmatively further fair housing, in accordance with Executive Order 12892, in areas affected by the Texas Severe Storms, Tornadoes, and Flooding (DR-4266), the Texas Severe Storms and Flooding (DR-4269), and the Texas Severe Storms and Flooding (DR-4272), which are Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121, *et seq.*).

Through CDBG-DR Federal Award Number B-16-DL-48-0001, awarded November 1, 2017, the GLO administers grant funds as Community Development Block Grants (Catalog of Federal Domestic Assistance Number 14.228, “Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii”), as approved by the Texas Land Commissioner, and limited to use for facilitating recovery efforts in Presidentially-declared major disaster areas.

ARTICLE I - GENERAL PROVISIONS

1.01 SCOPE OF PROJECT AND SUBAWARD

(a) Scope of Project

The purpose of this Contract is to set forth the terms and conditions Subrecipient’s participation in the CDBG-DR program. In strict conformance with the terms and conditions of this Contract, Subrecipient shall perform, or cause to be performed, Activities defined in **Attachment A**, as applicable, in the City of Houston (the “Project”). Subrecipient shall conduct the Project in strict accordance with this Contract, including all Contract Documents listed in

SECTION 1.02 below, and any Amendments, Revisions, or Technical Guidance Letters issued by the GLO.

(b) Subaward

Subrecipient submitted a Grant Application under the Program. The GLO enters into this Contract based on Subrecipient's approved Grant Application.

Subject to the terms and conditions of this Contract and Subrecipient's approved Application, the GLO shall subaward to Subrecipient an amount not to exceed **\$23,486,698.00**, payable as reimbursement of Subrecipient's allowable expenses, to be used in strict conformance with the terms of this Contract, and the Performance Statement, Budget, and Benchmarks for Housing Projects in **Attachment A**.

The GLO is not liable to Subrecipient for any costs Subrecipient incurs before the effective date of this Contract or after the expiration or termination of this Contract. The GLO in its sole discretion, may reimburse Subrecipient for allowable Project costs incurred before the effective date of this Contract, in accordance with federal law.

All funds obtained by Subrecipient from the GLO and utilized on Subrecipient's CDBG-DR Activities are subject to compliance with all Federal and State regulations governing this Contract.

1.02 CONTRACT DOCUMENTS

This Contract and the following Attachments, attached hereto and incorporated herein in their entirety for all purposes, shall govern this Contract:

ATTACHMENT A: Performance Statement, Budget, and Benchmarks for Housing Projects

ATTACHMENT B: Federal Assurances and Certifications

ATTACHMENT C: General Affirmations

ATTACHMENT D: Nonexclusive List of Applicable Laws, Rules, and Regulations

ATTACHMENT E: Special Conditions

ATTACHMENT F: GLO Information Security Appendix

ATTACHMENT G: Monthly Activity Status Report

1.03 GUIDANCE DOCUMENTS

Subrecipient is deemed to have read and understood, and shall abide by, all guidance documents applicable to the CDBG-DR program, including, without limitation:

- (1) 2 C.F.R. Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- (2) The Federal Registers;

- (3) The State of Texas Action Plan for Disaster Recovery found at <http://recovery.texas.gov/local-government/hud-requirements-reports/2016-floods-storms/index.html>; and
- (4) Other guidance documents posted at: <http://recovery.texas.gov/local-government/hud-requirements-reports/2016-floods-storms/index.html>.

1.04 DEFINITIONS

“Act” means Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. § 5301, *et seq.*).

“Activity” means a defined class of works or services eligible to be accomplished using CDBG-DR funds. Activities are specified in the Performance Statement and Budget in **Attachment A**.

“Administrative and Audit Regulations” means all applicable statutes, regulations, and other laws governing administration or audit of this Contract, including Title 2, Part 200, Code of Federal Regulations and Chapters 321 and 2155 of the Texas Government Code.

“Amendment” means a written agreement, signed by the Parties hereto, which documents alterations to the Contract other than those permitted by Technical Guidance Letters or Revisions, as herein defined.

“Application” or “Grant Application” means the information Subrecipient provided, which is the basis for the award of funding under this Contract.

“Benchmark” means the reimbursement milestones identified in **Attachment A** which define deliverables required for release of Administrative and Project Delivery funding throughout the life of the Contract.

“Budget” means the budget for the Activities funded by the Contract, a copy of which is included in **Attachment A**.

“C.F.R.” means the United States Code of Federal Regulations.

“CDBG-DR” means the U.S. Department of Housing and Urban Development’s Community Development Block Grant Disaster Recovery program.

“Construction Documents” means the engineering specifications, construction plans, and/or architectural plans for the construction of improvements approved by the GLO under the Contract, if any.

“Contract” means this entire document, along with any Attachments, both physical and incorporated by reference; and any Amendments, Revisions, or Technical Guidance Letters the GLO may issue, to be incorporated by reference herein for all purposes as they are issued and provided to Subrecipient, if any.

“Contract Documents” means the documents listed in **SECTION 1.02**.

“Deliverable(s)” means the work product(s) required to be submitted to the GLO as set forth in the Performance Statement and Benchmarks, which are included in **Attachment A**.

“Equipment” means tangible personal property with a useful life of more than one (1) year and an acquisition cost of Five Thousand Dollars (\$5,000.00) or more per unit, as further defined at 2 C.F.R. § 200.313.

“Event of Default” means the occurrence of any of the events set forth in **SECTION 3.03** herein.

“Federal Assurances” means Standard Form 424B (non-construction projects) or Standard Form 424D (construction projects), as applicable, in **Attachment B**, attached hereto and incorporated herein for all purposes.

“Federal Certifications” means the “Certification Regarding Lobbying – Compliant with Appendix A to 24 C.F.R. Part 87” and Standard Form LLL, Disclosure of Lobbying Activities, also in **Attachment B**, attached hereto and incorporated herein for all purposes.

“Federal Register” means the official journal of the federal government of the United States that contains government agency rules, proposed rules, and public notices, including the Department of Housing and Urban Development’s Federal Register Docket No. FR-6039-N-01 and any other publication affecting 2016 Floods CDBG-DR funding allocations.

“Final Inspection Report” means the document submitted by a housing inspector to a Subrecipient under a CDBG-DR Housing contract, indicating the completed construction of one Housing Unit (as defined herein).

“Fiscal Year” means the period beginning July 1 and ending June 30 each year, which is the annual accounting period for the City of Houston.

“GAAP” means “generally accepted accounting principles.”

“GASB” means accounting principles as defined by the Governmental Accounting Standards Board.

“General Affirmations” means the affirmations in **Attachment C**, which Subrecipient certifies by signing this Contract.

“GLO” means the Texas General Land Office, its officers, employees, and designees.

“Grant Completion Report” means a report containing an as-built accounting of all projects completed under a CDBG-DR program, and all information required for final acceptance of deliverables and Contract closeout.

“Housing” refers to a project involving home repair, home reconstruction, new home construction, down payment assistance, and buyout and acquisition, including housing for single-family and multi-family rental units under a CDBG-DR Contract.

“Housing Guidelines” means a set of guidelines adopted by Subrecipient and approved by the GLO governing the implementation of the Subrecipient’s Housing program under this Contract.

“Housing Unit” means one single-family dwelling or one unit in a multi-family residential complex.

“HUD” means the United States Department of Housing and Urban Development.

“Minimum Property Standards” or “MPS” means the Minimum Property Standards (MPS) established in HUD Handbook 4910.1, as amended or superseded. MPS, as read in the context of this Contract, encompasses housing quality standards established by HUD to provide “decent, safe and sanitary” housing.

“Monthly Activity Status Report” means project Benchmark status reports required under **SECTION 4.02** of this Contract.

“Performance Statement” means the statement of work in **Attachment A**, which includes specific Benchmarks and Activities required under the Project.

“Program” means the Community Development Block Grant Disaster Recovery program, administered by HUD and the GLO.

“Project” means the work to be performed under this Contract, as described in **SECTION 1.01(a)** above and **Attachment A**.

“Project Manager” means a representative of the GLO Community Development and Revitalization (“CDR”) Program designated to oversee the Project.

“Public Information Act” or “PIA” means Chapter 552 of the Texas Government Code.

“Revision” means the GLO’s written approval of changes to Benchmarks, movement of funds among budget categories, and other Contract adjustments the Subrecipient and the GLO may approve without a formal Amendment.

“Setup” means documentation, submitted by a Subrecipient, necessary for the GLO to determine that housing sites meet minimum eligibility criteria, resulting in approval for the Subrecipient to move forward with the projects.

“Subrecipient” means City of Houston, a recipient of federal CDBG-DR funds through the GLO as the pass-through funding agency. Subrecipient may also be referred to as “Provider” herein.

“Technical Guidance Letter” or “TGL” means an instruction, clarification, or interpretation of the requirements of this Contract, issued by the GLO and provided to Subrecipient, applicable to specific subject matter pertaining to this Contract, and to which the addressed Program participants shall be subject as of a specific date.

“U.S.C.” means the United States Code.

1.05 INTERPRETIVE PROVISIONS

- (a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms;
- (b) The words “hereof,” “herein,” “hereunder,” and similar words refer to this Contract as a whole and not to any particular provision, section, attachment, work order, or schedule of this Contract, unless otherwise specified;
- (c) The term “including” is not limiting, and means “including, without limitation” and, unless otherwise expressly provided in this Contract,
- (d) References to contracts (including this Contract) and other contractual instruments shall be deemed to include all subsequent Amendments and other

modifications thereto, but only to the extent that such Amendments and other modifications are not prohibited by the terms of this Contract, and

- (e) References to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing, or interpreting the statute or regulation;
- (f) The captions and headings of this Contract are for convenience of reference only and shall not affect the interpretation of this Contract;
- (g) All Attachments within this Contract, including those incorporated by reference, and any Amendments, are considered part of the terms of this Contract;
- (h) This Contract may use several different limitations, regulations, or policies to regulate the same or similar matters. All such limitations, regulations, and policies are cumulative and each shall be performed in accordance with its terms;
- (i) Unless otherwise expressly provided, reference to any action of the GLO or by the GLO by way of consent, approval, or waiver shall be deemed modified by the phrase "in the sole discretion of the GLO."

Notwithstanding the preceding sentence, any approval, consent, or waiver required by, or requested of, the GLO shall not be unreasonably withheld or delayed;

- (j) All due dates and/or deadlines referenced in this Contract that occur on a weekend or holiday shall be considered as if occurring on the next business day;
- (k) All time periods in this Contract shall commence on the day after the date on which the applicable event occurred, report is submitted, or request is received; and
- (l) Time is of the essence in this Contract.
- (m) In the event of conflicts or inconsistencies between this contract and its attachments, such conflicts or inconsistencies shall be resolved by reference to the documents in the following order of priority: 1) any and all applicable federal and state laws, rules, and regulations; 2) the Contract; 3) GLO-approved Housing Guidelines; and 4) Attachments to the Contract, as follows: **Attachment A, Attachment E, Attachment B, Attachment C, Attachment D, Attachment F and Attachment G.**

ARTICLE II – REIMBURSEMENT, ADVANCE PAYMENT, BUDGET VARIANCE, AND INCOME

2.01 REIMBURSEMENT REQUESTS

Each invoice submitted by Subrecipient shall be supported by actual receipts, cancelled checks, and/or such other documentation that, in the judgment of the GLO, allows for full substantiation of the costs incurred. The GLO shall issue and provide to Subrecipient a Technical Guidance Letter containing the GLO-established invoice submission procedures required under this Contract. Prior to the issuance of the Technical Guidance Letter, the GLO will provide Subrecipient instructions for interim invoicing processes.

With the exception of GLO-approved allowable Project costs incurred after June 11, 2016 and before the Effective Date of this Contract, the GLO must acknowledge the successful completion by Subrecipient of a specific Benchmark, which will require the submission by Subrecipient and approval by the GLO of invoices related to said Benchmark, including invoices for expenses incurred by any subcontractor, before Subrecipient may access additional Administrative and Project Delivery funds for reimbursement as outlined in the Performance Statement.

2.02 TIMELY EXPENDITURES

In accordance with the Federal Register and to ensure timely expenditure of grant funds, Subrecipient shall submit reimbursement requests under this contract, at a minimum, quarterly.

Subrecipient shall make timely payments to its subcontractors in accordance with Chapter 2251, Texas Government Code.

Subrecipient shall submit final reimbursement requests to the GLO no later than ninety (90) days after the Contract expires or is terminated. The GLO, in its sole discretion, may deny payment and deobligate remaining funds from the Contract ninety (90) days after expiration or termination of the Contract. The GLO's ability to deobligate funds under this Section 2.02 notwithstanding, the GLO shall pay all eligible reimbursement requests.

2.03 VARIANCE

Amendments to decrease or increase the Budget, or to add or delete an Activity may be made only by written agreement of the Parties, under the formal Amendment process described in Section 8.15, below. Upon completion of the Project, the GLO shall formally close out the Project by issuing a close-out letter to Subrecipient. The GLO may, in its sole discretion and in conformance with federal law, approve other adjustments required during Project performance through a Revision or Technical Guidance Letter. Such approvals must be in writing, and may be delivered by regular mail, electronic mail, or facsimile transmission.

SUBRECIPIENT SHALL SUBMIT A FINAL BUDGET AND ACTUAL EXPENDITURES AS PART OF THE GRANT COMPLETION REPORT TO THE GLO NO LATER THAN SIXTY (60) DAYS AFTER THE CONTRACT TERMINATES OR EXPIRES OR AT THE CONCLUSION OF ALL CONTRACT ACTIVITIES, WHICHEVER OCCURS FIRST. THE GRANT COMPLETION REPORT SHALL BE IN A FORMAT PRESCRIBED BY THE GLO AND SHALL CONFIRM COMPLETION OF ALL ACTIVITIES PERFORMED UNDER THIS CONTRACT.

2.04 PROGRAM INCOME

In accordance with 2 C.F.R. § 200.307, Subrecipient shall maintain records of the receipt and accrual of all Program Income, as Program Income is defined at 2 C.F.R. § 200.80. Subrecipient shall report Program Income to the GLO in accordance with ARTICLE 4 of this Contract. Any GLO-authorized use of Program Income by Subrecipient shall be subject to GLO or HUD restrictions.

ARTICLE III - DURATION, EXTENSION, AND TERMINATION OF CONTRACT

3.01 DURATION OF CONTRACT AND EXTENSION OF TERM

This Contract shall become effective on the date signed by the last Party ("Effective Date") and shall continue until April 13, 2021 or the Project has been fully completed and closed out, whichever date is earlier ("Contract Period"). **Subrecipient must meet all Project Benchmarks in Attachment A. Subrecipient's failure to meet any Benchmark may result in termination under SECTION 3.02, 3.03, or 3.04, below.**

Upon receipt of a written request and acceptable justification from Subrecipient, the GLO may amend this Contract to extend the Contract Period. **ANY REQUEST FOR EXTENSION MUST BE RECEIVED BY THE GLO AT LEAST SIXTY (60) DAYS BEFORE THE ORIGINAL TERMINATION DATE OF THIS CONTRACT AND, IF APPROVED, SUCH EXTENSION SHALL BE BY WRITTEN AMENDMENT.**

3.02 EARLY TERMINATION

In the event the State of Texas or HUD eliminates funding under this Contract or the CDBG-DR Program is assigned to another state agency, the GLO may terminate this Contract by giving written notice specifying a termination date at least thirty (30) days after the date of the notice. Upon receipt of such notice, Subrecipient shall cease work, terminate any subcontracts, and incur no further expense related to this Contract. **Such early termination shall be subject to the equitable settlement of the respective interests of the Parties, accrued up to the date of termination.**

3.03 EVENTS OF DEFAULT

Each of the following events shall constitute an Event of Default under this Contract: (i) Subrecipient fails to comply with any term, covenant, or provision contained in this Contract; (ii) Subrecipient makes a general assignment for the benefit of creditors or takes any similar action for the protection or benefit of creditors; (iii) Subrecipient makes a materially incorrect representation or warranty in a Performance Statement, a reimbursement request for payment, or any report submitted to the GLO under the Contract; or (iv) notwithstanding the GLO's option to terminate the Contract early under Section 3.02, the GLO fails to comply with any term, covenant, or provision contained in this Contract. Prior to a determination of an Event of Default, the Parties shall allow a thirty (30) day period to cure any deficiency or potential cause of an Event of Default. The Parties may extend the time allowed to cure any deficiency or potential cause of an Event of Default. The Parties shall not arbitrarily withhold approval of an extension of the time allowed to cure a deficiency or potential cause of an Event of Default. In no event shall the amount of time allowed to cure a deficiency or potential cause of an Event of Default extend beyond the Contract Period.

3.04 REMEDIES; NO WAIVER

Upon the occurrence of any Event of Default, the Parties may avail themselves of any equitable or legal remedy available to them, including without limitation, the withholding of

payment, disallowing all or part of noncompliant Activities, or suspending or terminating the Contract.

The Parties' rights or remedies under this Contract are not intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Contract, or hereafter legally existing, upon the occurrence of an Event of Default. The failure of either Party to insist upon the strict observance or performance of any of the provisions of this Contract, or to exercise any right or remedy provided in this Contract, shall not impair, waiver, or relinquish any such right or remedy with respect to another Event of Default.

ARTICLE IV - CONTRACT ADMINISTRATION

4.01 SUBMISSIONS – GENERALLY

Except for legal notices that must be sent by specific instructions pursuant to **SECTION 8.10** of the Contract and all other reports and documentation the GLO requires, any report, form, or request required to be submitted to the GLO under this Contract shall be sent in the format prescribed by the GLO.

If the Subrecipient fails to timely submit documentation to the GLO in the time and manner required by the Contract, the GLO may, in its sole discretion, withhold any payments pending Subrecipient's correction of the deficiency.

(a) HOUSING GUIDELINES

No later than the close of business sixty (60) days subsequent to the Effective Date of this Contract, Subrecipient must submit Housing Guidelines to the GLO for approval.

(b) FORMS

Subrecipient must execute the forms included in **Attachment B** and certifies by the execution of this Contract to all affirmations in **Attachment C**, confirming compliance with required state and federal laws applicable to the Contract.

- (i)** General Affirmations are found in **Attachment C**, and Subrecipient certifies by the execution of this Contract to all statements therein.
- (ii)** The Federal Assurances for Construction Programs (Standard Form 424D), as applicable to the Project, is found at Page 1 of **Attachment B** and must be executed by Subrecipient.
- (iii)** The "Certification Regarding Lobbying – Compliant with Appendix A to 24 C.F.R. Part 87" is found at Page 3 of **Attachment B** and must be executed by Subrecipient.
- (iv)** If any funds granted under this Contract have been used for lobbying purposes, Subrecipient must complete and execute Standard Form LLL, Disclosure of Lobbying Activities, found at Page 4 of **Attachment B**.

4.02 MONTHLY ACTIVITY STATUS REPORTS

Subrecipient must provide monthly Activity status reporting in the form prescribed in **Attachment G** (Monthly Activity Status Report) for all sites identified in **Attachment A**, on or before on the fifteenth day of the month following the month in which the reported Activities were performed for the duration of the Contract. Any licenses or permits required for the work identified in **Attachment A** shall be included as a part of the Monthly Activity Status Reports for the period during which they are obtained, pursuant to Article 8.01 herein. Subrecipient shall submit Monthly Activity Status Reports via email to: DR.Status.Reporting@recovery.texas.gov.

ARTICLE V - FEDERAL AND STATE FUNDING, RECAPTURE OF FUNDS, AND OVERPAYMENT

5.01 FEDERAL FUNDING

- (a) Funding for this Contract is appropriated under the Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act (Public Law 114-223), enacted on September 29, 2016, the Further Continuing and Security Assistance Appropriations Act, 2017 (Public Law 114-254), enacted on December 10, 2016, and the Consolidated Appropriations Act, 2017, (Public Law 115-31), enacted on May 5, 2017, to facilitate disaster recovery, restoration, economic revitalization, and to affirmatively further fair housing in accordance with Executive Order 12892, in areas affected by the Texas Severe Storms, Tornadoes, and Flooding (DR-4266), the Texas Severe Storms and Flooding (DR-4269), and the Texas Severe Storms and Flooding (DR-4272), which are Presidentially-declared major disaster areas under Title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121, *et seq.*). The fulfillment of this Contract is based on those funds being made available to the GLO as the lead administrative state agency. All expenditures under this Contract must be made in accordance with this Contract, the rules and regulations promulgated under the CDBG-DR Program and any other applicable laws. **Funds disbursed under each Activity may be subject to recapture and repayment for non-compliance.**
- (b) To participate in the CDBG-DR Program, Subrecipient must have a data universal numbering system (DUNS) number, and a Commercial and Government Entity (CAGE) Code.
- (c) Subrecipient must report its DUNS number and CAGE Code to the GLO for use in various reporting documents. A DUNS number and CAGE Code may be obtained by visiting the Central Contractor Registration web site at:

<https://www.sam.gov>

Assistance with this web site is available by calling 866-606-8220.

5.02 STATE FUNDING

- (a) This Contract shall not be construed as creating any debt on behalf of the State of Texas and/or the GLO in violation of Article III, Section 49, of the Texas Constitution. In compliance with Article VIII, Section 6 of the Texas Constitution,

all obligations of the GLO hereunder are subject to the availability of state funds. If such funds are not appropriated or become unavailable, the GLO may terminate this Contract. In that event, the Parties shall be discharged from further obligations, subject to the equitable settlement of their respective interests, accrued up to the date of termination.

- (b) Any claim by Subrecipient for damages under this Contract may not exceed the amount due and owing Subrecipient under the Contract or the amount of funds appropriated for payment, but not yet paid to Subrecipient, under the annual budget in effect at the time of the breach. Nothing in this provision shall be construed as a waiver of sovereign immunity.

5.03 RECAPTURE OF FUNDS

SUBRECIPIENT SHALL CARRY OUT THE ACTIVITIES UNDER THE CONTRACT IN A MANNER THAT COMPLIES WITH THE TERMS AND CONDITIONS OF THE CONTRACT AND ALL APPLICABLE LAWS. THE GLO MAY RECAPTURE AND BE REIMBURSED BY SUBRECIPIENT FOR ANY PAYMENTS MADE BY THE GLO (I) THAT EXCEED THE MAXIMUM ALLOWABLE HUD RATE; (II) THAT ARE NOT ALLOWED UNDER APPLICABLE LAWS, RULES, AND REGULATIONS; OR (III) THAT ARE OTHERWISE INCONSISTENT WITH THIS CONTRACT, INCLUDING ANY UNAPPROVED EXPENDITURES. THIS RECAPTURE PROVISION APPLIES TO ANY FUNDS EXPENDED FOR THE PROJECT OR ANY ACTIVITY THAT DOES NOT MEET A CDBG-DR PROGRAM NATIONAL OBJECTIVE AS SPECIFIED IN THE PERFORMANCE STATEMENT OR THAT IS NOT OTHERWISE ELIGIBLE UNDER CDBG-DR REGULATIONS.

5.04 OVERPAYMENT AND DISALLOWED COSTS

Subrecipient shall be liable to the GLO for any costs disallowed pursuant to financial and/or compliance audit(s) of funds received under this Contract. Subrecipient shall reimburse disallowed costs from funds which were not provided or otherwise made available to Subrecipient under this Contract.

5.05 FINAL BENCHMARKS

To ensure all programmatic requirements are met, the GLO shall only release the final five percent (5%) of the Project Budget upon submittal of completion and acceptance by the GLO of all Activities and Benchmarks identified in the Performance Statement. The GLO shall disburse the retained funds within thirty (30) days following approval of the Grant Completion Report and all related closeout documentation necessary to determine that Subrecipient has completed all Activities in accordance with the terms and requirements of the Performance Statement, the Contract Documents, and all applicable laws, rules, and regulations.

ARTICLE VI - INTELLECTUAL PROPERTY

6.01 OWNERSHIP AND USE

- (a) Except for City Materials (as defined below in 6.01(c)), and except for any third-party proprietary intellectual property or information for which the City does not

have a legal ownership right, the Parties shall jointly own all right, title, and interest in and to all reports, or other material, data, drawings, computer programs, and codes created under this Contract by either Party, and/or any copyright or other intellectual property rights, and any material or information developed and/or required to be delivered under this Contract, with each Party having the right to use, reproduce, or publish any or all of such information and other materials without obtaining permission from the other Party and without expense or charge. For any City or third-party proprietary intellectual property or information for which the City has a license to use or access, the City shall provide the GLO at least one (1) user license.

- (b) Except for City Materials, and except for any third-party proprietary intellectual property or information for which the City and/or the GLO do not have a legal ownership right, Subrecipient grants the GLO and HUD, and GLO and HUD grants to Subrecipient, a royalty free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, for governmental purposes, all reports, or other material, data, drawings, computer programs, and codes created under this Contract by either Party, and/or any copyright or other intellectual property rights, and any material or information developed and/or required to be delivered under this Contract by either Party.
- (c) "City Materials" means all works of authorship, materials, information, and other intellectual property created prior to the performance of any City obligation under this Contract, plus any modifications or enhancements thereto and derivative works based thereon, unless any such modifications, enhancements, or derivative works were funded using CDBG-DR funds. For clarity, if modifications, enhancements, or derivative works were funded using CDBG-DR funds, then only the applicable modification, enhancements, or derivative works are not included in the definition of City Materials.

6.02 NON-ENDORSEMENT BY STATE AND THE UNITED STATES

Subrecipient shall not publicize or otherwise circulate promotional material (such as advertisements, sales brochures, press releases, speeches, still or motion pictures, articles, manuscripts, or other publications) that states or implies the GLO, State of Texas, U.S. Government, or any government employee endorses a product, service, or position the Subrecipient represents. Subrecipient may not state or imply that the GLO, the State of Texas, or the U.S. Government approves of Subrecipient's work products or considers Subrecipient's work product to be superior to other products or services.

6.03 PUBLICATION DISCLAIMER REQUIRED

Subrecipient shall include a disclaimer on all public information releases issued pursuant to this Contract stating that the funds for this Project are provided by the City of Houston and the Texas General Land Office through HUD's CDBG Program.

ARTICLE VII - RECORDS, AUDIT, AND RETENTION

7.01 BOOKS AND RECORDS

Subrecipient shall keep and maintain, under GAAP or GASB, as applicable, full, true, and complete records sufficient to allow the GLO, the Texas State Auditor's Office, the United States Government, and/or their authorized representatives to determine Subrecipient's compliance with this Contract and all applicable laws, rules, and regulations, including the applicable laws and regulations provided in **Attachment D**.

7.02 INSPECTION AND AUDIT

- (a) All records related to this Contract, including records of Subrecipient and its Subcontractors, shall be subject to the Administrative and Audit Regulations. Accordingly, such records and work product shall be subject, at any time, to inspection, examination, audit, and copying at the Subrecipient's primary location or any location where such records and work product may be found, with or without notice from the GLO or other government entity with necessary legal authority. Subrecipient shall cooperate fully with any federal or state entity in the conduct of inspection, examination, audit, and copying, including providing all information requested. Subrecipient will ensure that this clause concerning federal and state entities' authority to inspect, examine, audit, and copy records and work product, and the requirement to fully cooperate with the federal and state entities, is included in any subcontract it awards.
- (b) The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the Contract or indirectly through a subcontract under the Contract. Acceptance of funds directly under the Contract or indirectly through a subcontract under the Contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. **The Office of the Comptroller General of the United States, the Government Accountability Office, the Office of Inspector General, or any authorized representative of the U.S. Government shall also have this right of inspection.** Subrecipient shall ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Subrecipient and the requirement to cooperate is included in any subcontract it awards.
- (c) Subrecipient will be deemed to have read and know of all applicable federal, state, and local laws, regulations, and rules pertaining to the Project, including those identified in **Attachment D**, governing audit requirements.

7.03 SUBRECIPIENT SELF-AUDIT AND TARGETED AUDITS

(a) Subrecipient Self-Audit

Upon GLO's or HUD's approval, Subrecipient may conduct an annual financial and compliance audit of funds received and performance rendered under this Contract. Subrecipient may use funds budgeted under this Contract to pay for that portion of the cost of such audit services properly allocable to the Activities funded under this

Contract, provided that the GLO shall not pay the cost of such audit services until the GLO has received Subrecipient's satisfactory audit report and invoice, as determined by the GLO. The invoice submitted for reimbursement must clearly show the percentage of cost allocable to the Activities funded under this Contract relative to the total cost of the audit services. Therefore, Subrecipient shall submit an invoice showing the total cost of the audit and the corresponding prorated charge per funding source. If applicable, Subrecipient shall submit an explanation with the reimbursement request, explaining why the percentage of audit fees exceeds the prorated amount allowable.

(b) Targeted Audits & Monitoring Visits

The GLO may at any time perform, or instruct the performance of, an annual program and/or fiscal audit, or conduct a special or targeted audit of any aspect of the Subrecipient's operation, using an auditor of the GLO's choice. Subrecipient shall maintain financial and other records prescribed by the GLO or by applicable federal or state laws, rules, and regulations.

7.04 PERIOD OF RETENTION

All records relevant to this Contract shall be retained for a period of three (3) years subsequent to the final closeout of the overall State of Texas CDBG-DR program, in accordance with federal regulations. **The GLO will notify all Program participants of the date upon which local records may be destroyed.**

ARTICLE VIII - MISCELLANEOUS PROVISIONS

8.01 LEGAL OBLIGATIONS

Subrecipient shall procure and maintain for the duration of this Contract any license, authorization, insurance, waiver, permit, qualification, or certification required by federal, state, county, or city statute, ordinance, law, or regulation to be held by Subrecipient to provide the goods or services required by this Contract. Subrecipient shall pay all taxes, assessments, fees, premiums, permits, and licenses required by law. Subrecipient shall pay any such government obligations not paid by its subcontractors during performance of this Contract. **Subrecipient shall include copies of such licenses and permits as a part of the Monthly Activity Status Report for the period during which they are obtained.**

8.02 INDEMNITY

To the extent permitted under the law, except for damages directly or proximately caused by the gross negligence of the GLO, Subrecipient shall indemnify and hold harmless the State of Texas, the GLO, and the officers, representatives, agents, and employees of the State of Texas and the GLO from any losses, claims, suits, actions, damages, or liability (including all costs and expenses of defending against all of the aforementioned) arising in connection with:

- (a) This Contract;**

- (b) Any negligence, act, omission, or misconduct in the performance of the services referenced herein; or
- (c) Any claims or amounts arising or recoverable under federal or state workers' compensation laws, the Texas Tort Claims Act, or any other such laws.

Subrecipient shall be responsible for the safety and well-being of its employees, customers, and invitees. These requirements shall survive the term of this Contract until all claims have been settled or resolved and suitable evidence to that effect has been furnished to the GLO. The provisions of this Section shall survive termination of this Contract. Subrecipient has not appropriated any money for payment under this Contract and nothing in this provision requires that funds be assessed or collected or that a sinking fund be created for any Claims arising under this Contract.

8.03 INSURANCE AND BOND REQUIREMENTS

- (a) Unless Subrecipient is a self-insured governmental entity pursuant to Chapter 2259 of the Texas Government Code to self-insure, Subrecipient shall carry insurance for the duration of this Contract in types and amounts necessary and appropriate for the Project.
- (b) Subrecipient shall require all contractors, subcontractors, vendors, service providers, or any other person or entity performing work described in **Attachment A** to carry insurance for the duration of the Project in the types and amounts customarily carried by a person or entity providing such goods or services. Subrecipient shall require any person or entity required to obtain insurance under this Section to complete and file the declaration pages from the insurance policies with Subrecipient whenever a previously identified policy period expires during the term of Subrecipient's contract with the person or entity, as proof of continuing coverage. Subrecipient's contract with any such person or entity shall clearly state that acceptance of the insurance policy declaration pages by the Subrecipient shall not relieve or decrease the liability of the person or entity. **Persons or entities shall be required to update all expired policies before Subrecipient's acceptance of an invoice for monthly payment from such parties.**
- (c) Subrecipient shall require performance and payment bonds to the extent they are required under Chapter 2253 of the Texas Government Code.
- (d) **Subrecipient shall require, on all construction projects, that any person or entity required to provide Federal Construction Assurances shall complete form SF-424D, entitled "Assurances – Construction Programs," and Subrecipient shall maintain such documentation.**

8.04 ASSIGNMENT AND SUBCONTRACTS

Subrecipient shall not assign, transfer, or delegate any rights, obligations, or duties under this Contract without the GLO's prior written consent. Notwithstanding this provision,

Subrecipient may subcontract some or all of the services to be performed under this Contract. In any subcontracts, Subrecipient shall legally bind the subcontractor to perform and make such subcontractor subject to all the duties, requirements, and obligations of Subrecipient as specified in this Contract. Nothing in this Contract shall be construed to relieve Subrecipient of the responsibility for ensuring that the goods delivered, and/or the services rendered by Subrecipient and/or any of its subcontractors, comply with all the terms and provisions of this Contract.

For all construction contracts or subcontracts to which Federal Labor Standards requirements apply, Subrecipient shall submit to the GLO all labor related documentation required to ensure compliance. Subrecipient shall retain five percent (5%) of the payment due under each of Subrecipient's construction or rehabilitation subcontracts until the GLO determines that the Federal Labor Standards requirements applicable to each such contract or subcontract have been satisfied.

8.05 PROCUREMENT

Subrecipient must comply with the procurement procedures stated at 2 C.F.R. §§ 200.318 through 200.326 and all other applicable federal, state, and local procurement procedures and laws, regulations, and rules. Subrecipient must confirm that its vendors and subcontractors are not debarred from receiving state or federal funds at each of the following web addresses:

Texas Comptroller's Vendor Performance Program at:

[https://comptroller.texas.gov/purchasing/;](https://comptroller.texas.gov/purchasing/)

and the Federal General Services Administration's System for Award Management (SAM):

<https://www.sam.gov>.

8.06 PURCHASES AND EQUIPMENT

Any purchase of Equipment under this Contract shall be made in accordance with all applicable laws, regulations, and rules including those listed in **Attachment D**. Subrecipient shall retain title to and possession of any Equipment unless and until transferred to the GLO or disposed of in accordance with federal regulations. Subrecipient shall furnish, with its final request for reimbursement, a list of all Equipment purchased with Program funds under the Contract, including the name of the manufacturer, the model number, and the serial number, if applicable. The disposition of any Equipment shall be in accordance with all applicable laws, regulations, and rules, including those listed in **Attachment D**.

8.07 COMMUNICATION WITH THIRD PARTIES

The GLO and the authorities named in **ARTICLE 7**, above, may initiate, in accordance with any legal authority granted by statute, regulation, or rule, communications with any subcontractor, and may request access to any books, documents, personnel, papers, and records of a subcontractor which are pertinent to this Contract. Such communications may be required to conduct audits, examinations, Davis-Bacon Labor Standards

interviews, and gather additional information as provided in **ARTICLE 7** herein. The results of such communication will be shared with Subrecipient, in writing, prior to any publication.

8.08 RELATIONSHIP OF THE PARTIES

The Parties to this Contract are associated only for the purposes and to the extent specified in this Contract. Subrecipient is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract creates a partnership or joint venture, employer-employee or principal-agent relationships, or any liability whatsoever with respect to the indebtedness, liabilities, or obligations of Subrecipient or any other party. If applicable, Subrecipient shall be solely responsible for and the GLO shall have no obligation with respect to: withholding of income taxes, FICA, or any other taxes or fees; industrial or workers' compensation insurance coverage; accumulation of vacation leave or sick leave; or unemployment compensation coverage provided by the State.

8.09 COMPLIANCE WITH OTHER LAWS

In the performance of this Contract, Subrecipient shall comply with all applicable federal, state, and local laws, ordinances, and regulations, including those listed in **Attachments B, C, and D**. Subrecipient is deemed to know and understand all applicable laws, statutes, ordinances, and regulations affecting its performance under this Contract.

8.10 NOTICES

Any notices required under this Contract shall be deemed delivered when deposited either in the United States mail, postage paid, certified, return receipt requested; or with a common carrier, overnight, signature required, to the appropriate address below:

GLO

Texas General Land Office
1700 N. Congress Avenue, 7th Floor
Austin, TX 78701
Attention: Contracts Management Division

Subrecipient

City of Houston
900 Bagby St., 4th Floor
Houston, TX 77002
Attention: Director of Housing and Community Development Department

Notice given in any other manner shall be deemed effective only if and when received by the Party to be notified. Either Party may change its address for notice by written notice to the other Party as herein provided.

8.11 GOVERNING LAW AND VENUE

This Contract and the rights and obligations of the Parties hereto shall be governed by, and construed according to, the laws of the State of Texas, exclusive of conflicts of law provisions. Venue of any suit brought under this Contract shall be in a court of competent jurisdiction in Travis County, Texas. Subrecipient irrevocably waives any objection, including any objection to personal jurisdiction or the laying of venue or based on the grounds of *forum non conveniens*, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction with respect to this Contract or any document related hereto. **NOTHING IN THIS CONTRACT SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY THE GLO OR A WAIVER OF GOVERNMENTAL IMMUNITY BY SUBRECIPIENT.**

8.12 SEVERABILITY

If a court of competent jurisdiction determines any provision of this Contract is invalid, void, or unenforceable, the remaining terms, provisions, covenants, and conditions of this Contract shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated.

8.13 DISPUTE RESOLUTION

Subrecipient shall use the dispute resolution process established in Chapter 2260 of the Texas Government Code and related rules to attempt to resolve any dispute under this Contract, including a claim for breach of contract by the GLO, that the Parties cannot resolve in the ordinary course of business. Neither the occurrence of an event giving rise to a breach of contract claim nor the pendency of such a claim constitute grounds for Subrecipient to suspend performance of this Contract. Notwithstanding this provision, the GLO and Subrecipient reserves all legal and equitable rights and remedies available to it.

8.14 PUBLIC RECORDS

Information related to the performance of this Contract may be subject to the Public Information Act ("PIA") and will be withheld from public disclosure or released only in accordance therewith. Subrecipient shall make any information created or exchanged with the state pursuant to the Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the state/the GLO. Subrecipient shall make any information required under the PIA available to the GLO in portable document file (".pdf") format or any other format agreed between the Parties. Subrecipient's failure to mark as "confidential" or a "trade secret" any information it believes to be excepted from disclosure waives all claims Subrecipient may make against the GLO for releasing such information without prior notice to Subrecipient.

Subrecipient shall release the following information upon receipt of an open records request:

- The amount of CDBG-DR funds expected to be made available;
- The range of Activities that may be undertaken with CDBG-DR funds;

- The estimated amount of CDBG-DR funds proposed to be used for Activities that will meet the national objective of benefit to low- and moderate-income persons; and
- The proposed CDBG-DR Activities likely to result in displacement and the Subrecipient's anti-displacement and relocation plan.

8.15 AMENDMENTS TO THE CONTRACT

Amendments to decrease or increase the Budget, to add or delete an Activity, to extend the term of the Contract, and/or to make other substantial amendments to the Contract may be made only by written agreement of the Parties, under the formal amendment process except that, upon completion of the Contract and submission and approval of the Grant Completion Report, the GLO may deobligate any remaining balances by means of a close-out letter pursuant to **SECTION 2.03**. The formal amendment process requires submission by the GLO Project Manager of the proposed amended language or amount to the GLO Contract Management Division for the preparation of a formal Amendment and circulation for necessary GLO and Subrecipient signatures. In the sole discretion of the GLO, and in conformance with federal law, the GLO may approve other adjustments required during Project performance by the GLO by way of a Revision or Technical Guidance Letter unilaterally issued by the GLO and acknowledged by the Subrecipient. Such approvals must be in writing and may be delivered by U.S. mail or electronic mail.

Pursuant to **SECTION 2.03** hereof, a final **Grant Completion Report** of all Activities performed under this Contract shall be submitted and shall include all such informal revisions approved over the life of the Contract.

8.16 REVISIONS TO PERFORMANCE STATEMENT

The Performance Statement may be revised by the Subrecipient quarterly and submitted to the GLO for approval. A proposed Revision to the Performance Statement does not require application of the formal Amendment process established in Section 8.15, above, but must be approved by the GLO, in writing, in order to take effect.

8.17 ENTIRE CONTRACT AND MODIFICATIONS

This Contract, its Attachment(s), any Amendment(s), Technical Guidance Letter(s), and/or Revision(s) issued in conjunction with this Contract, if any, constitute the entire agreement of the Parties and are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements made in connection with the subject matter hereof. Any additional or conflicting terms in Attachment(s), Technical Guidance Letter(s), and/or Revision(s) shall be harmonized with this Contract to the extent possible. Unless an Attachment, Technical Guidance Letter, or Revision specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language shall be construed consistently with the Contract.

8.18 PROPER AUTHORITY

Each Party hereto represents and warrants that the person executing this Contract on its behalf has full power and authority to legally bind its respective entity. Subrecipient acknowledges that this Contract is effective for the period of time specified in the Contract.

Any work performed by Subrecipient after the Contract terminates is performed at the sole risk of Subrecipient.

8.19 COUNTERPARTS

This Contract may be executed in any number of counterparts, each of which shall be an original, and all such counterparts shall together constitute but one and the same Contract.

8.20 SURVIVAL

The provisions of **ARTICLES 5, 6, AND 7; AND SECTIONS 1.01, 1.03, 2.05, 3.02, 3.04, 8.02, 8.03, 8.07, 8.08, 8.09, 8.10, 8.11, 8.13, 8.14, 8.15** of this Contract, and any other continuing obligations of Subrecipient shall survive the termination or expiration of this Contract.

8.21 CONTRACT CLOSEOUT

Upon completion of all Activities required for the Contract, and pursuant to **SECTION 2.03** hereof, Subrecipient shall prepare a final **Grant Completion Report** confirming final performance measures, budgets, and expenses and the GLO will close the contract in accordance with 2 C.F.R. §§ 200.343 through 200.345 and GLO CDBG-DR guidelines. The GLO will notify Subrecipient via official closeout letter.

8.22 INDIRECT COST RATES

Unless Subrecipient has negotiated or does negotiate an indirect cost rate with the federal government, subject to periodic renegotiations of the rate during the Contract Period, Subrecipient's indirect cost rate shall be set by 2 C.F.R. § 200.414(f), i.e., ten percent (10%).

8.23 CONFLICT OF INTEREST

- (a) Subrecipient shall abide by the provisions of this Section and include the provisions in all subcontracts. Subrecipient shall comply with all conflict of interest laws and regulations applicable to the Program.
- (b) Subrecipient shall maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts.

8.24 ENVIRONMENTAL CLEARANCE REQUIREMENTS

- (a) Subrecipient is responsible for conducting environmental reviews and for obtaining any environmental clearance necessary for successful completion of the Project. Subrecipient shall prepare environmental review or assessment of each Activity in accordance with applicable laws, regulations, rules, and guidance. Subrecipient shall maintain a written Environmental Review Record ("ERR") for each Activity, including all supporting source documentation and documentation to support any project mitigation. Subrecipient shall provide a copy of the ERR and all related source documentation to the GLO.

- (b) Subrecipient shall address inquiries and complaints and shall provide appropriate redress related to environmental Activities. Subrecipient shall document each communication issued or received hereunder in the related ERR.
- (c) The GLO may, in its sole discretion, reimburse Subrecipient for certain exempt environmental Activities, as defined in federal regulations. Reimbursement requests for exempt environmental Activities must be supported by the proper HUD-prescribed form.
- (d) The Parties acknowledge and understand that the GLO may enter into Interagency agreements with the Texas Historical Commission and other entities in order to facilitate any necessary environmental or historic review. The GLO may incorporate one or more Interagency agreement into this contract via a Technical Guidance Letter.

8.25 CITIZEN PARTICIPATION AND ALTERNATIVE REQUIREMENTS

- (a) Subrecipient must ensure that all citizens have equal and ongoing access to information about the Project, including ensuring that Project information is available in the appropriate languages for the geographical area served by the Subrecipient. Information furnished to citizens shall include, without limitation:
 - 1. The amount of CDBG-DR funds expected to be made available;
 - 2. The range of Activities that may be undertaken with the CDBG-DR funds;
 - 3. The estimated amount of the CDBG-DR funds proposed to be used for Activities meeting the national objective of benefiting low-to-moderate income persons; and
 - 4. A clear statement if any proposed CDBG-DR Activities are likely to result in displacement and the entity's anti-displacement and relocation plan.
- (b) Complaint Procedures: Subrecipient must have written citizen complaint procedures that provide a timely written response (within fifteen (15) working days) to complaints and grievances. Subrecipient shall notify citizens of the location and the days and hours when the location is open for business so they may obtain a copy of these written procedures.
- (c) Technical Assistance: If requested, Subrecipient shall provide technical assistance to persons of low and moderate income in completing applications for the use of CDBG-DR funds.
- (d) Subrecipient shall maintain a citizen participation file which includes a copy of the Subrecipient's complaint procedures, documentation and evidence of opportunities provided for citizen participation (e.g., public notices, advertisements, flyers, etc.), documentation of citizen participation events (e.g., meeting minutes, attendance lists, sign-in sheets, news reports, etc.), and documentation of any technical assistance requested and/or provided.

8.26 PROCUREMENT OF RECOVERED MATERIALS

- (a) To the extent applicable, the Provider shall make maximum use of products

containing recovered materials that are EPA-designated items unless the product cannot be acquired—

- i. Competitively within a timeframe providing for compliance with the contract performance schedule;
- ii. That meets contract performance requirements; or
- iii. At a reasonable price.

(b) To ensure maximum use of recovered/recycled materials per 2 CFR § 200.322, information about this requirement is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensiveprocurement-guideline-cpg-program>, along with the list of EPA-designated items.

8.27 INFORMATION AND DATA SECURITY STANDARDS

Subrecipient shall comply with all terms specified in the **GLO Information Security Appendix**, incorporated herein for all purposes as **Attachment F**.

8.28 STATEMENTS OR ENTRIES

Except as otherwise provided under federal law, any person who knowingly and willfully falsifies, conceals, or covers up a material fact by any trick, scheme or device or who makes any materially false, fictitious, or fraudulent statement or representation or who makes or uses any false writing or document knowing the writing or document to contain any materially false, fictitious, or fraudulent statement or entry shall be prosecuted under Title 18, United States Code, § 1001. Under penalties of 18 U.S.C. § 1001, the undersigned Provider representative hereby declares that he/she has examined this Contract and Attachments, including without limitation, the Solicitation and Solicitation Response, and to the best of his/her knowledge and belief any statements, entries, or claims made by Provider are, correct, accurate and complete.

SIGNATURE PAGES FOLLOWS

**SIGNATURE PAGE FOR GLO CONTRACT NO. 19-076-008-B357
SUBRECIPIENT HOUSING CONTRACT AGREEMENT – 2016 FLOOD ALLOCATION**

GENERAL LAND OFFICE

CITY OF HOUSTON

Mark A. Havens, Chief Clerk/
Deputy Land Commissioner

By: _____

Title: _____

Date of execution: _____

Date of execution: _____

OGC _____

DD _____

SDD _____

DGC _____

GC _____

ATTACHED TO THIS CONTRACT:

- ATTACHMENT A:** Performance Statement, Budget, and Benchmarks for Housing Projects
- ATTACHMENT B:** Federal Assurances and Certifications
- ATTACHMENT C:** General Affirmations
- ATTACHMENT D:** Nonexclusive List of Applicable Laws, Rules, and Regulations
- ATTACHMENT E:** Special Conditions
- ATTACHMENT F:** GLO Information Security Appendix
- ATTACHMENT G:** Monthly Activity Status Report

**SIGNATURE PAGE FOR GLO CONTRACT NO. 19-076-008-B357
SUBRECIPIENT HOUSING CONTRACT AGREEMENT – 2016 FLOOD ALLOCATION**

CITY OF HOUSTON

MAYOR

DATE

CITY SECRETARY

COUNTERSIGNED:

DATE OF COUNTERSIGNATURE:

CITY CONTROLLER

APPROVED:

APPROVED AS TO FORM:

**DIRECTOR, HOUSING AND COMMUNITY
DEVELOPMENT DEPARTMENT**

SENIOR ASSISTANT CITY ATTORNEY

ATTACHMENTS FOLLOW

ATTACHMENT A

SUBRECIPIENT NAME: CITY OF HOUSTON

HOUSING PERFORMANCE STATEMENT

Subrecipient shall carry out the following housing activities in the City of Houston area in strict accordance with the terms of the Subrecipient's or GLO's approved Housing Guidelines (where applicable), Contract, and all Attachments, whether attached physically or incorporated by reference.

Project Description

The subrecipient will fund the purchase of single family or multifamily housing units, the relocation of residents, and the demolition of the homes. The proposed activities will remove housing from the floodplain and prevent residential flooding in the future. This is a voluntary program and eminent domain will not be used. The City and/or a subrecipient, such as the Harris County Flood Control District, will carry out the program. Properties will be returned to green space to help absorb water and mitigate street and residential flooding in the future. Only properties impacted by a 2016 flood event are eligible. Properties will be dedicated and maintained in perpetuity for use that is compatible with open space. The subrecipient will remove approximately 250 single family or multifamily units from flood plain, high flood risk areas or Disaster Risk Reduction Areas (DRRA). The City of Houston will utilize assessments provided with Harris County MOD and FEMA data to identify areas or homes that are at risk of flooding again, were impacted by the 2016 flood events, and part of a City or County's buyout strategy. The program will benefit an area where at least 51% of residents are low- and moderate-income (LMI) households affected by the 2016 Floods, as well as arrange for the demolition of dilapidated structures and conversion of property to open space. An environmental review must be conducted at all locations prior to the execution and commencement of work.

The following activities will be assisted under the Contract:

Activity Type	National Objective	Estimated Number of Activities Served
Buyout	LMB	250

Buyout Program (BP-LMB)

The subrecipient will remove approximately 250 single family or multifamily housing units from high flood risk areas.

The subrecipient must ensure that, upon completion, the acquired (buyout) property will be dedicated and maintained in perpetuity for use that is compatible with open space. The locations of these structures have not been determined at this time. It is estimated that 250 Housing Units will be removed.

The Subrecipient will offer relocation assistance for up to an estimated 250 households. Assistance will be provided to homeowners located in a floodplain, high flood risk areas, or Disaster Risk Reduction Area (DRRA) that agree to relocate outside of the floodplain. The properties acquired with funds provided under this Contract may be used for green space or as recreational area. Refer to the approved GLO 2015-2016 Floods Housing Guidelines for further technical guidance on the final use of the acquired property.

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CITY OF HOUSTON
HOUSING BENCHMARKS

Benchmark	Incremental Cap for Charges by Benchmark for Administration and Project Delivery Funds	Cumulative Billing Cap by Benchmark for Administration and Project Delivery Funds
Approval of Housing Guidelines (where applicable)	15%	15%
15% of Project Funds drawn by subrecipient	15%	30%
25% of Project Funds drawn by subrecipient	15%	45%
50% of Project Funds drawn by subrecipient	15%	60%
75% of Project Funds drawn by subrecipient	15%	75%
100% of Project Funds drawn or activities closed by subrecipient	20%	95%
Closeout of grant accepted	5%	100%

CITY OF HOUSTON
HOUSING BUDGET

Activity Number	HUD Activity Type	Program Activity Type	Grant Award	Other Funds	Total
19-076-008_MI_BP-LMI_Houston	Acquisition - buyout of residential properties	Buyout Program – LMI	\$23,486,698	\$0	\$22,178,653
19-076-008_MI_BP-LMI_Houston	Acquisition - buyout of residential properties	Buyout Program _ Project Delivery-- LMI	\$838,312	\$0	\$838,312
19-076-008_MI_Admin_Houston	Administration	Buyout Program - Admin- LMI	\$469,733	\$0	\$469,733
TOTAL			\$23,486,698	\$0	\$23,486,698

ATTACHMENT B

ASSURANCES - CONSTRUCTION PROGRAMS

OMB Approval No. 4040-0009
Expiration Date: 01/31/2019

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681- 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C.§794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other non-discrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of

Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).

16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL		TITLE	
APPLICANT ORGANIZATION		DATE SUBMITTED	
City of Houston			

THIS FORM MUST BE EXECUTED

**CERTIFICATION REGARDING LOBBYING
COMPLIANT WITH APPENDIX A TO 24 C.F.R. PART 871**

Certification for Contracts, Grants, Loans, and Cooperative Agreements:

The undersigned certifies, to the best of his or her 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 an 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.

(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 contract, 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 subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

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. Code. 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.

Statement for Loan Guarantees and Loan Insurance:

The undersigned states, to the best of his or her knowledge and belief, that: If any 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 commitment providing for the United States to insure or guarantee a loan, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above applicable certification.

NAME OF APPLICANT

City of Houston

AWARD NUMBER AND/OR PROJECT NAME

19-076-008-B357

PRINTED NAME AND TITLE OF AUTHORIZED REPRESENTATIVE

SIGNATURE

DATE

Disclosure of Lobbying Activities

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352
(See reverse for public burden disclosure)

Approved by OMB
4040-0013

1. Type of Federal Action: a. contract _____ b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance	2. Status of Federal Action: a. bid/offer/application _____ b. initial award c. post-award	3. Report Type: a. initial filing _____ b. material change For material change only: Year _____ quarter _____ Date of last report _____
4. Name and Address of Reporting Entity: _____ Prime _____ Subawardee Tier _____, if known: Congressional District, <i>if known</i> :	5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime: Congressional District, <i>if known</i> :	
6. Federal Department/Agency:	7. Federal Program Name/Description: CFDA Number, <i>if applicable</i> : _____	
8. Federal Action Number, if known:	9. Award Amount, if known: \$	
10. a. Name and Address of Lobbying Registrant <i>(if individual, last name, first name, MI):</i>	b. Individuals Performing Services <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i>	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to the Congress semi-annually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____	
Federal Use Only	Authorized for Local Reproduction Standard Form - LLL (Rev. 7-97)	

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity 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 a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a followup report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitations for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Included prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.

(b) Enter the full names of the individual(s) performing services, and include full address if different from 10(a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB control Number. The valid OMB control number for this information collection is OMB No. 4040-0013. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (4040-0013), Washington, DC 20503.

ATTACHMENT C

General Affirmations

To the extent they apply, Provider affirms and agrees to the following, without exception:

1. Provider represents and warrants that, in accordance with Section 2155.005 of the Texas Government Code, neither Provider nor the firm, corporation, partnership, or institution represented by Provider, or anyone acting for such a firm, corporation, partnership, or institution has (1) violated any provision of the Texas Free Enterprise and Antitrust Act of 1983, Chapter 15 of the Texas Business and Commerce Code, or the federal antitrust laws, or (2) communicated directly or indirectly the contents of this Contract or any solicitation response upon which this Contract is based to any competitor or any other person engaged in the same line of business as Provider.
2. If the Contract is for services, Provider shall comply with Section 2155.4441 of the Texas Government Code, requiring the purchase of products and materials produced in the State of Texas in performing service contracts.
3. Under Section 231.006 of the Family Code, the vendor or applicant [Provider] certifies that the individual or business entity named in this Contract, bid or application is not ineligible to receive the specified grant, loan, or payment and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate.
4. A bid or an application for a contract, grant, or loan paid from state funds must include the name and social security number of the individual or sole proprietor and each partner, shareholder, or owner with an ownership interest of at least 25 percent of the business entity submitting the bid or application. Provider certifies it has submitted this information to the GLO.
5. If the Contract is for the purchase or lease of computer equipment, as defined by Texas Health and Safety Code Section 361.952(2), Provider certifies that it is in compliance with Subchapter Y, Chapter 361 of the Texas Health and Safety Code, related to the Computer Equipment Recycling Program and the Texas Commission on Environmental Quality rules in Title 30 Texas Administrative Code Chapter 328.
6. Pursuant to Section 2155.003 of the Texas Government Code, Provider represents and warrants that it has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the Contract.
7. Payments due under the Contract shall be directly applied towards eliminating any debt or delinquency Provider owes to the State of Texas including, but not limited to, delinquent taxes, delinquent student loan payments, and delinquent child support.
8. Upon request of the GLO, Provider shall provide copies of its most recent business continuity and disaster recovery plans.

9. If the Contract is for consulting services governed by Texas Government Code Chapter 2254, Subchapter B, in accordance with Section 2254.033 of the Texas Government Code, relating to consulting services, Provider certifies that it does not employ an individual who has been employed by The GLO or another agency at any time during the two years preceding the Provider's submission of its offer to provide consulting services to the GLO or, in the alternative, Provider, in its offer to provide consulting services to the GLO, disclosed the following: (i) the nature of the previous employment with the GLO or other state agency; (ii) the date the employment was terminated; and (iii) the annual rate of compensation for the employment at the time of its termination.
10. If the Contract is not for architecture, engineering, or construction services, Provider must use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to attempt to resolve any dispute arising under the Contract.
11. If the Contract is for architecture, engineering, or construction services, subject to Texas Government Code, Section 2260.002 and Texas Civil Practice and Remedies Code Chapter 114, Provider shall use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to attempt to resolve all disputes arising under this Contract. In accordance with the Texas Civil Practice and Remedies Code, Section 114.005, claims encompassed by Texas Government Code, Section 2260.002(3) and Texas Civil Practice and Remedies Code Section 114.002 shall be governed by the dispute resolution process set forth below in subsections (a)-(d).
 - a. Notwithstanding Texas Government Code, Chapter 2260.002(3) and Chapter 114.012 and any other statute or applicable law, if the Provider's claim for breach of contract cannot be resolved by the parties in the ordinary course of business, Provider may make a claim against the GLO for breach of contract and the GLO may assert a counterclaim against the Provider as is contemplated by Texas Government Code, Chapter 2260, Subchapter B. In such event, Provider must provide written notice to the GLO of a claim for breach of the Contract not later than the 180th day after the date of the event giving rise to the claim. The notice must state with particularity: (1) the nature of the alleged breach; (2) the amount the Provider seeks as damages; and (3) the legal theory of recovery.
 - b. The chief administrative officer, or if designated in the Contract, another officer of the GLO, shall examine the claim and any counterclaim and negotiate with the Provider in an effort to resolve them. The negotiation must begin no later than the 120th day after the date the claim is received, as is contemplated by Texas Government Code, Chapter 2260, Section 2260.052.
 - c. If the negotiation under paragraph (b) above results in the resolution of some disputed issues by agreement or in a settlement, the parties shall reduce the agreement or settlement to writing and each party shall sign the agreement or settlement. A partial settlement or resolution of a claim does not waive a party's rights under this Contract as to the parts of the claim that are not resolved.

- d. If a claim is not entirely resolved under paragraph (b) above, on or before the 270th day after the date the claim is filed with the GLO, unless the parties agree in writing to an extension of time, the parties may agree to mediate a claim made under this dispute resolution procedure. This dispute resolution procedure is the Provider's sole and exclusive process for seeking a remedy for an alleged breach of contract by the GLO if the parties are unable to resolve their disputes as described in this section.
 - e. Nothing in the Contract shall be construed as a waiver of the state's or the GLO's sovereign immunity. This Contract shall not constitute or be construed as a waiver of any of the privileges, rights, defenses, remedies, or immunities available to the State of Texas. The failure to enforce, or any delay in the enforcement, of any privileges, rights, defenses, remedies, or immunities available to the State of Texas under this Contract or under applicable law shall not constitute a waiver of such privileges, rights, defenses, remedies or immunities or be considered as a basis for estoppel. The GLO does not waive any privileges, rights, defenses, or immunities available to it by entering into this Contract or by its conduct, or by the conduct of any representative of the GLO, prior to or subsequent to entering into this Contract.
 - f. Compliance with the dispute resolution process provided for in Texas Government Code, Chapter 2260, subchapter B and incorporated by reference in subsection (a)-(d) above is a condition precedent to the Provider: (1) filing suit pursuant to Chapter 114 of the Civil Practices and Remedies Code; or (2) initiating a contested case hearing pursuant to Subchapter C of Chapter 2260 of the Texas Government Code.
12. Provider represents and warrants that, pursuant to Section 2270.002 of the Texas Government Code, Provider does not boycott Israel and will not boycott Israel during the term of the Contract.
 13. This Contract is contingent upon the continued availability of lawful appropriations by the Texas Legislature. Provider understands that all obligations of the GLO under this Contract are subject to the availability of state funds. If such funds are not appropriated or become unavailable, the GLO may terminate the Contract. The Contract shall not be construed as creating a debt on behalf of the GLO in violation of Article III, Section 49a of the Texas Constitution.
 14. Provider certifies that it is not listed on the federal government's terrorism watch list as described in Executive Order 13224.
 15. In accordance with Section 669.003 of the Texas Government Code, relating to contracting with the executive head of a state agency, Provider certifies that it is not (1) the executive head of the GLO, (2) a person who at any time during the four years before the effective date of the Contract was the executive head of the GLO, or (3) a person who employs a current or former executive head of the GLO.

16. Provider represents and warrants that all statements and information prepared and submitted in connection with this Contract are current, complete, true, and accurate. Submitting a false statement or making a material misrepresentation during the performance of this Contract is a material breach of contract and may void the Contract or be grounds for its termination.
17. Pursuant to Section 2155.004(a) of the Texas Government Code, Provider certifies that neither Provider nor any person or entity represented by Provider has received compensation from the GLO to participate in the preparation of the specifications or solicitation on which this Contract is based. Under Section 2155.004(b) of the Texas Government Code, Provider certifies that the individual or business entity named in this Contract is not ineligible to receive the specified contract and acknowledges that the Contract may be terminated and payment withheld if this certification is inaccurate. This Section does not prohibit Provider from providing free technical assistance.
18. Provider represents and warrants that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization, as prohibited by Section 2252.152 of the Texas Government Code.
19. If the Contract is for professional or consulting services governed by Texas Government Code Chapter 2254, Provider represents and warrants that none of its employees including, but not limited to, those authorized to provide services under the Contract, were former employees of the GLO during the twelve (12) month period immediately prior to the date of execution of the Contract.
20. The Contract shall be governed by and construed in accordance with the laws of the State of Texas, without regard to the conflicts of law provisions. The venue of any suit arising under the Contract is fixed in any court of competent jurisdiction of Travis County, Texas, unless the specific venue is otherwise identified in a statute which directly names or otherwise identifies its applicability to the GLO.
21. IF THE CONTRACT IS NOT FOR ARCHITECTURE OR ENGINEERING SERVICES GOVERNED BY TEXAS GOVERNMENT CODE CHAPTER 2254, PROVIDER, TO THE EXTENT PERMITTED BY LAW, SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND THE GLO, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES ARISING OUT OF, OR RESULTING FROM ANY ACTS OR OMISSIONS OF PROVIDER OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT AND ANY PURCHASE ORDERS ISSUED UNDER THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY PROVIDER WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND PROVIDER MAY NOT AGREE

TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL. PROVIDER AND THE GLO SHALL FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

22. IF THE CONTRACT IS FOR ARCHITECTURE OR ENGINEERING SERVICES GOVERNED BY TEXAS GOVERNMENT CODE CHAPTER 2254, PROVIDER, TO THE EXTENT PERMITTED BY LAW, SHALL INDEMNIFY AND HOLD HARMLESS THE STATE OF TEXAS AND THE GLO, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED DAMAGES, COSTS, ATTORNEY FEES, AND EXPENSES TO THE EXTENT CAUSED BY, ARISING OUT OF, OR RESULTING FROM ANY ACTS OF NEGLIGENCE, INTENTIONAL TORTS, WILLFUL MISCONDUCT, PERSONAL INJURY OR DAMAGE TO PROPERTY, AND/OR OTHERWISE RELATED TO PROVIDER'S PERFORMANCE, AND/OR FAILURES TO PAY A SUBCONTRACTOR OR SUPPLIER BY THE PROVIDER OR ITS AGENTS, EMPLOYEES, SUBCONTRACTORS, ORDER FULFILLERS, CONSULTANTS UNDER CONTRACT TO PROVIDER, OR ANY OTHER ENTITY OVER WHICH THE CONTRACTOR EXERCISES CONTROL, OR SUPPLIERS OF SUBCONTRACTORS IN THE EXECUTION OR PERFORMANCE OF THE CONTRACT. THE DEFENSE SHALL BE COORDINATED BY PROVIDER WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL WHEN Texas STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND PROVIDER MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE TEXAS ATTORNEY GENERAL. PROVIDER AND THE GLO SHALL FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM
23. TO THE EXTENT PERMITTED BY LAW, PROVIDER SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE GLO AND THE STATE OF TEXAS FROM AND AGAINST ANY AND ALL CLAIMS, VIOLATIONS, MISAPPROPRIATIONS OR INFRINGEMENT OF ANY PATENT, TRADEMARK, COPYRIGHT, TRADE SECRET OR OTHER INTELLECTUAL PROPERTY RIGHTS AND/OR OTHER INTANGIBLE PROPERTY, PUBLICITY OR PRIVACY RIGHTS, AND/OR IN CONNECTION WITH OR ARISING FROM: (1) THE PERFORMANCE OR ACTIONS OF PROVIDER PURSUANT TO THIS CONTRACT; (2) ANY DELIVERABLE, WORK PRODUCT, CONFIGURED SERVICE OR OTHER SERVICE PROVIDED HEREUNDER; AND/OR (3) THE GLO'S AND/OR PROVIDER'S USE OF OR ACQUISITION OF ANY REQUESTED SERVICES OR OTHER ITEMS PROVIDED TO THE GLO BY PROVIDER OR OTHERWISE TO WHICH THE GLO HAS ACCESS AS A RESULT OF PROVIDER'S PERFORMANCE UNDER THE CONTRACT. PROVIDER AND THE GLO shall FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. PROVIDER SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE, INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY PROVIDER

WITH THE OFFICE OF THE TEXAS ATTORNEY GENERAL (OAG) WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND PROVIDER MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM OAG. IN ADDITION, PROVIDER WILL REIMBURSE THE GLO AND THE STATE OF TEXAS FOR ANY CLAIMS, DAMAGES, COSTS, EXPENSES OR OTHER AMOUNTS, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES AND COURT COSTS, ARISING FROM ANY SUCH CLAIM. IF THE GLO DETERMINES THAT A CONFLICT EXISTS BETWEEN ITS INTERESTS AND THOSE OF PROVIDER OR IF THE GLO IS REQUIRED BY APPLICABLE LAW TO SELECT SEPARATE COUNSEL, THE GLO WILL BE PERMITTED TO SELECT SEPARATE COUNSEL AND PROVIDER WILL PAY ALL REASONABLE COSTS OF THE GLO'S COUNSEL.

24. Provider has disclosed in writing to the GLO all existing or potential conflicts of interest relative to the performance of the Contract.
25. Sections 2155.006 and 2261.053 of the Texas Government Code, prohibit state agencies from accepting a solicitation response or awarding a contract that includes proposed financial participation by a person who, in the past five years, has been convicted of violating a federal law or assessed a penalty in connection with a contract involving relief for Hurricane Rita, Hurricane Katrina, or any other disaster, as defined by Section 418.004 of the Texas Government Code, occurring after September 24, 2005. Under Sections 2155.006 and 2261.053 of the Texas Government Code, Provider certifies that the individual or business entity named in this Contract is not ineligible to receive the specified contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.
26. Provider understands that the GLO will comply with the Texas Public Information Act (Chapter 552 of the Texas Government Code) as interpreted by judicial rulings and opinions of the Attorney General of the State of Texas. Information, documentation, and other material related to this Contract may be subject to public disclosure pursuant to the Texas Public Information Act. In accordance with Section 2252.907 of the Texas Government Code, Provider shall make any information created or exchanged with the State/GLO pursuant to the Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State or the GLO.
27. The person executing this Contract certifies that he/she is duly authorized to execute this Contract on his/her own behalf or on behalf of Provider and legally empowered to contractually bind Provider to the terms and conditions of the Contract and related documents.
28. If the Contract is for architectural or engineering services, pursuant to Section 2254.0031 of the Texas Government Code, which incorporates by reference Section 271.904(d) of the Texas Local Government Code, Provider shall perform services (1) with professional skill and care ordinarily provided by competent engineers or architects practicing under

the same or similar circumstances and professional license, and (2) as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer or architect.

29. The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the Contract or indirectly through a subcontract under the Contract. The acceptance of funds directly under the Contract or indirectly through a subcontract under the Contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit. Provider shall ensure that this paragraph concerning the authority to audit funds received indirectly by subcontractors through the Contract and the requirement to cooperate is included in any subcontract it awards. The GLO may unilaterally amend the Contract to comply with any rules and procedures of the state auditor in the implementation and enforcement of Section 2262.154 of the Texas Government Code.
30. Provider certifies that neither it nor its principals are debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from participation in the Contract by any state or federal agency.
31. Provider expressly acknowledges that state funds may not be expended in connection with the purchase of an automated information system unless that system meets certain statutory requirements relating to accessibility by persons with visual impairments. Accordingly, Provider represents and warrants to the GLO that any technology provided to the GLO for purchase pursuant to this Contract is capable, either by virtue of features included within the technology or because it is readily adaptable by use with other technology, of: providing equivalent access for effective use by both visual and non-visual means; presenting information, including prompts used for interactive communications, in formats intended for non-visual use; and being integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired. For purposes of this Section, the phrase "equivalent access" means a substantially similar ability to communicate with or make use of the technology, either directly by features incorporated within the technology or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans With Disabilities Act or similar state or federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands and other means of navigating graphical displays, and customizable display appearance.
32. If the Contract is for the purchase or lease of covered television equipment, as defined by Section 361.971(3) of the Texas Health and Safety Code, Provider certifies its compliance with Subchapter Z, Chapter 361 of the Texas Health and Safety Code, related to the Television Equipment Recycling Program.

ATTACHMENT D

NONEXCLUSIVE LIST OF APPLICABLE LAWS, RULES, AND REGULATIONS

If applicable to the Project, Provider must be in compliance with the following laws, rules, and regulations; and any other state, federal, or local laws, rules, and regulations as may become applicable throughout the term of the Contract, and Provider acknowledges that this list may not include all such applicable laws, rules, and regulations.

Provider is deemed to have read and understands the requirements of each of the following, if applicable to the Project under this Contract:

GENERALLY

The Acts and Regulations specified in this Contract;

Continuing Appropriations and Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2017, and Zika Response and Preparedness Act (Public Law No. 114-223);

Further Continuing and Security Assistance Appropriations Act, 2017 (Public Law No. 114-254);

Consolidated Appropriations Act, 2017 (Public Law No. 115-31);

The Housing and Community Development Act of 1974 (12 U.S.C. § 5301, *et seq.*);

The United States Housing Act of 1937, as amended, 42 U.S.C. § 1437f(o)(13) (2016) and related provisions governing Public Housing Authority project-based assistance, and implementing regulations at 24 C.F.R. Part 983 (2016);

Cash Management Improvement Act regulations (31 C.F.R. Part 205);

Community Development Block Grants (24 C.F.R. Part 570);

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200);

Disaster Recovery Implementation Manual; and

Guidance Documents: State of Texas Plan for Disaster Recovery ("2016 Action Plan") dated March 10, 2017, as amended.

CIVIL RIGHTS

Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d, *et seq.*); 24 C.F.R. Part 1, "Nondiscrimination in Federally Assisted Programs of the Department of Housing and Urban Development - Effectuation of Title VI of the Civil Rights Act of 1964";

Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972 (42 U.S.C. § 2000e, *et seq.*);

Title VIII of the Civil Rights Act of 1968, "The Fair Housing Act of 1968" (42 U.S.C. § 3601, *et seq.*), as amended;

Executive Order 11063, as amended by Executive Order 12259, and 24 C.F.R. Part 107, "Nondiscrimination and Equal Opportunity in Housing under Executive Order 11063"; The failure or refusal of Provider to comply with the requirements of Executive Order 11063 or 24 C.F.R. Part 107 shall be a proper basis for the imposition of sanctions

specified in 24 C.F.R. 107.60;

The Age Discrimination Act of 1975 (42 U.S.C. § 6101, *et seq.*); and

Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794.) and "Nondiscrimination Based on Handicap in Federally-Assisted Programs and Activities of the Department of Housing and Urban Development", 24 C.F.R. Part 8. By signing this Contract, Provider understands and agrees that the activities funded shall be performed in accordance with 24 C.F.R. Part 8; and the Architectural Barriers Act of 1968 (42 U.S.C. § 4151, *et seq.*), including the use of a telecommunications device for deaf persons (TDDs) or equally effective communication system.

LABOR STANDARDS

The Davis-Bacon Act, as amended (originally, 40 U.S.C. §§ 276a-276a-5 and re-codified at 40 U.S.C. §§ 3141-3148); 29 C.F.R. Part 5;

The Copeland "Anti-Kickback" Act (originally, 18 U.S.C. § 874 and re-codified at 40 U.S.C. § 3145); 29 C.F.R. Part 3;

Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (originally, 40 U.S.C. §§ 327A and 330 and re-codified at 40 U.S.C. §§ 3701-3708);

Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act) (29 C.F.R. Part 5); and

Federal Executive Order 11246, as amended.

EMPLOYMENT OPPORTUNITIES

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. § 1701u); 24 C.F.R. §§ 135.3(a)(2) and (a)(3);

The Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. § 4212);

Title IX of the Education Amendments of 1972 (20 U.S.C. §§ 1681-1688); and

Federal Executive Order 11246, as amended.

GRANT AND AUDIT STANDARDS

Single Audit Act Amendments of 1996, 31 U.S.C. § 7501;

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 C.F.R. Part 200);

Uniform Grant and Contract Management Act (Texas Government Code Chapter 783) and the Uniform Grant Management Standards issued by Governor's Office of Budget and Planning; and

Title 1 Texas Administrative Code § 5.167(c).

LEAD-BASED PAINT

Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831(b)).

HISTORIC PROPERTIES

The National Historic Preservation Act of 1966 as amended (16 U.S.C. § 470, *et seq.*), particularly sections 106 and 110 (16 U.S.C. §§ 470 and 470h-2), except as provided in §58.17 for Section 17 projects;

Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921), 3 C.F.R., 1971-1975 Comp., p. 559, particularly section 2(c);

Federal historic preservation regulations as follows: 36 C.F.R. Part 800 with respect to HUD programs; and

The Reservoir Salvage Act of 1960 as amended by the Archeological and Historic Preservation Act of 1974 (16 U.S.C. § 469, *et seq.*), particularly section 3 (16 U.S.C. § 469a-1).

ENVIRONMENTAL LAW AND AUTHORITIES

Environmental Review Procedures for Recipients assuming HUD Environmental Responsibilities (24 C.F.R. Part 58, as amended);

National Environmental Policy Act of 1969, as amended (42 U.S.C. §§ 4321-4347); and

Council for Environmental Quality Regulations for Implementing NEPA (40 C.F.R. Parts 1500-1508).

FLOODPLAIN MANAGEMENT AND WETLAND PROTECTION

Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951), 3 C.F.R., 1977 Comp., p. 117, as interpreted in HUD regulations at 24 C.F.R. Part 55, particularly Section 2(a) of the Order (For an explanation of the relationship between the decision-making process in 24 C.F.R. Part 55 and this part, see § 55.10.); and

Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961), 3 C.F.R., 1977 Comp., p. 121, particularly Sections 2 and 5.

COASTAL ZONE MANAGEMENT

The Coastal Zone Management Act of 1972 (16 U.S.C. § 1451, *et seq.*), as amended, particularly sections 307(c) and (d) (16 U.S.C. § 1456(c) and (d)).

SOLE SOURCE AQUIFERS

The Safe Drinking Water Act of 1974 (42 U.S.C. §§ 201, 300(f), *et seq.*, and 21 U.S.C. § 349) as amended; particularly section 1424(e)(42 U.S.C. § 300h-3(e)); and

Sole Source Aquifers (Environmental Protection Agency-40 C.F.R. Part 149).

ENDANGERED SPECIES

The Endangered Species Act of 1973 (16 U.S.C. § 1531, *et seq.*) as amended, particularly section 7 (16 U.S.C. § 1536).

WILD AND SCENIC RIVERS

The Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271, *et seq.*) as amended,

particularly sections 7(b) and (c) (16 U.S.C. § 1278(b) and (c)).

AIR QUALITY

The Clean Air Act (42 U.S.C. § 7401, *et seq.*) as amended, particularly sections 176(c) and (d) (42 U.S.C. § 7506(c) and (d)); and

Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency—40 C.F.R. Parts 6, 51, and 93).

FARMLAND PROTECTION

Farmland Protection Policy Act of 1981 (7 U.S.C. § 4201, *et seq.*), particularly sections 1540(b) and 1541 (7 U.S.C. §§ 4201(b) and 4202); and

Farmland Protection Policy (Department of Agriculture—7 C.F.R. Part 658).

HUD ENVIRONMENTAL STANDARDS

Applicable criteria and standards specified in HUD environmental regulations (24 C.F.R. Part 51)(other than the runway clear zone and clear zone notification requirement in 24 C.F.R. § 51.303(a)(3)); and

HUD Notice 79-33, Policy Guidance to Address the Problems Posed by Toxic Chemicals and Radioactive Materials, September 10, 1979.

ENVIRONMENTAL JUSTICE

Executive Order 12898 of February 11, 1994--Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, (59 FR 7629), 3 C.F.R., 1994 Comp. p. 859.

SUSPENSION AND DEBARMENT

Use of debarred, suspended, or ineligible contractors or subrecipients (24 C.F.R. § 570.609);

General HUD Program Requirements; Waivers (24 C.F.R. Part 5); and

Nonprocurement Suspension and Debarment (2 C.F.R. Part 2424).

OTHER REQUIREMENTS

Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (24 C.F.R. Part 58).

ACQUISITION / RELOCATION

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601, *et seq.*), 24 C.F.R. Part 42, and 24 C.F.R. § 570.606.

FAITH-BASED ACTIVITIES

Executive Order 13279 of December 12, 2002 - Equal Protection of the Laws for Faith-Based and Community Organizations, (67 FR 77141).

ATTACHMENT E

SPECIAL CONDITIONS

If applicable to the Activity, Subrecipient must be in compliance with the following Special Conditions and any other State, Federal, or local laws, rules, and regulations as may be applicable, throughout the term of the Contract, prior to the release of any grant funds for the Activities anticipated

Subrecipient is deemed to have read and to understand the requirements of each of the following, if applicable to the Activity under this Contract:

A. REIMBURSEMENT, GENERALLY

As provided for in Public Laws 114-223, 114-254, and 115-31, the Contract funds may not be used for activities that are eligible to be reimbursed by, or for which funds are made available by, (a) the Federal Emergency Management Agency (FEMA); (b) the Army Corps of Engineers (Corps); (c) any other federal funding source; or (d) covered by insurance, and Subrecipient shall ensure compliance with all such requirements.

B. NATIONAL FLOOD INSURANCE PROGRAM COMPLIANCE

- (1) Subrecipient must provide documentation which indicates they have received approval from the Texas Water Development Board (TWDB), the National Flood Insurance Program (NFIP) State Coordinating Agency, that appropriate ordinances or orders necessary for Subrecipient to be eligible to participate in the NFIP have been adopted.
- (2) Where activities specified in Attachment A, Performance Statement, involve structures that are located in Special Flood Hazard Areas (SFHA), flood insurance may be required, and Subrecipient shall obtain such insurance, and shall maintain documentation evidencing compliance with such requirements.
- (3) Subrecipient acknowledges and agrees that if any property that is the subject of an Activity under this Contract located within a floodplain, that the following terms and conditions shall apply:
 - a. Under the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001-4128), Federal financial assistance for acquisition and construction purposes (including rehabilitation) may not be used in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:
 - i. The community in which the area is situated is participating in the National Flood Insurance Program ("NFIP") (44 CFR parts 59 through 79), or less than one (1) year has passed since the FEMA notification regarding such hazards; and
 - ii. The community is participating in the NFIP, or that flood insurance protection is to be obtained as a condition of the approval of financial assistance to the property owner.
 - b. Where the community is participating in the NFIP and the recipient provides financial assistance for acquisition or construction purposes (including rehabilitation) for property located in an area identified by FEMA as having special flood hazards, Subrecipient is responsible for ensuring that flood insurance under the NFIP is obtained and maintained.
 - c. Under Section 582 of the National Flood Insurance Reform Act of 1994, 42 U.S.C. 515a, HUD disaster assistance that is made available in a special flood hazard area may not be used to make a payment (including any loan assistance payment) to a

person for repair, replacement, or restoration for flood damage to any personal, residential, or commercial property if:

- i. The person had previously received Federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and
 - ii. The person failed to obtain and maintain flood insurance.
- d. Subrecipient understands and agrees that it has a responsibility to inform homeowners receiving disaster assistance that triggers the flood insurance purchase requirement of their statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance, and that the transferring owner may be liable if he or she fails to do so.

C. PROJECT MAPPING/DESIGN INFORMATION

For construction projects, Subrecipient shall require and maintain copies, in written and/or digital format, of final Project record drawing(s) and engineering schematics, as constructed.

D. WATER SYSTEM IMPROVEMENTS

- (1) Prior to the GLO's release of funds for the construction of any water system improvements, Subrecipient shall provide certification to the GLO that plans, specifications, and related documents for the specified water system improvements have been prepared by the engineer selected for such activities, or the engineer's duly authorized representative, and that the review of such plans, specifications, and related documents meet the applicable Texas Commission on Environmental Quality (TCEQ) review requirements described in Title 30 of the Texas Administrative Code.
- (2) Prior to construction, Subrecipient shall provide documentation to the GLO that an approved new or amended Certificate of Convenience and Necessity (CCN), or the equivalent permit or authority for the area to be served, has been issued by the TCEQ.
- (3) Prior to Subrecipient submission of the Project Completion Report for any water system improvements described in Attachment A, Subrecipient shall provide a letter from the TCEQ that the constructed well is approved for interim use and may be temporarily placed into service pursuant to 30 Texas Administrative Code, Chapter 290—Rules and Regulations for Public Water Systems.

E. SEWER SYSTEM IMPROVEMENTS

Prior to the construction of any sewer system improvements described, Subrecipient shall provide certification that plans, specifications, and related documents for the specified sewer system improvements have been prepared by the engineer selected for such activities, or the engineer's duly authorized representative, and that the review of such plans, specifications, and related documents meet the Texas Commission on Environmental Quality (TCEQ) review requirements described in 30 Texas Administrative Code, Chapter 217, Subchapter D.

Further, prior to the construction of any sewer lines or additional service connections described in Attachment A, Subrecipient shall provide notification of the start of construction on any sewer treatment plant or other system-related improvements included in this Contract.

F. WASTEWATER TREATMENT CONSTRUCTION

Prior to incurring costs for any wastewater treatment construction in Attachment A, Subrecipient shall provide documentation of an approved permit or amendment(s) to an existing permit for such activities from the TCEQ's Water Quality Division.

In addition, Subrecipient shall provide documentation to the GLO that an approved new or amended Certificate of Convenience and Necessity (CCN), or equivalent permit or authority for the area to be served has been issued by the TCEQ.

G. SEPTIC SYSTEM IMPROVEMENTS

- (1) Subrecipient shall provide documentation that final plans, specifications, and installation of its septic system improvements have been reviewed and approved by the City or County Health Department through authority granted by the TCEQ.
- (2) Subrecipient shall mitigate all existing septic systems in accordance with 30 Texas Administrative Code Chapter 285, Subchapter D, §285.36(b), which states, "All tanks, boreholes, cesspools, seepage pits, holding tanks, and pump tanks shall have the wastewater removed by a waste transporter, holding a current registration with the executive director. All tanks, boreholes, cesspools, seepage pits, holding tanks, and pump tanks shall be filled to ground level with fill material (less than three inches in diameter), which is free of organic and construction debris."
- (3) Prior to the selection of program recipients for proposed On-Site Sewer Facilities (OSSF), Subrecipient shall provide a copy of its proposed program guidelines to for GLO review. All proposed OSSF programs must meet or exceed guidelines set forth in 30 Texas Administrative Code Chapter 285 Subchapter D.

H. BUILDING CONSTRUCTION

Subrecipient shall provide documentation that the construction of a new building and facilities are in compliance with the Texas Accessibility Standards (TAS) of the Architectural Barriers Act, Chapter 469, Texas Government Code, and the Texas Department of Licensing and Regulation (TDLR) Architectural Barriers Administrative Rules, 16 Texas Administrative Code, Part 4, Chapter 68. If estimated construction costs exceed Fifty Thousand Dollars (\$50,000.00), Construction Documents must be submitted to the Texas Department of Licensing and Regulation (TDLR) for an accessibility plan review.

I. BRIDGE CONSTRUCTION/REHABILITATION

Subrecipient shall use the minimum design requirements of the Texas Department of Transportation (TxDOT) for bridge construction/rehabilitation. Final plans and specifications must be submitted to TxDOT for review and approval prior to the start of construction, and documentation of such approval must be provided to the GLO.

J. DISASTER SHELTERS

Subrecipient shall ensure that the primary purpose of the facility, as described in Attachment A, is to serve as a disaster shelter, and shall ensure the facility is operated at all times in a manner that ensures that the priority use is to serve as a disaster shelter regardless of any other scheduled uses or commitments that existed at the time of the disaster or emergency situation. In addition Subrecipient shall prepare or be incorporated into an approved emergency management plan, as

prescribed by the Governor's Division of Emergency Management, identifying the shelter as a facility that provides short-term lodging for evacuees during and immediately after an emergency situation. Subrecipient shall submit a copy of Subrecipient's Emergency Management Plan Annex for Shelter and Mass Care to the GLO.

K. DEBRIS REMOVAL

Subrecipient shall ensure that any debris to be removed consists primarily of vegetation, construction and demolition materials from damaged or destroyed structures, and personal property. Only debris identified as the responsibility of the local jurisdiction will be eligible for the reimbursement of cost of removal.

Prior to beginning debris collection operations, Subrecipient shall address all pertinent environmental concerns, adhere to all applicable regulations, and obtain all required permits. Further, Subrecipient shall adhere to the methods described herein for the collection and storage of debris prior to proper disposal.

While construction and demolition debris may be collected and disposed of at an appropriately rated landfill, woody and/or vegetative debris must be stored prior to disposal by use of temporary debris storage and reduction sites (TDSR). Subrecipient will prepare and operate the TDSR sites, or local jurisdictions choosing to conduct their own debris operations may review Chapter 7 of the FEMA Debris Management Guide regarding the use of TDSR sites. This document may be obtained at <https://www.fema.gov/pdf/government/grant/pa/demagde.pdf>.

In order to maintain the life expectancy of landfills, Subrecipients disposing of woody and/or vegetative debris must choose burning, chipping, or grinding as the method of disposal. Any project disposing of woody and/or vegetative debris must be approved in writing by the GLO.

L. USE OF BONDS

Subrecipient must notify the GLO of its issuance and sale of bonds for completion of the project funded under this Contract.

M. NON-RENTAL HOUSING REHABILITATION ASSISTANCE PROGRAM GUIDELINES

Prior to the selection of program recipients, Subrecipient shall provide a copy of its proposed housing rehabilitation assistance program guidelines for GLO review and approval. The guidelines must include provisions for compliance with the Federal Fire Prevention and Control Act of 1974 (which requires that any housing unit rehabilitated with grant funds be protected by a hard-wired or battery-operated smoke detector) and provisions for compliance with 24 CFR 35 (HUD lead-based paint regulation).

N. HOUSING REHABILITATION OR RECONSTRUCTION ASSISTANCE:

The housing rehabilitation or reconstruction assistance provided by Subrecipient shall be in the form of a three-year unsecured forgivable promissory Note at zero interest. Provided all terms and conditions under which the assistance was provided continue to be fulfilled, the Note will be forgiven at a rate of 33 percent per year, for the first two years, and 34 percent after the third year, until the applicant fulfills their note requirement (the requirements are defined in the promissory note document).

- (1) If the homeowner occupies the home for the full three-year term, the Note expires and no repayment is required, nor will any conditions be imposed relative to the disposition of the property. If any of the terms and conditions under which the assistance was provided are

breached or if the property is sold, leased, transferred or vacated by the homeowner for any consecutive thirty (30) day period during the three-year Note term, the repayment provisions of the promissory note and DOT shall be enforced.

- (2) If, during the three-year Note term, the homeowner vacates the unit for any consecutive thirty (30) day period, the locality may forgive, as evidenced by the program director, city council, or commissioner court action, the remaining loan balance. Prior to forgiveness of all or any portion of the assistance provided, the request for forgiveness must be approved by the local governing body and be based on documented and justifiable conditions or circumstances that would result in an unnecessary hardship to the homeowner and the determination that the national objective of benefiting low to moderate-income persons was met.
- (3) The national objective will be considered met only when the program director, city council, or county commissioners court determines that a low- to moderate-income person has occupied the rehabilitated or reconstructed home for a time sufficient to meet the national objective. If the national objective was not achieved, Subrecipient is liable for repayment of an amount equal to the difference in the appraised value of the home prior to reconstruction and the sales price when the home is sold during the term of the three-year forgivable Note.
- (4) If the property is sold or transferred to a person other than an eligible LMI person, the remaining pro-rated balance of the DPL must be repaid by the Subrecipient from the sales proceeds. Notwithstanding the preceding, Subrecipient shall be held liable for any balance remaining over and above the sales proceeds. In all instances, upon completion of the three-year note or repayment of the assistance (in full or in part), the Subrecipient shall prepare and record a release of lien document in the land records of the applicable county.
- (5) Monitoring of the three-year Note is performed during and after the grant is closed. Subrecipient must utilize non-CDBG-DR funds to fulfill the monitoring obligations for its impacted recovered community.
- (6) The subrecipient will maintain a list of homeowners that do not maintain flood insurance as documented in their promissory note. These applicants will not be allowed to received future assistance as outlined in Section B of this document.

O. RENTAL HOUSING REHABILITATION, RECONSTRUCTION, OR NEW CONSTRUCTION ASSISTANCE

The rental housing rehabilitation, reconstruction, or new construction assistance will provided be provided in the form of a twenty (20) year forgivable loan or grant at zero interest. Provided all terms and conditions under which the assistance was provided continue to be fulfilled, the note will be forgiven at a rate of 5 percent per year until the applicant fulfills their note requirement (the requirements are defined in the promissory note document).

The purpose of the Program is to facilitate the rehabilitation, reconstruction, and/or new construction of affordable rental housing needs within the service area of the disaster event. A minimum of 51% of the multi-family units must be restricted during the affordability period of twenty (20) years for low to moderate income (LMI) persons. The rents, at a minimum, must comply with High HOME Investment Partnership (HOME) Rents and other existing Land Use Restriction Agreement (LURA) restrictions if applicable. HOME rent limits are defined by HUD and must equal the lesser of fair market rents or 30% of the adjusted income for people earning 65% of the AMFI.

P. COASTAL MANAGEMENT

Subrecipient acknowledges and agrees that any Project that may impact a Coastal Natural Resource Area must be consistent with the goals and policies of the Texas Coastal Management Program as described in 31 Texas Administrative Code, Part 16, Chapter 501.

ATTACHMENT F

GLO Information Security Appendix

1. Definitions

“Breach of Security” or “Breach” means unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of sensitive personal information including data that is encrypted if the person accessing the data has the key required to decrypt the data.

“Personal Identifying Information” or “PII” means information that alone or in conjunction with other information identifies an individual, as defined at Tex. Bus. & Com. Code § 521.002(1) as of the Effective Date of this Contract.

“Sensitive Personal Information” or “SPI” means the information categories listed at Tex. Bus. & Com. Code § 521.002(2), which as of the Effective Date of this Contract, reads as follows: (A) an individual's first name or first initial and last name in combination with any one or more of the following items, if the name and the items are not encrypted: (i) social security number; (ii) driver's license number or government-issued identification number; or (iii) account number or credit or debit card number in combination with any required security code, access code, or password that would permit access to an individual's financial account; or (B) information that identifies an individual and relates to: (i) the physical or mental health or condition of the individual; (ii) the provision of health care to the individual; or (iii) payment for the provision of health care to the individual. “Sensitive Personal Information” does not include publicly available information that is lawfully made available to the public from the federal government or a state or local government.

2. Security and Privacy Compliance

- 2.1. Subrecipient shall keep all PII and SPI received or generated under the Contract and any documents containing PII or SPI strictly confidential.
- 2.2. Subrecipient shall comply with all applicable federal and state privacy and data protection laws, as well as all other applicable regulations and directives.
- 2.3. Subrecipient shall implement administrative, physical, and technical safeguards to protect PII and SPI that are consistent with the guidelines in the National Institute of Standards and Technology (“NIST”) Cybersecurity Framework Version 1.1. All such safeguards shall comply with applicable data protection and privacy laws.
- 2.4. Subrecipient will legally bind any contractors and their subcontractors to the same requirements stated herein and obligations stipulated in the Contract and documents related thereto. Subrecipient shall ensure that the requirements stated herein are imposed on any subcontractor of Provider’s subcontractor(s).
- 2.5. Subrecipient will not share PII or SPI with any third parties, except as necessary for Subrecipient’s performance under the Contract.

- 2.6. Subrecipient will ensure that initial privacy and security training, and annual training thereafter, is completed by its employees and contractors, including any subcontractor, that have access to PII or SPI or who create, collect, use, process, store, maintain, disseminate, disclose, dispose, or otherwise personally handle PII or SPI on behalf of Subrecipient. Subrecipient agrees to maintain and, upon request, provide documentation of training completion. The requirement for initial privacy and security training may be satisfied by verifiable existing security awareness training.
- 2.7. Any PII or SPI maintained or stored by Subrecipient or any contractor, including any subcontractor, must be stored on servers or other hardware located within the physical borders of the United States and shall not be accessed outside of the United States.

3. Data Ownership

- 3.1. The GLO shall retain full ownership of all data, including PII and SPI, provided to Subrecipient by the GLO.
- 3.2. Upon termination of the Contract, Subrecipient shall promptly return to the GLO all GLO-owned data possessed by Subrecipient and its employees, agents, or contractors, including any subcontractor. Subrecipient shall retain no copies or back-up records of GLO-owned data. If such return is infeasible or causes undue business hardship, as mutually determined by the GLO and Subrecipient, the obligations set forth in this **Attachment F**, with respect to GLO-owned data, shall survive termination of the Contract and Subrecipient shall limit any further use and disclosure of GLO Data to the purposes that make the return of or GLO-owned data infeasible or causes undue business hardship. However, no provision in this Section 3.2 in no event shall circumvent the record-keeping and access requirements of 24 C.F.R. Part 570. In lieu of the requirements in this Section 3.2, the GLO may direct Subrecipient to destroy any GLO-owned data in Subrecipient's possession. Any such destruction shall be certified by Subrecipient.

4. Data Mining

- 4.1. Subrecipient agrees not to use PII or SPI for unrelated purposes, advertising or advertising-related services, or for any other purpose not explicitly authorized by the GLO in the Contract or any document related thereto.
- 4.2. Subrecipient agrees to take all reasonably feasible physical, technical, administrative, and procedural measures to ensure that no unauthorized use of PII or SPI occurs.

5. Breach of Security

- 5.1. Subrecipient agrees to provide the GLO with the name and contact information for a Subrecipient employee which shall serve as the GLO's primary data security contact.

- 5.2. Upon discovery of a Breach of Security or suspected Breach of Security by the Subrecipient, Subrecipient agrees to use commercially reasonable efforts to notify the GLO as soon as possible upon discovery of the Breach of Security or suspected Breach of Security, but in no event shall notification occur later than twenty-four (24) hours after discovery. Notification of a Breach of Security or suspected Breach of Security shall be provided by telephone to one of the following GLO Information Security team members: Brandon Rogers, GLO Information Security Officer, at (512) 463-5763; Larissa Cameron, GLO Privacy Officer, at (512) 475-1438; Arturo Montalvo, Director of Information Security, at (512) 463-5316; and the GLO Office of Information Security (OIS) Monitoring Desk at (512) 839-7021. Within five (5) business days, Subrecipient agrees to provide, at minimum, a written preliminary report regarding the Breach or suspected Breach to the GLO with root cause analysis including a log detailing the data affected.
- 5.3. The initial notification and preliminary report shall be submitted to the GLO Information Security Officer at brandon.rogers@glo.texas.gov.
- 5.4. Subrecipient agrees to take all reasonable steps to promptly mitigate a Breach of Security and reduce the risk of any further Breach of Security.
- 5.5. If the Breach of Security includes SPI, including Social Security Numbers, payment card information, or health information, Subrecipient agrees to provide affected individuals complimentary access for one (1) year of credit monitoring services.

6. Right to Audit

- 6.1. At the GLO's request, Subrecipient agrees to promptly and accurately complete a NIST based information security questionnaire provided by the GLO regarding Subrecipient's business practices and information technology environment. Subrecipient would also agree to provide any external IT service provider's (that they use) SSAE16 SOC Type II, Cloud Security Alliance Cloud Controls Matrix, or similar certification.
- 6.2. In conducting any audit under this section GLO shall keep Subrecipient's business practices and information technology environment ("City Security Information") strictly confidential and shall not use the City Security Information for any other purpose not expressly authorized by the City under this Contract and shall not disclose City Security Information to third parties. GLO shall destroy and certify to such destruction of all City Security Information and any other documents and materials related thereto within five business days of the expiration or termination of this Contract or when the need to know no longer exists, whichever is earlier.
- 6.3. In the event of a breach of system security, subject to applicable laws, Subrecipient shall use reasonable efforts to provide full access and cooperation for all activities determined by HUD and the GLO to be required to ensure an effective incident response, including providing all requested images, log files, and event information to facilitate rapid

resolution of data breaches. All information disclosed, gathered, or accessible to the GLO, or other agency of the State of Texas, the State of Texas or HUD pursuant to this Contract, is considered City Security Information and, subject to applicable laws, is subject to the confidentiality obligations set forth in this Section 6.

ATTACHMENT G

AN ORDINANCE ADOPTING THE CITY OF HOUSTON HARVEY BUYOUT PROGRAM GUIDELINES FOR HURRICANE HARVEY DISASTER RECOVERY; CONTAINING FINDINGS AND OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * *

WHEREAS, on May 7, 2018 the Texas General Land Office (“GLO”) presented the State of Texas Plan for Disaster Recovery: Hurricane Harvey - Round 1 (“Texas Plan”) to the United States Department of Housing and Urban Development (“HUD”) in support of the State’s allocation of \$5,024,215,000.00 in Community Development Block Grant-Disaster Recovery (CDBG-DR) funds; and

WHEREAS, under the Texas Plan, the GLO allocated to the City of Houston (“City”) an initial direct allocation of CDBG-DR funds in the amount of \$1,155,119,250.00 to be used for Hurricane Harvey recovery efforts primarily related to housing; and

WHEREAS, HUD approved the Texas Plan on June 25, 2018; and

WHEREAS, pursuant to Ordinance 2018-518, passed and adopted by the City Council (“City Council”) of the City of Houston on June 27, 2018, the City submitted a local action plan (“City Plan”) to the GLO which includes a local needs assessment, program descriptions, program budgets, and expenditure timelines for the City’s direct allocation of CDBG-DR funds; and

WHEREAS, the GLO increased the City’s direct allocation of CDBG-DR funds to \$1,175,954,338.00; and

WHEREAS, pursuant to Ordinance 2019-10, passed and adopted by the City Council on January 2, 2019, the City submitted to the GLO a revised City Plan to reflect the increased direct allocation of CDBG-DR funds; and

WHEREAS, the GLO incorporated the City Plan into the Texas Plan by amendment no. 1 to the Texas Plan which was approved by HUD on December 11, 2018; and

WHEREAS, on January 5, 2019, the City and the GLO entered into a subrecipient agreement for the City’s direct allocation of CDBG-DR funds in the amount of \$1,175,954,338.00; and

WHEREAS, the City Council finds that, as part of the City Plan, as incorporated into the Texas Plan, the City’s Housing and Community Development Department (“HCDD”) has established a Harvey Buyout Program; and

WHEREAS, the City Council finds that the Harvey Buyout Program will address the direct and indirect impacts of Hurricane Harvey by reducing future flood risks through the purchase of properties located in floodways and floodplains and converting the properties into greenspaces and detention basins in areas that will benefit a population of at least 51% of low- to moderate-income persons or in areas where there is an urgent need.

WHEREAS, the City Council finds that to efficiently implement the Harvey Buyout Program, HCDD now recommends that City Council adopt the City of Houston Harvey Buyout Program Guidelines ("Guidelines"), attached hereto under EXHIBIT "A"; and

WHEREAS, the City Council finds that the Guidelines will govern all current allocations and any future allocations of federal and local funds for the Harvey Buyout Program; and

WHEREAS, the City Council finds that it is in the best interest of the City to establish the Harvey Buyout Program and to adopt the Guidelines

NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the facts and recitals contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are adopted as part of this Ordinance.

Section 2. That the City Council hereby approves and adopts the City of Houston Harvey Buyout Program Guidelines, attached hereto under Exhibit "A" and incorporated herein by reference.

Section 3. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 11th day of March, 2020.

ADOPTED this _____ day of _____, 2020.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is MAR 17 2020.

Art J. Hosiel
City Secretary Assistant

(Prepared by Legal Dept. [Signature])
(avv 03Mar2020) Senior Assistant City Attorney

(Requested by Tom McCasland, Director, Housing and Community Development Department)
(L.D. File No. 0292000201001)

AYE	NO	
✓		MAYOR TURNER
••••	••••	COUNCIL MEMBERS
✓		PECK
✓		DAVIS
✓		KAMIN
✓		EVANS-SHABAZZ
✓		MARTIN
✓		THOMAS
✓		TRAVIS
✓		CISNEROS
✓		GALLEGOS
✓		POLLARD
✓		MARTHA CASTEX-TATUM
✓		KNOX
✓		ROBINSON
✓		KUBOSH
		ABSENT-OUT OF CITY CITY BUSINESS PLUMMER
✓		ALCORN
CAPTION	ADOPTED	

EXHIBIT "A"

City of Houston Harvey Buyout Program Guidelines

**City of Houston
Harvey Buyout Program**

Harvey Buyout (HB) Program Guidelines

December 20, 2019

v.4

City of Houston
Housing and Community Development Department

Version Table

Version #	Date	Noted Edits	Page(s)
0.0	August 27, 2019	Draft- CoH HB program GLs	N/A
0.1	September 4, 2019	Reviewed by Planning & Grants Management	N/A
0.2	October 30, 2019	<ol style="list-style-type: none"> 1. Page 5 of the GLs revised to "DR-4332" from "DR-4432". 2. Page 6 Urgent Need language was implemented into the GLs 3. Introduction revised to clarify this is a voluntary program. 4. TIGR definition added p. 26 5. P.13 under "Environmental" language modified to read as follows: "All properties assisted under this Program will be subject to an Environmental Review by the City prior to the sales agreement." 6. P.7 under "Eligible Requirements" language implemented "and/or eligible CDBG-DR county" 7. P.8 Harvey Buyout Program Prioritization: Per GLO's recommendation, Item #3 which shifted as a first priority "Properties with repetitive flood loss from the years 2015-2017 in conjunction with Harvey damages." <p>p. 8 language removed as it was addressed in the eligibility requirements: "Properties affected by Hurricane Harvey Properties located in a Floodway and/or Floodplain "</p> <p>p.8 – "HCDD in partnership with HPW, have established funding priorities for the program in order of preference identified below" reworded to read "HCDD in partnership with HPW, have established funding priorities for the program and the selection is based on HPW's readiness of projects and available funding.</p>	
0.3	December 11, 2019	<ol style="list-style-type: none"> 1. Page 8 Harvey Buyout Program Eligibility Overview-Eligible Participants: <ol style="list-style-type: none"> a. Language modified to read as follows: "The property must be located within the incorporated City of Houston, which is within eligible counties." vs. The property must be located within the within the City of Houston, which is within eligible counties located in a CDBG-DR eligible county. 	

		b. Item #3 modified/shifted to read: All Multifamily developments must be environmentally cleared by the City and the GLO.	
0.4	December 20, 2019	<p>Language added under allowable cost to include post- closing cost and abatement under demolition.</p> <p>“Allowable cost can be applied to the following: Acquisition of existing multifamily properties and land to create green spaces and/or detention. Post-closing cost related to acquiring the property. Demolition which will serve to reduce density in vulnerable areas. Asbestos abatement cost. ”</p>	9

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Introduction

The Harvey Buyout program, is a voluntary program administered by the City of Houston to assist properties that were impacted more than once by Presidentially Declared natural disasters. The Harvey Buyout program seeks to purchase properties located in a floodway or floodplain to reduce risk from future flooding by converting the properties into greenspaces or detention. This means any property acquired, accepted or from which a structure will be removed pursuant to the project, will be dedicated and maintained in perpetuity for that use with open space, recreational, or floodplain and wetlands management practices. HCDD will use data to design and evaluate the success of our programs and will be transparent about how the Harvey Buyout program is unfolding.

Harvey Buyout Administration

The Disaster Recovery (DR-17) Harvey Buyout (HB) program is intended to assist eligible City of Houston (City) applicants whose affordable housing units were directly impacted by flood events cause by Hurricane Harvey occurring in 2017 (2017 Flood Event). The primary focus of the HB program is to provide relief to survivors who were affected by these events while complying with all Community Development Block Grant- Disaster Recovery (CDBG-DR) requirements and addressing impediments to fair housing choice as required under the federal Fair Housing Act. The Department of Housing and Urban Development (HUD) announced that Texas would receive over \$5 billion in CDBG-DR funds. In its State of Texas Plan for Disaster Recovery (Action Plan) submitted to HUD, the Texas General Land Office (GLO), the state administrative agency for the CDBG-DR funds, allocated \$1,175,954,338.00 directly to the City. From this allocation, \$40,800,000.00 designated for the development and implementation of buyout programs that will directly benefit City residents. HUD outlined the allocations and applicable waivers and alternative requirements in Federal Register Notice published on February 9, 2018 (83 Fed. Reg. 5844). Subsequent publications of waivers and alternative requirements can be found in the table below under Applicable Laws & Regulations.

The HB program will address the major disaster which impacted the City of Houston in 2017. On August 25, 2017, a federal Major Disaster Declaration was issued for Hurricane Harvey and was designated as "Texas Hurricane Harvey (DR-4332)". Through the HB program, the City of Houston's Housing and Community Development Department (HCDD) will acquire properties located in a floodway or floodplain with the intent to reduce the risk of future flooding. The proposed sites will be selected internally by HCDD in coordination with Houston Public Works (HPW), to identify developments that are environmentally vulnerable to future disasters. This buyout method will strategically pursue opportunities to acquire contiguous parcels of land for uses compatible with open space, recreational, natural floodplain functions, ecosystem restoration, or wetlands management practices.

The City of Houston, at its sole discretion, shall interpret and apply these Guidelines, except for those provisions for which GLO or HUD has indicated that prior approval is required for implementation. HCDD will utilize standard operating procedures to implement the program and modify them to meet any changes made to such rules and regulations of the oversight entities, which may occur over time. At all times, should any conflict in these procedures exist with the applicable funding resource, the requirements of the funding source shall take precedence, other than local preferences that are allowable under federal and state regulations.

The City of Houston will administer its HB program in accordance with these program Guidelines, City of Houston Policies and Procedures, and applicable federal, state, and local laws, regulations, ordinances, and rules.

Roles and Responsibilities

Daily administration of the HB program will be under the direct supervision of the Director of HCDD, or the Director’s designee (collectively, hereafter “Director”) within HCDD’s Public Facilities Division. The Public Facilities Division in collaboration with HPW will be responsible for eligibility determination, inspection and environmental protocols, contract and contractor assignment, construction, and completion. The HCDD Finance Division will authorize payments to contractors after review and validation of submitted invoice packages by the Public Facilities Division.

CDBG-DR National Objectives

In support of HUD’s buyout objectives, the City of Houston has specifically designed its buyout programs to protect Houston’s low-to-moderate income residents from unsafe multifamily structures from damage inflicted by Hurricane Harvey and any previous flood events. As expressed in the federal Housing and Community Development Act of 1974, Pub. L. 93-383, 88 Stat. 633-2 (codified as amended at 42 U.S.C. §§ 5301-5321) (the “HCDA”), the primary objective of the general Community Development Block Grant (“CDBG”) program is “the development of viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-and moderate -income.” Community Development Block Grant – Disaster Recovery funding appropriated in response to disasters must meet the general goals of the CDBG program.

All CDBG-DR-funded activities through the City of Houston Harvey Buyout program will meet at least one of the following National Objective defined in the federal CDBG regulations:

- Benefiting Low- to Moderate-Income (“LMI”) persons
 - LMI Area Benefit – (because the area will be maintained as greenspaces and/or detention, which will benefit a residential area which contains at least 51% LMI residents)
- Urgent Need (“UN”)
 - Meet a need having a particular urgency (referred to as urgent need)

Applicable Federal Register Notices

Federal Register (FR)	Date of Publication	Public Laws	Location:
83 Fed. Reg. 5844	2/9/2018	P.L. 115-56	https://www.federalregister.gov/d/2018-02693
83 Fed. Reg. 40314	8/14/2018	P.L. 115-123	https://www.federalregister.gov/d/2018-17365
84 Fed. Reg. 4836	2/19/2019	P.L. 115-123	https://www.federalregister.gov/d/2019-02695

Program Description

The Harvey Buyout Program is an initiative to finance the acquisition of properties that were directly impacted by the storm. The department will administer this program directly to acquire properties at current market rate value. Thus, sellers of the properties will not be considered beneficiaries under this program.

Harvey Buyout Program Eligibility Overview

ELIGIBLE PARTICIPANTS:

Activities for the HB program will be performed directly by HCDD. Any person or entity under contract with HCDD (sellers) will be required to comply with the following:

1. Sellers and their owners must be in good standing with HCDD on all previous grants, loans, or loan commitments. In addition, applicants must affirm that there are no defaults or negative collection actions relating to any financial obligation, either to the City of Houston or any other public agency or private lender.
2. Sellers, developer owners, principals, development/borrowers or general contractors must not be debarred as cited on federal and state debarment lists in accordance with 24 C.F.R. 570.609, as well as other applicable laws.
3. Owners must not discriminate based on ethnicity, race, color, creed, religion, gender, national origin, age, disability, marital status, sexual orientation, gender identity, or Veteran's discharge status.
4. Sellers will be current on city property taxes.

The HB program will be operated by HCDD and utilize post-disaster Fair Market Value (FMV). Thus, HCDD will not have any direct beneficiaries under this program. This assessment will be used consistently and fairly across the program.

ELIGIBILITY REQUIREMENTS:

To be considered eligible under the HB program, the buyout property must satisfy all following requirements:

1. The property must be located within the incorporated City of Houston, which is incorporated within eligible counties of Harris County, Montgomery County and Ft. Bend County at the time of the storm.
2. At the time of the 2017 Flood Event, the property must have had a rental multifamily structure located onsite. Properties will remain eligible if the owner demolished building structures subsequent to the storm event.
3. All multifamily developments must be environmentally cleared by the City and the Texas General Land Office.
4. The seller must be able to demonstrate clear title. Sellers unable to demonstrate clear title are not eligible for this program.
5. The property must have documented damages from Hurricane Harvey.
 - a. HCD will document that the damage or destruction to unit occurred by the event by the following:
 - FEMA, Small Business Administration (SBA) or Insurance Award Letters; - If the above-

referenced documentation is not available, an inspection report/Damage Assessment (complete with photos of the damage and a written assessment of the damage with each photo taken) conducted by a certified, licensed, or experienced inspector (HQS, TREC license, or similar experience); - If FEMA, SBA, or Insurance Award Letters are not available and an inspection report is inconclusive as to the cause of the damage, The City of Houston- Housing and Community Development Dept. has the option to also provide alternative evidence, such as neighborhood-level media reports or documentation of damage by disaster response/relief organizations. GLO approval is required for this form of proof."

6. The property must be in the 100-year floodplain and/or floodway, as identified on the most current Federal Emergency Management Agency ("FEMA") Flood Maps.
7. The program must comply with all applicable federal and state requirements.
8. The property must furnish evidence that property taxes are current, under an approved payment plan, or that the property is otherwise lawfully exempt.
9. Any property acquired, accepted, or from which a structure will be removed through the buyout program will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices, or other purposes allowed by HUD and accepted by the City and the GLO. No new structures will be erected other than:
 - a. A public facility that is open at all sides and functionally related to a designated open space (e.g., a park, campground, or outdoor recreation area);
 - b. A rest room; or
 - c. A flood control structure, provided that structure does not reduce valley storage, increase erosive velocities, or increase flood heights on the opposite bank, upstream or downstream, and that the local floodplain manager approves, in writing, before the commencement of the construction of the structure.
10. After receipt of the assistance, with respect to any property acquired, accepted, or from which a structure was removed under the buyout program, no subsequent application for additional disaster assistance for any purpose or to repair damage or make improvements of any sort will be made by the City to any federal entity in perpetuity for the property in question.
11. All buyout activities must be classified using the "buyout" activity type in the Disaster Recovery Grant Recording ("DRGR") system.

ELIGIBLE ACTIVITIES AND COSTS

Allowable cost can be applied to the following:

1. Acquisition of existing rental multifamily properties/land and soft costs directly related for acquisition
2. Post-closing cost related to acquiring the property.
3. Demolition of structures.
4. Asbestos abatement cost.
5. Relocation to remove owner-occupants and/or tenants from vulnerable areas. *Please refer to "Uniform Relocation Act and Real Property Acquisition" section below.*

HCDD's Standard Operating Procedures (SOP) for the HB program will outline, document requirements, and evaluation methodologies for all activities listed. All acquisition cost will be supported by an independent appraisal report.

MAXIMUM ASSISTANCE

The maximum amount of assistance to be made available will be limited to the maximum amount allocated to Harvey Buyout program, which is \$40,800,000.00 ("Maximum Assistance"). There is no individual project maximum except when subject to the Maximum Assistance amount.

Harvey Buyout Program Prioritization

HCDD, in partnership with HPW, has established funding priorities for the program and the selection is based on HPW's readiness of projects and available funding. In order of preference, the priorities are as follows:

1. Properties with repetitive flood loss from the years 2015-2017 in conjunction with Harvey damages; and
2. Properties located or adjacent to an ongoing HPW mitigation project, which supports the overall program to reduce the risk of future flooding.

Selection Criteria

1. Projects identified by Houston Public Works (HPW) must create additional benefits to LMI areas.
2. The hazard must have been caused or exacerbated by the Presidentially declared disaster for which the City received its CDBG-DR allocation.
3. The hazard must be a predictable environmental threat to the safety and well-being of program beneficiaries, as evidenced by the best available data and science.
4. All awarded properties will be evaluated through an environmental and Affirmatively Furthering Fair Housing (AFFH) review.

A program that provides post-disaster Fair Market Value (FMV) to buyout applicants provides the actual value of the property; thus, the seller is not considered a beneficiary of CDBG-DR assistance. Regardless of purchase price, all buyout activities are a type of acquisition of real property (as permitted by the HCDA at 42 U.S.C. 5305(a)(1)). However, only acquisitions that meet the definition of a "buyout" are subject to the post-acquisition land use restrictions imposed by the applicable prior notices.

Buyout Incentives

As HCDD is working with commercial buyers utilizing post-disaster FMV, the seller is not considered a beneficiary of CDBG-DR assistance. HCDD will not have any buyout incentives within this program.

Community Engagement/Affirmative Marketing/Outreach Plan

The City of Houston engaged in a robust community engagement strategy to inform Houstonians on the status of their local government's efforts to secure funding for long-term recovery related to the 2017 Presidentially Declared Disaster. The City, through HCDD, is committed to affirmatively furthering fair housing through established affirmative marketing policies. Affirmative marketing efforts will include the development of an Affirmative Marketing & Outreach Plan based on HUD regulations to ensure that properties financed through the Program are affirmatively marketed to the public at large. The

Affirmative Marketing & Outreach Plan will give detailed information about how the City of Houston plans for effective outreach to all groups of homeowners, landlords, and renters mentioned above, as well as how the process for programs will be suitable for persons with limited English proficiency, persons with disabilities and those with special needs. For each program offered by the City, notification to these populations will include: information on vacant units available for sale and/or rent; information on how to apply for unit purchase, and opportunities to buy and/or rent the unit of their choice.

Particular emphasis will be focused on successful outreach to LMI areas and those communities with minority concentrations that were affected by the storm. In addition to marketing through widely available media outlets, efforts may be taken to affirmatively market the City's CDBG-DR program as follows:

- Advertise with the local media outlets, including newspapers and broadcast media.
- Include flyers in utility and tax bills advertising the City's CDBG-DR-funded recovery programs.
- Reach out to public or non-profit organizations and hold/attend community meetings.
- Other forms of outreach tailored to reaching the eligible population may be used, including door to door outreach, if necessary, particularly on the weekends.
- Documentation of all marketing measures used, including copies of all advertisements and announcements, will be retained and made available to the public upon request.

HCDD has discretion in the modification and/or addition of requirements to the Outreach Plan.

Needs Assessment

The City of Houston submitted a Local Action Plan to the GLO for incorporation into the GLO's Action Plan. The GLO's methodology, adopted from HUD as presented in 83 Fed. Reg. 5844, was used to calculate unmet needs in the Local Action Plan. The methodology used FEMA Individual Assistance (IA) information and considered certain owners as having unmet needs for the most impacted and seriously damaged housing units. Information has been gathered from several sources to document the impact of Hurricane Harvey including demographic profile of impacted households including low-and moderate households. This needs assessment uses a modeling approach to estimate the citywide impact of floodwaters on all residential buildings

The entire City of Houston is located in an area HUD identified as "most impacted and distressed" as it relates to the damage from Hurricane Harvey. The Local Action Plan and Local Housing Needs Assessment are the basis for the development and prioritization of recovery activities in Houston using CDBG-DR funds. As additional data becomes available the unmet needs and activities to address community needs through CDBG-DR funds may be updated. Deviations from goals must be approved by the City before the Program may move forward. Each needs assessment will be posted for a 30-day public comment period and approved by the GLO before implementation.

Procurement

The City must maintain adequate documentation to show that selection processes were carried out in an open, fair, uniform, and thorough manner to ensure that federal (2 C.F.R. §§ 200.318–200.326), state, and City requirements were met.

Record retention records must include, but are not limited to, the following information:

- Rationale for the method of procurement;
- Evaluation and selection criteria;
- Contractor selection or rejection; and
- The basis for the cost or price.

During the procurement process, the City will clearly identify any services or items to be included in the bid/purchase. The City may utilize HUD's CDBG-DR Procurement Guidance.

Goods and services must be procured using the federal procurement and contract requirements outlined in 2 C.F.R. §§ 200.318 – 200.326. These procurement requirements must be followed for costs to be deemed eligible for reimbursement from CDBG-DR funds provided by HUD. The City is also required to follow state and local procurement law and policies, as well as the additional requirements stated in 2 C.F.R. Part 200, as applicable.

Generally, the City's Strategic Procurement Division (SPD) may issue solicitations, review draft solicitations, or review solicitation responses prior to award for compliance with applicable city, state and federal rules and regulations.

The City shall execute a contract to document the period of performance, the work to be completed, the agreed price, and contractor or provider's required compliance with all applicable federal, state, and local requirements that the City must follow. If there is a conflict between federal, state, and local laws and regulations regarding procurement, the more stringent law or regulation will apply.

Additionally, subrecipients, vendors, and contractors are required to achieve compliance with Section 3 of the Housing and Urban Development Act of 1968, Pub. L. 90-448, 82 Stat. 476 (codified as amended at 12 U.S.C. § 1701u) and the appurtenant regulations at 24 C.F.R. Part 135 (collectively, "Section 3"). The City strongly recommends that HUD's best practices be utilized to help achieve compliance (HUD Model Section 3 Plan), including creating a Section 3 Plan. The City is also required to "take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible." (2 C.F.R. § 200.321).

Furthermore, HUD requires the City to maintain a comprehensive public disaster recovery website that provides information for individuals and entities awaiting assistance for Harvey-related damage, and the general public to see how all grant funds are used and managed/administered. To meet this requirement, the City shall make the following applicable items available to post on City's disaster recovery website (www.recovery.houstontx.gov): procurement policies and procedures; description of services or goods currently being procured; state administrative contracts and a summary of all procured contracts (as defined at 2 C.F.R. § 200.22), including those procured by the City (e.g., a summary list of procurements, the phase of the procurement, details of ongoing procurement processes, requirements for proposals, etc.). Updated summaries must also be posted monthly on the website. HUD will post guidance related to this requirement on the HUD Exchange website (www.hudexchange.info).

Financial Management

The City of Houston, as a CDBG-DR subrecipient, is required to follow the financial administrative requirements outlined in 24 C.F.R. Part 570, 2 C.F.R. Part 200, and applicable federal registers. These standards help ensure that the financial systems put in place by the City:

1. Provide adequate, current, and complete disclosure of the financial results (regular financial reporting) of all financially assisted activities, in accordance with the financial reporting requirements of the grant.
2. Document that funds have been used only for authorized purposes. For CDBG-DR this includes not only eligible activities but that the funded projects meet a National Objective;
3. Maintain accounting records that show the sources and uses of funds, displaying funds authorized, obligated and unobligated balances, assets, liabilities, outlays or expenditures and income;
4. Establish effective internal controls over all cash, real and personal property, and other assets acquired with program funds;
5. Track actual program cost against program budget in a manner that relates to program productivity and accomplishments;
6. Use Uniform Administrative Requirements outlined in 2 C.F.R. Part 200 principles to determine whether program costs are reasonable, allowable, and can be allocated, either directly or indirectly;
7. Maintain source documentation for accounting records;
8. Implement procedures for cash management that permit the timely disbursement to applicants and complete and accurate monitoring and reporting; and
9. Comply with 2 C.F.R. 200, Subpart F.

The roles and responsibilities described below are related to the financial management of the City's CDBG-DR allocation for Hurricane Harvey. These descriptions are not intended to be an exhaustive list of activities performed by each entity in relation to the CDBG-DR grant or in general.

THE CITY OF HOUSTON

1. Finance Department – The Strategic Procurement Division (“SPD”) is housed within the City of Houston’s Finance Department and is responsible for procuring goods and services for CDBG-DR funded activities.
2. The City Controller –The Office of the City Controller certifies the availability of funds prior to City Council approval of City commitments, processes and monitors disbursements, invests the City's funds, conducts internal audits of the City's departments and federal grant programs, operates and maintains its financial management system, conducts the sale of public improvement and revenue bonds and produces a comprehensive annual report of City finances - Comprehensive Annual Financial Report (“CAFR”). The Controller is responsible for providing a variety of approvals for release of CDBG-DR funds as payment to contractors and beneficiaries.

3. Housing and Community Development Department (“HCDD”) – HCDD is the grant manager for The City’s Hurricane Harvey CDBG-DR allocation and responsible for administering all programs.
 - a. Public Facility Division: This division is responsible for project selection, develop underwriting standards and implement program activities, and document demolition activities.
 - b. Finance Division: This division is responsible for processing CDBG-DR grant funding through the Systems Applications and Products (“SAP”) and reporting all required data into the GLO system of record which, is the Texas Integrated Grant Reporting (“TIGR”) System, and reconciling budgets and expenditures. This division is also responsible for processing payment requests in SAP and federal reimbursement requests to the GLO to be realized in the City’s budget.
 - c. Planning and Grants Management Division: This division is responsible for the City’s planning documents, substantial amendments, project/activity budget set-up and completion in TIGR and related reporting to HUD and the GLO.
4. Public Works: This department will be responsible to assist HCDD in the selection process.

Environmental

An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. The environmental review process is required for all HUD-assisted projects to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users.

All properties assisted under this Program will be subject to an Environmental Review by the City prior to the sales agreement. If the project passes the Environmental Review, the city will issue a Letter of Intent.

A commitment of funds can occur only upon satisfactory completion of an environmental review to determine whether the project meets federal, state, and local environmental standards, and receipt by the City of a release of funds from HUD under 24 C.F.R. § 58.35(a) or 58.36. Property owners must agree that the provision of any funds to their project(s) is conditioned on the HCDD’s determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review. In addition, the following regulations are applicable:

- Per 24 C.F.R. § 58.5(i)(2)(i), it is HUD policy that all properties that are being proposed for use in HUD programs be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances, where a hazard could affect the health and safety of occupants or conflict with the intended utilization of the property.
- Per 24 C.F.R. § 58.5(i)(2)(ii) the environmental review of multifamily rental structure with five or more dwelling units (including leasing), or non-residential property, must include the evaluation of previous uses of the site or other evidence of contamination on or near the site, to ensure that the occupants of proposed sites are not adversely affected by any of the hazards listed in paragraph (i)(2)(i) of this section.
- Lots to be acquired for selection cannot and will not undergo any development or other activity

that constitutes a choice limiting action per 24 C.F.R. § 58.22, regardless of whether HUD or non-HUD funds are used. No HUD funds can or will be used prior to the issuance of the Release of Funds/Authority to Use Grant Funds (“AUGF”) and all necessary site-specific environmental review and clearance as required by 24 C.F.R. Part 58.

- Regulations found at 24 C.F.R. Part 58 also govern sound mitigation requirements if noise levels in a Normally Unacceptable Noise Zone (NUNZ, 65-75 decibels (dB)) or Unacceptable Noise Zone (UNZ, 75+ dB), and regulations found at 24 C.F.R. Part 55 govern flood mitigation for any existing properties that reside in the 100-year floodplain.
- Hazardous materials described at 24 C.F.R. § 58.5(i)(2)(i) cover all forms of contamination, including but not limited to lead and asbestos that may be found in older buildings, particularly those built prior to 1978.

An ASTM E1527-13 Phase I Environmental Site Assessment (“ESA”), under 6 months of age, must accompany projects involving acquisition.

ACQUIRED PROPERTY REQUIREMENTS

All projects selected for financing will require City Council approval. Upon approval, HCDD will require project documentation including but not limited to:

- Final drafts of all required HCDD real estate purchase documents.
- Survey, appraisal, and liability insurance all current and in place.
- Release of Funds Authorization from HUD.
- Assure all regulations of the Uniform Relocation Assistance Act and Real Property Acquisition Policies Act of 1970, Pub. L. 91-646, Jan. 2, 1971, 84 Stat. 1894 (codified at 42 U.S.C. §§ 4601-4655, as amended) (the “URA”) have been and will be followed.
- 30 day posting periods for Environmental and Grants Management.
- Verification of Payment and Performance bond in place or acceptable letter of credit.

Relocation

If existing tenants are required to move out of their units as a result of a project receiving federal funding, the seller, or the City as the displacing entity, must comply with both the URA as well as HCDD’s Policies and Procedures for Relocation. The URA requires that the owner of the property receiving federal funding must provide notices, advisory services, moving cost, and assistance to tenants impacted by acquisition and demolition. HCDD may procure a relocation consultant to provide advisory and relocation services for the tenants.

HCDD will prepare a Relocation Plan and budget for any proposals of occupied developments that will require relocation of current/displaced residents. The requirements include, but are not limited to: recordkeeping, document submittals, monthly reporting, and providing documentation related to efforts made to meet compliance to the URA. Projects are subject to monitoring compliance reviews.

MOVING COSTS

If the buyout is a voluntary acquisition of an owner-occupied residence, owners are not entitled to assistance under the URA. However, moving expenses may be provided if funds are available under the maximum award after buy-out and demolition costs are covered.

Cross Cutting Federal Regulations

This program will be designed and implemented in compliance with cross-cutting federal regulations when applicable, including:

DAVIS-BACON LABOR STANDARDS

The Davis-Bacon Act and Related Acts (“DBRA”) applies to contractors and subcontractors carrying out federally funded or assisted contracts in excess of \$2,000 for the fringe benefits for corresponding work on similar projects in the area. In some cases, City of Houston Prevailing Wage Law is in effect. In these cases, the higher prevailing wage rate between the Federal Government and the State must be adhered to and made applicable. For prime contracts of more than \$100,000, contractors and subcontractors must also, under the provisions of the Contract Work Hours and Safety Standards Act, as amended, pay laborers and mechanics, including guards and watchmen, at least one and one-half times their regular pay for all hours worked over 40 in a work week. Additionally, HCDD must follow the reporting requirements per HUD and the U.S. Department of Labor regulations. This requirement also extends to HCDD’s subrecipients and contractors.

According to HUD Labor Relations Letter 2009-01; demolition, by itself, is not necessarily considered to be construction, alteration or repair (i.e. activities to which Davis-Bacon requirements may apply). Therefore, in most cases, demolition is not covered by Davis-Bacon requirements unless it will be followed by Davis-Bacon – covered construction.

EQUAL EMPLOYMENT OPPORTUNITY

Executive Order 11246, Equal Employment Opportunity, as amended, prohibits federal contractors and federally-assisted construction contractors and subcontractors who do over \$10,000 in government business in one year from discriminating in employment decisions based on race, color, religion, sex, sexual orientation, gender identity, or national origin. The Executive Order also requires government contractors to take affirmative action to ensure that equal opportunity is provided in all aspects of their employment. This regulation is adhered to within HCDD programs.

FAIR HOUSING

The Fair Housing Act, 42 U.S.C. §§ 3601-3619, requires all grantees, subrecipients, and/or developers funded in whole or in part with HUD financial assistance to certify that no person was excluded from participation in, denied the benefit of, or subjected to discrimination in any housing program or activity because of age, race, color, creed, religion, familial status, national origin, sexual orientation, military status, sex, disability, or marital status. HCDD enforces the Fair Housing Act by ensuring that all grantees, sub-recipients, and/or developers meet the applicable Fair Housing and Affirmative Marketing requirements, provide a marketing plan, and report on compliance in accordance with the Fair Housing Act and the associated forms on HCDD website, where applicable. The Affirmative Marketing Plan must

comply with applicable Fair Housing Laws and demonstrate how the applicant will affirmatively further fair housing throughout applicable HCDD disaster recovery programs.

FAIR LABOR STANDARDS ACT OF 1938, AS AMENDED

The Fair Labor Standards Act of 1938, 29 U.S.C. §§ 201-219, as amended (“FLSA”), establishes the basic minimum wage levels for all work and requires the payment of overtime at the rate of at least one and one-half times the basic hourly rate of pay for hours worked more than 40 per week. These labor standards are applicable to the entire construction contract, regardless if CDBG-DR funds finance only a portion of the project. Excluding the exceptions listed below, all workers employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under HCDD CDBG-DR program must be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the DBRA, as amended.

LIMITED ENGLISH PROFICIENCY

Federal Executive Order 13166 requires HCDD and all satellite offices, programs, subrecipients, contractors, subcontractors, and/or developers funded whole or in part with CDBG-DR financial assistance to ensure fair and meaningful access to programs and services for families and individuals with Limited English Proficiency (“LEP”) and/or deaf/hard of hearing. HCDD ensures fair access through the implementation of a Language Assistance Plan (“LAP”), which includes non-English-based outreach, translation services of vital documents, free language assistance services, and staff training. Refer to the “Language Assistance Plan” Provision of Language Assistance Services for additional guidance and protocols.

MINORITY- AND/OR WOMAN-OWNED BUSINESS ENTERPRISES

Federal Executive Order 12432 guidelines require selected federal agencies to promote and increase the utilization of Minority-Owned Business Enterprises (“MBEs”). 2 C.F.R. § 200.321 requires the non-federal entity to take all necessary affirmative steps to ensure that minority-owned, woman-owned, and small business enterprises (collectively “MWSBE”) and labor surplus area firms are used when possible and for the non-federal entity to require its subrecipients and contractors, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of 2 C.F.R. § 200.321(b).

Subrecipients and contractors are required to comply with the City’s MWSBE program as set out in Chapter 15, Article V of the City of Houston Code of Ordinances. Contractor shall make good faith efforts to award subcontracts or supply agreements in at least the value stated in a subrecipient agreement or contract. Subrecipients and contractors must comply with the requirements for good faith efforts on file with the City’s Office of Business Opportunity (“OBO”).

Any contract, agreement or other undertaking anticipated for construction work in excess of \$1,000,000, or the supply of goods or non-personal or non-professional services in excess of \$100,000, for which Competitive bids are required by law shall comply with Citywide Goals on projects administered by HCDD.

The Contractor shall complete the MWSBE Monthly Utilization Report and payment reporting in the Contract Compliance and Monitoring System B2GNow (available at <https://houston.mwdbe.com/>). The Contractor shall comply with further, applicable instructions regarding reporting and compliance, per program requirements.

SECTION 3

Section 3, as earlier defined, applies to activities under this program. Under Section 3, to the greatest extent feasible, for any contract award in excess of \$100,000, the Contractor shall direct opportunities for training and employment to low-income residents of the City and shall direct contracting opportunities for work in connection with the project to business concerns which are located in or owned in substantial part by persons residing in the City.

Contractors shall comply with regulations under 24 C.F.R. Part 135 and will submit monthly Utilization Reports that document subcontractor's participation that are subject to provisions of Section 3. Additionally, program administrators will comply with reporting requirements, per HUD and GLO to document all actions taken to comply with Section 3 requirements.

UNIFORM RELOCATION ACT AND REAL PROPERTY ACQUISITION

The City will comply with URA regulations as required under the URA and Section 104(d) of the HCDA. The applicable federal regulations are located at 49 C.F.R. Part 24 (URA), 24 C.F.R. § 42.104(d) (HCDA), and in the Real Estate Acquisition and Relocation Policy and Guidance Handbook (HUD Handbook 1378). The February 9, 2018 Federal Register Notice (83 Fed. Reg. 5844) waives the one-for-one replacement requirements at Section 104(d)(2)(A)(i)-(ii) and (d)(3) and 24 C.F.R. § 42.375 for the Hurricane Harvey CDBG-DR allocation. HCDD encourages developers to use the on-site temporary relocation process in order to prevent or avoid displacement.

Sub-recipients or contractors must provide the following benefits to households or businesses that they permanently displace:

- Relocation advisory services;
- A General Information Notice, Notice of Eligibility, 90-day and a 30-day notice to vacate;
- Reimbursement for out of pocket eligible expenses, moving expenses; and
- Payments for added cost of renting or purchasing comparable Replacement Housing Assistance.

DISPLACEMENT OF PERSONS AND/OR ENTITIES

Displaced people, regardless of income, can receive benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA" or "Uniform Relocation Act"). URA applies to both temporary (during construction) and permanent displacement (one year or greater). The URA provides that a displaced person is eligible to receive a rental assistance payment that covers a period of 42 months.

RESIDENTIAL ANTI-DISPLACEMENT

All subrecipients must follow HCDD's Residential Anti-Displacement Policy.

REAL PROPERTY

If CDBG-DR funds are used to acquire real property, HCDD shall ensure that the property continues to be used for its intended (and approved) purpose; proper records are maintained to keep track of it; steps are taken to protect and maintain it; and that if the property is sold, HCDD is reimbursed for the CDBG-DR share of the property's value. HCDD, as the grantee, along with its sub-recipients and contractors, must tag and log all property valued greater than \$1,000 and update inventory records annually.

Second, the rules depend on the nature of the property. Real property (e.g., land, buildings) is treated differently than personal property (e.g., equipment, supplies, intangible property such as copyrights). (Property Management and Disposition Regulations 24 C.F.R. § 570.503; Real Property 2 C.F.R. § 200.311; Equipment 2 C.F.R. § 200.313; Intangible Property 2 C.F.R. § 200.315; Supplies 2 C.F.R. § 200.314).

The federal requirements relating to real property are organized according to title (ownership), use, and disposition. In general, the property management system must provide for accurate records, the performance of regular inventories, adequate maintenance and control, and proper sales procedures. Grantees must follow sales procedures that provide for competition, to the extent practicable, and that result in the highest possible return.

INSURANCE AND PROPERTY MANAGEMENT

For all projects in the Program, all property owners must procure and maintain insurance for the duration of the agreement to protect all contract assets from loss due to any cause, such as theft, fraud, and physical damage. If CDBG-DR funds are used to acquire real property or personal property, the property owner is responsible for ensuring that:

1. The property continues to be used for its intended (and approved) purpose;
2. The subrecipient keeps track of, and takes care of, the property; and
3. If the subrecipient sells or disposes of the property during the contract period, the subrecipient reimburses HCDD for the share of the property's value according to the agreement.

RECORD KEEPING, RETENTION AND FILE MANAGEMENT

In accordance with HUD regulations, the GLO as the recipient of CDBG-DR funds, and the City as the subrecipient follow the records retention requirements of 2 C.F.R. Part 200, which includes financial records, supporting documents, statistical records and all other pertinent records. Pursuant to 24 C.F.R. § 570.503(a) the record retention period for the HB program shall be the longer of 3 years after the expiration or termination of the subrecipient agreement between the GLO and the City or 3 years after the submission of the annual performance and evaluation report. The record retention period shall flow down to and be stated in any subrecipient or contractor agreement issued by the City.

RECORD RETENTION

Record retention is a requirement of the program. Records are maintained to document compliance with program requirements and federal, state, and local regulations and to facilitate a review or audit by HUD. The HCDD Records Management Program seeks to ensure that:

- HCDD complies with all requirements concerning records and records management practices under federal and state regulations;
- HCDD has the records it needs to support and enhance ongoing business and citizen service, meet accountability requirements, and community expectations;
- These records are managed efficiently and can be easily accessed and used for as long as they are required.

These records are stored as cost-effectively as possible and when no longer required they are disposed of in a timely and efficient manner based on HUD Handbook 2225.6, Records Disposition Schedules and HUD Handbook 2228.2.

ACCESS TO RECORDS (STATE – CITY)

24 C.F.R. § 570.490 and 2 C.F.R. § 200.336:

(c) Access to records.

1. Representatives of HUD, GLO, the Inspector General, and the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG funds and necessary to facilitate such reviews and audits.
2. The City shall provide citizens with reasonable access to records regarding the past use of CDBG funds and ensure that units of general local government provide citizens with reasonable access to records regarding the past use of CDBG and CDBG-DR funds consistent with state or local requirements concerning the privacy of personal records.

AUDIT REQUIREMENTS

In accordance with Subpart F of 2 C.F.R. Part 200, non-federal entities that expend \$750,000 or more during their fiscal year in federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions therein. HCDD is responsible for conducting reviews of these single or program-specific audit reports and for coordinating the issuance of management decisions for audit findings relating to HCDD provided federal funds.

FRAUD, WASTE AND ABUSE

The City will assess all program systems, processes and Standard Operating Procedures from an anti-fraud, waste, and abuse perspective. The City will provide anti-fraud training to program staff. Anyone with information regarding known or suspected misappropriation of funds or resources is encouraged to report the information to the City by sending a written report via U.S. mail to the following address: City of Houston, Housing and Community Development Department, 2100 Travis St., Houston, Texas 77002.

All documents to be signed by the applicant will incorporate the following statement in full:

Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. § 287, 18 U.S.C. § 1001 and 31 U.S.C. § 3729.

CONFLICTS OF INTEREST

The program requires all program staff to disclose any relationship with an applicant or contractor. Program staff, program administrators, and contractors who disclose such relationships are placed in roles where there is no opportunity for them to display favoritism or collude to financially or otherwise benefit themselves, the applicant, or the contractor. For example, a customer representative may not perform work on the application of a family member. For purposes of this requirement, "family" is defined to include spouse, parents, mother-in-law, father-in-law, grandparents, siblings, brother-in-law, sister-in-law, and children of an official covered under the CDBG conflict of interest regulations at 24 C.F.R. § 570.489(h).

HCDD may consider requesting an exception to the conflict of interest provisions from the GLO per 24 C.F.R. § 570.489(h)(4) if HCDD has determined that the subrecipient, vendor or contractor has adequately and publicly addressed all the concerns generated by the conflict of interest and that an exception would serve to further the purposes of Title I of the HCDA and the subrecipient has complied with the requirements listed in 24 C.F.R. § 570.489(h)(4)(i) and (ii). HCDD considers whether the exception provides a significant cost benefit or essential degree of expertise; whether the opportunity was provided for under open competitive bidding or negotiation; whether the person affected is an LMI person, whether the affected person has withdrawn from his or her functions or responsibilities; whether the interest or benefit was present before the affected person was in a position to benefit from the conflict of interest; or whether undue hardship results from failure to grant the exception.

CONFIDENTIALITY/PRIVACY

The City is committed to protecting the privacy of all individual stakeholders, including the public and those individuals working on the program. The program's policies describe how information is to be handled and protected. The purpose of this privacy policy is to establish when and under what conditions certain information relating to individuals may be disclosed.

The data collected from applicants for the Program may contain personal identifying information ("PII") or sensitive personal information ("SPI") that is confidential under the Texas Public Information Act, Tex. Gov't. Code § 552.160 (TPIA). Under the TPIA, an applicant's name, social security number home address number (but not street name) and telephone number are protected. Individual applications may contain information that the City obtains from the federal that is covered by the Federal Privacy Act of 1974 ("Privacy Act"). The Privacy Act also provides confidentiality of certain PII and SPI and restricts its disclosure. PII and SPI collected under the Program may only be used for limited official purposes:

- Program staff may use PII and SPI throughout the award process to ensure compliance with program requirements, reduce errors, and mitigate fraud and abuse.
- Independent auditors, when hired by the program to perform a financial or programmatic audit of the program, may PII and SPI to determine program compliance with applicable HUD and federal regulations, including the Stafford Act, CDBG-DR regulations and requirements, and State and local law.
- HCDD may disclose an applicant's PII or SPI to those with official Power of Attorney for the applicant or for whom the applicant has provided written consent to do so.

Organizations assisting HCDD in executing the CDBG-DR Program must comply with all federal and state law enforcement and auditing requests. This includes, but it not limited to, HUD, FEMA, FBI, Office of

the Comptroller, and the Office of the Inspector General.

Record Keeping and Reporting

The HB program will adhere to the stricter retention policies of either HCDD, the State of Texas, or HUD for the use of CDBG-DR funds as required by the grant.

All official records on programs and activities shall be maintained for at least five years beyond the closing of the grant between the GLO and HUD. Applicant records may be maintained electronically.

Conflicts of Interest

All applicants will be subject to HCDD's Conflict of Interest Policies. No employee, agent, or officer, who exercises decision-making responsibility with respect to CDBG-DR funds and activities, is allowed to obtain a financial interest in or benefit from CDBG-DR activities, or have a financial interest in any contract, subcontract, or agreement regarding those activities or in the proceeds of the activities. The HB program will establish safeguards to prohibit employees, officers, and agents from using their position for a purpose that is, or gives the appearance of being, motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties. HCDD may require disclosure of any potential conflict of interest to the governing body of the locality, to the recipient's legal counsel, and as otherwise may be appropriate.

Changes, Waivers, and Conflicts

Waivers to the requirements in these Guidelines can only be approved by HCDD and the GLO and must be provided in writing. If these Guidelines conflict with local, state, or federal law, the more stringent requirement will prevail, provided that the requirement does not violate local, state, or federal law.

HCDD will publish all Program Guidelines on the City's website [www.recovery.houstontx.gov]. All guidelines will initially be published for a 30-day public comment period. Any subsequent changes to the Guidelines after approval by the Texas General Land Office will be posted for a minimum of (7) seven days for public comment and the latest versions available on the City's website.

WAIVERS

As the program matures, it is possible there will be requests for waivers and alternative requirements to these Guidelines. These requested changes and waivers must be consolidated, reviewed, and approved by the GLO. To request a waiver, HCDD must submit a written request on HCDD letterhead that includes the following:

1. The Guideline for which the waiver applies
2. The requirement to be waived or altered
3. Alternative requirement or language
4. Detailed statement of how the request is necessary to address unmet recovery needs

GENERAL PROGRAM WAIVER REQUEST

A General Program Waiver request includes a requested change to the Guidelines for administrative, eligibility, national objective, expenditure deadline, or overall benefit requirements, for which approval from the GLO is needed within thirty (30) days. The request must demonstrate that the funds will be used for an eligible CDBG-DR eligible activity and meet a national objective.

Waivers of this category must be published for seven (7) days and public comment received and addressed before implementation.

EMERGENCY WAIVER REQUEST

An Emergency Program Waiver Request is a requested change to the Guidelines for administrative, eligibility, national objective, expenditure deadline, or overall benefit requirements that must be implemented as soon as possible, for example, to resolve or prevent a compliance issue. An Emergency Waiver Request must be submitted to GLO immediately and a response should be received from GLO within five (5) business days.

In the case of requests that must be routed to HUD for approval, it is expected that GLO and the City of Houston will request an expedient response. If the request will not be approved prior to the anticipated or necessary implementation timeline, GLO must notify the City of Houston via official letter of the necessary escalation to HUD and anticipated timing.

Additional requirements may be requested as required for submission depending on waiver type and category.

Guideline Updates/Public Comments

HCDD will publish all Program Guidelines on the City's website [www.recovery.houstontx.gov]: All guidelines will initially be published for a 30-day public comment period. Any subsequent changes to the Guidelines after approval by the Texas General Land Office will be posted for a minimum of seven days for public comment and the latest versions available on the City's website.

Complaints

The City of Houston Housing and Community Development Department (HCDD) welcomes feedback and complaints from any member of the public. Complaints are accepted in writing or over the telephone. Complaints will be responded to in writing within fifteen (15) business days, as practicable. For further information, please refer to the HCDD recovery website, https://www.houstontx.gov/housing/2016_Flood_Events_Recovery.html

CONTACT INFORMATION

HCDD Mailing Address

Housing and Community Development Department
2100 Travis St., 9th Floor
Houston, TX 77002
Attn: Planning & Grants Management

HCDD Email Address

HCDDComplaintsAppeals@houstontx.gov

Telephone

(832)394-6200

HCDD Business Hours

Monday through Friday

8:00 AM to 5:00 PM

Appeals

HCDD's appeal process will be provided in writing to any appellant upon request or receipt of an appeal, and the same process will be clearly posted on the City's websites, including disaster recovery websites and entitlement program websites. HCDD will keep a record of each appeal that it receives and include all communications and their resolutions therein.

Applicants have the right to appeal decisions made on their program file based on the following:

- Denied services through any of HCDD's programs
- Denial of a request for resolution for tax credits
- Program eligibility determination
- Program award calculation
- Procedural error where the application was not processed by program staff in accordance with the program guidelines
- Affirmatively Furthering Fair Housing

Appeals must be made in writing, and may either be in letter form, through HCDD's website, or on HCDD's Appeal Request Form (available on HCDD's website or at the HCDD office). Written appeals will be accepted either by mail or in-person at the HCDD office. To be considered complete, an appeal must contain the following information:

- Name
- Property Address
- Mailing Address (if different from Property Address)
- Phone
- Contact number (if applicable)
- Email Address
- Reason for Appeal

Appeals must be made within thirty (30) days of notice of the determination on the applicant's file that generated the appeal. Upon receipt of an appeal, HCDD will respond in writing to the appellant of the program area's decision regarding the appeal and provide the basis thereof within thirty (30) days, as practicable.

APPEALS REVIEW COMMITTEE

Should the initial appeal process with the program area not achieve a resolution amenable to the appellant, the appellant has the right to escalate the appeal, in writing, to the Appeals Review Committee (ARC). The appellant may only escalate the appeal after the completion of the initial program area process.

The ARC will process the escalated appeal within thirty (30) days, as practicable. The ARC will transmit their decision to the appellant in writing.

TEXAS GENERAL LAND OFFICE

Should the appellant not be satisfied with the outcome determined by the ARC, they have the option to dispute the decision by sending an appeal in writing to the Texas General Land Office (GLO). The appellant has thirty (30) days to submit an appeal directly to GLO following receipt of the ARC's decision regarding their appeal.

If no word on a pending appeal is received by HCDD within the appropriate timeline from GLO, HCDD will designate the appeal decision made by the Appeals Review Committee as the final decision and consider the matter closed.

CONTACT INFORMATION

HCDD Mailing Address

Housing and Community Development Department
2100 Travis St., 9th Floor
Houston, TX 77002
Attn: Planning & Grants Management

HCDD Email Address

HCDDComplaintsAppeals@houstontx.gov

HCDD Business Hours

Monday through Friday
8:00 AM to 5:00 PM

GLO Mailing Address

Texas General Land Office
PO Box 12873
Austin, TX 78711-2873
ATTN: GLO-CDR

GLO Email Address

cdr@recovery.texas.gov

GLO Telephone

(844) 893-8937

(512) 475-5000

Program Closeout

HCDD assigned program staff will coordinate all required file documentation with applicants and contractors necessary for program requirements and submit for approval of completion and closeout and proper record keeping.

Definitions

Acquisition: Acquisition of Real Property at 100 percent post-disaster fair market value (FMV) of the land and structures that allows City to acquire real property for any public purpose, as set forth in 24 C.F.R. § 570.201(a). Methods of acquisition include purchase, long-term lease (15+ years), donation or otherwise (CPD-17-09). The City has the flexibility to hold any property purchased through acquisition as undeveloped green space and/or detention.

Affirmatively Furthering Fair Housing (AFFH): AFFH is a legal requirement that federal agencies and federal grantees further the purposes of the Fair Housing Act. HUD's AFFH rule provides an effective planning approach to aid program participants in taking meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. The HUD AFFH assessment tool and final rule can be found here: https://www.huduser.gov/portal/affht_pt.html.

Buyout- Purchase of an eligible property at the post-disaster Fair Market Value (FMV) with the intent to reduce risk from future flooding or reduce risk from future hazard. The property acquired will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain, and wetlands management practices.

Davis-Bacon Act of 1931 (40 U.S.C. § 3141 et seq.) and Related Acts (DBRA): All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this chapter shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. This applies to the rehabilitation and reconstruction of residential property only if such property contains not less than 8 units.

Demolition: The clearance and proper disposal of dilapidated buildings and improvements.

Environmental Review: All qualified projects must undergo an environmental review process. This process ensures that the activities comply with National Environmental Policy Act ("NEPA") and other applicable state and federal laws.

Event: The Presidentially declared natural disaster, and subsequent flooding, disaster event.

Flood Hazard Area: Areas designated by FEMA as having risk of flooding.

Floodplain: FEMA designates floodplains as geographic zones subject to varying levels of flood risk. Each zone reflects the severity or type of potential flooding in the area.

- “100-year floodplain” — the geographical area defined by FEMA as having a one percent chance of being inundated by a flooding event in any given year.
- “500-year floodplain” — the geographical area defined by FEMA as having a 0.2 percent chance of being inundated by a flooding event in any given year.

Floodway: FEMA designated channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height.

General Land Office (“GLO”): The Texas General Land Office is the lead agency for managing the State’s Community Development Block Grant – Disaster Recovery grants.

Grant Agreement: A funding agreement detailing eligible program costs and project-specific award agreements between HUD and the GLO, including regulatory provisions, certifications, and requirements.

Housing and Urban Development Act of 1968, Section 3: Requires program administrators ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing federal, state, and local laws and regulations, to low- and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR 135.32.

Multifamily Rental (structure): Eight or more rental units in the property.

Property: (used interchangeably) apartment, group of rooms, or single room occupied or intended for occupancy as separate living quarters.

Texas Integrated Grant Reporting (TIGR): TIGR is the GLO system of record for all CDBG-DR grant management and reporting.

Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (Title 49 C.F.R. Part 24) (42 U.S.C. 4601 et seq.) (URA): A cross-cutting federal law established minimum standards for real property acquisition and relocation assistance for federally-funded programs and projects. Congress created the URA to address the impact of federally-funded public improvement projects on people. HUD commonly refers to the law as the URA.

Vendor: Vendors and private grant administrators procured by the city or contractors to provide supplies, equipment, or services necessary to implement the Program and to serve program needs. Upon approval, the vendor may implement the Program or act on behalf of the City.



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 6/26/2018

ALL

Item Creation Date: 6/7/2018

HCD18-61 Submission of the Local Action Plan to GLO for
CDBG-DR Funds

Agenda Item#:

Background:

The Housing and Community Development Department (HCDD) requests approval to submit a local action plan to the Texas General Land Office (GLO). This plan will be incorporated into the *State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1* as a substantial amendment and will serve as the City of Houston's application for Community Development Block Grant Disaster Recovery (CDBG-DR) funding.

The GLO has designated the City of Houston to receive a direct allocation of CDBG-DR in the amount of \$1,155,119,250.00 to be used for Hurricane Harvey recovery efforts primarily related to housing. This direct allocation is based on the unmet needs methodology that the U.S. Department of Housing and Urban Development (HUD) used to determine the \$5,024,215,000.00 allocation to the State of Texas for Hurricane Harvey.

As a result of the direct allocation, the City of Houston is required to develop a local action plan. This local action plan is prescribed by the GLO and includes a local needs assessment, budget, program descriptions, and expenditure timelines for the City's expected allocation of CDBG-DR funds.

Once the City submits its local action plan to the GLO, the GLO will amend the *State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1*, publish the amendment for public comment, review and incorporate public comments, and submit the amendment to HUD. Once approved by HUD, the City of Houston will execute an agreement with the GLO for the CDBG-DR funds.

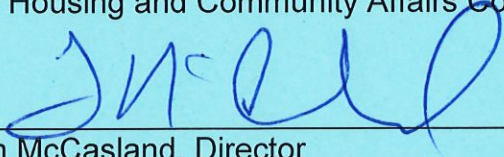
HCDD recommends that the City's estimated allocation of \$1,155,119,250.00 in CDBG-DR funds be distributed among the following categories:

Homeowner Assistance Program	\$385,028,859.00
Single Family Development Program	\$200,000,000.00
Multifamily Rental Program	\$314,979,000.00
Small Rental Program	\$60,005,000.00
Homebuyer Assistance Program	\$21,315,000.00
Buyout Program	\$40,000,000.00
Housing Administration	\$20,426,557.00
Public Services	\$60,000,000.00
Economic Revitalization Program	\$30,264,834.00
Planning	\$23,100,000.00
Total	\$1,155,119,250.00

During May and June 2018, HCDD solicited public input in the development of the local action plan through various methods including community meetings, focus group discussions, and a survey. HCDD partnered with a variety of community groups to carry out these community meetings where residents receive information about recovery programs and give input about their disaster recovery related needs and priorities for CDBG-DR funding. Public input for this funding is ongoing and anticipated to continue throughout the summer as program guidelines are developed.

A draft local action plan was posted to allow residents the opportunity to comment before City Council approval. The 14-day review period was June 7, 2018 through June 24, 2018.

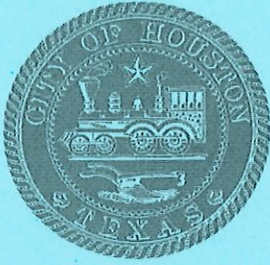
The Housing and Community Affairs Committee reviewed this item on June 19, 2018.



Tom McCasland, Director

Contact Information:

Roxanne Lawson
(832) 394-6307



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 12/11/2018

ALL

Item Creation Date: 11/28/2018

HCD18-120b Authorization to Execute Documents for Community Development Block Grant Disaster Recovery (CDBG-DR)

Agenda Item#:

Background:

The Housing and Community Development Department (HCDD) requests City Council approval of an ordinance authorizing (1) the form of the contract between the City of Houston and the Texas General Land Office (GLO) for Community Development Block Grant Disaster Recovery (CDBG-DR), (2) the execution of the contract between the City of Houston and the GLO for CDBG-DR by the Mayor, or Mayor's designee, (3) the execution of related forms and documents for CDBG-DR, by the Mayor, or Mayor's designee, and (4) the reapproval of the City's Local Action Plan for Disaster Recovery: Hurricane Harvey, as updated. (1-3) HCDD requests approval to authorize the Mayor, or Mayor's designee, to execute all related contracts, agreements, contract/agreement amendments, related financial authorization forms/documents, and other required documents with the GLO for CDBG-DR related to the *State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1*.

(4) On June 27, 2018, City Council authorized the submission of the *Local Action Plan* to the GLO to be added as part of Amendment #1 to the *State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1*. After the City submitted its *Local Action Plan* to the GLO, the GLO amended the *State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1*, published the amendment for public comment, reviewed and incorporated public comments, and submitted the amendment to the U.S. Department of Housing and Urban Development (HUD).

Since the original submission, updates have been made to the *Local Action Plan* at the request of GLO and HUD. Updates include an increased estimated allocation amount from \$1,155,119,250.00 to \$1,175,954,338.00. The updated budget is:

Homeowner Assistance Program	\$392,729,436.00
Single Family Development Program	\$204,000,000.00
Multifamily Rental Program	\$321,278,580.00
Small Rental Program	\$61,205,100.00
Homebuyer Assistance Program	\$21,741,300.00
Buyout Program	\$40,800,000.00
Housing Administration	\$20,835,088.00
Public Services	\$60,000,000.00
Economic Revitalization Program	\$30,264,834.00
Planning	\$23,100,000.00
Total	\$1,175,954,338.00

*Keith W. Bynum, Deputy Director
on behalf of:*

Tom McCasland, Director

Prior Council Action:

2018-518 (O) 6/27/2018

Contact Information:

Roxanne Lawson
(832) 394-6307



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 2/26/2019

ALL

Item Creation Date: 2/4/2019

HCD19-03 Amendment to the State of Texas Plan for Disaster Recovery: Hurricane Harvey - Rd 1 for CDBG-DR Funds

Agenda Item#: 23.

Background:

The Housing and Community Development Department (HCDD) recommends Council approval to amend Houston related sections of the *State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1 (Plan)*. Changes to the Plan will include an additional allocation of Community Development Block Grant Disaster Recovery (CDBG-DR) funding in the amount of \$99,923,703.00 for Hurricane Harvey from the Texas General Land Office (GLO). The amended Houston related sections of the Plan will be submitted to GLO to be incorporated into GLO's *Plan Amendment #3*.

The City of Houston received a direct CDBG-DR allocation from GLO in the amount of \$1,175,954,338.00 to be used for Hurricane Harvey recovery efforts primarily related to housing. To receive this funding, the City of Houston developed a local action plan as prescribed by GLO, which included a local needs assessment, budget, program descriptions, and expenditure timelines for the City's allocation of CDBG-DR funds. Council approved the submission of the local action plan to GLO on June 27, 2018, Ordinance No. 2018-518, and approved the updated local action plan and authorized the Contract on January 2, 2019, Ordinance No. 2019-10. The local action plan was incorporated into GLO's Plan, which was approved by HUD in December 2018.

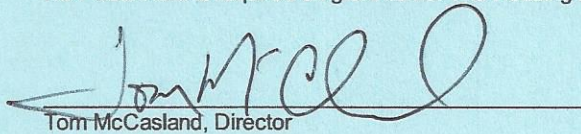
The amended Houston sections of the Plan include changes to the CDBG-DR17 budget to incorporate the additional \$99,923,703.00 expected in CDBG-DR funding. To reflect the additional funding, the following activities have been proportionally increased as shown in the table below: Homeowner Assistance Program, Single Family Development Program, Multifamily Rental Program, Small Rental Program and the Homebuyer Assistance Program.

Community Development Block Grant Disaster Recovery (CDBG-DR)		
Activity	Increase	New Budget
Homeowner Assistance Program	\$35,170,627.00	\$427,900,063.00
Single Family Development Program	\$18,269,086.00	\$222,269,086.00
Multifamily Rental Program	\$28,771,892.00	\$350,050,472.00
Small Rental Program	\$5,481,182.00	\$66,686,282.00
Homebuyer Assistance Program	\$1,947,028.00	\$23,688,328.00
Buyout Program	-	\$40,800,000.00
Public Services	-	\$60,000,000.00
Economic Revitalization Program	-	\$30,264,834.00
Administration	\$10,283,888.00	\$31,118,976.00
Planning	-	\$23,100,000.00
Total	\$99,923,703.00	\$1,275,878,041.00

Additional changes to the Plan include removing contradictory language, adding clarifying language, and removing language related to Houston's public comment period to align the Plan's substantial amendment process with GLO and Harris County.

Updated portions of the Plan were made available to the public to allow residents the opportunity to comment before City Council approval. The review period was January 25, 2019 through February 24, 2019.

No Fiscal Note is required on grant items. The Housing and Community Affairs Committee reviewed this item on February 19, 2019.


Tom McCasland, Director

Prior Council Action:

6/27/2018 (O) 2018-518

1/2/2019 (O) 2019-10

Amount of Funding:

\$99,923,703.00

CDBG- Disaster Recovery Hurricane Harvey

Federal State Local – Pass Through Fund

Fund 5030

Contact Information:

Roxanne Lawson

Phone: (832) 394-6307

ATTACHMENTS:

Description

State's Action Plan Amendment #3 redlined - Houston excerpt

Ordinance No. 2018-518

Ordinance No. 2019-10

PNFDF

Type

Backup Material

Ordinance/Resolution/Motion

Ordinance/Resolution/Motion

Backup Material

CITY OF HOUSTON HOUSING & COMMUNITY DEVELOPMENT DEPARTMENT

RECORD OF CONCURRENCE FOR APPROVAL

SUBJECT: Public Notice and Funding Determination Form for an ordinance approving the Amendment to the State of Texas Plan for Disaster Recovery: Hurricane Harvey	DUE DATE ASAP	DATE SUBMITTED 2/4/2019	REF#: 2019 JAN 35 AM 11:39
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EXPLANATION: Please review the attached PNFD package for City Council's approval of a proposed ordinance for the amendment to the State of Texas Plan for Disaster Recovery: Hurricane Harvey - Round 1 and sign the concurrence.

ORIGINATOR	DATE ORIGINATED	PERSON TO CONTACT FOR DETAILS	TELEPHONE NUMBER	
Fatima Wajahat <i>FW</i>	2/4/2019	Fatima Wajahat	832-394-6156	
ROUTING SEQUENCE	APPROVING AUTHORITY	SIGNATURE	DATE	COMMENTS
1.	Program Area (Division Manager for RM)	<i>Chupka Swin</i>	2/4/19	
2.	Grants Management	<i>K. Hancock</i>	2/6/19	
3.	Finance	<i>M. [Signature]</i>	2/6/19	
4.	Relocation	<i>K. Hancock</i>	2/7/19	
5.	Contract Compliance	<i>Edmund Dzw</i>	28.19	
6.	Real Estate Compliance	<i>[Signature]</i>	2/8/19	
7.	Finance	<i>[Signature]</i>	2/8/19	

HOUSING & COMMUNITY DEV
FINANCIAL SERVICES
RECEIVED
2019 FEB -6 PM 3:18

HOUSING & COMMUNITY DEV
FINANCIAL SERVICES
RECEIVED
2019 FEB -8 AM 9:02

HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT PUBLIC NOTICE AND FUNDING DETERMINATION FORM				NOVUS HCD# 19-03
PART 1				
Target Housing Committee Date: 2/19/2019		Target City Council Date: 2/27/2019		Date/ID of Prior Council Action: 6/27/2018, 1/2/2019
Project Name Amendment to State of Texas Plan for Disaster Recovery - Hurricane Harvey		Amount Requested 0		Council Member(s)/District(s) (List all): ALL
Project Address Various		City & State Houston, TX		Date Originated 2/4/2019
Applicant/Developer Fatima Wajahat		HCDD Division Planning & Grants Mgmt.		Zip Various
Relationship Manager (RM) (Print) Fatima Wajahat		HCDD Division Planning & Grants Mgmt.		DUNS Number 832.394.6156
Project Status (Check all that apply) <input checked="" type="checkbox"/> ADMIN <input checked="" type="checkbox"/> CHDO (CHDO Housing) <input checked="" type="checkbox"/> PUBS (Public Services) <input checked="" type="checkbox"/> ECDV (Economic Dev) <input checked="" type="checkbox"/> PLAN (Planning)		Type of Project (Check only one) <input checked="" type="checkbox"/> HOUS (Housing Non-CHDO) <input checked="" type="checkbox"/> PRIV (Privately Owned Public Facilities) <input checked="" type="checkbox"/> PUBF (Publicly Owned Public Facilities) <input checked="" type="checkbox"/> CLDM (Clearance/Demolition) <input type="checkbox"/> HOPWA		Organization Type (check only one) <input type="checkbox"/> CHDO <input type="checkbox"/> Department <input type="checkbox"/> Interlocal <input type="checkbox"/> Non-Profit <input type="checkbox"/> For Profit <input type="checkbox"/> Other-List Below
Activity Type (Check Only One) <input type="checkbox"/> SFD (SF Development) <input type="checkbox"/> SFA (SF Downpayment) <input type="checkbox"/> SFR (SF Repair) <input type="checkbox"/> SRR (SRO-Rehab Non-Tax Credit) <input type="checkbox"/> SRX (SRO New Cons Tax Credit) <input type="checkbox"/> MFC (MF New Cons Non-Tax Credit) <input type="checkbox"/> MFR (MF Rehab Non-Tax Credit) <input type="checkbox"/> MFT (MF New Cons Tax Credit) <input type="checkbox"/> MFX (MF Rehab Tax Credit) <input type="checkbox"/> MSC (Multi Service Centers) <input type="checkbox"/> DPC (Developer Participation) <input type="checkbox"/> PUB (Public Facility)		Letter of Agreement <input type="checkbox"/> Contract <input type="checkbox"/> Reprogramming/ Grant App <input type="checkbox"/> Interlocal Agreements <input type="checkbox"/> Appropriation		List: Amendment to GLO's Plan for CDBG-DR17
Product Type (Check Only One) <input type="checkbox"/> SFD (SF Development) <input type="checkbox"/> SFA (SF Downpayment) <input type="checkbox"/> SFR (SF Repair) <input type="checkbox"/> SRR (SRO-Rehab Non-Tax Credit) <input type="checkbox"/> SRX (SRO New Cons Tax Credit) <input type="checkbox"/> MFC (MF New Cons Non-Tax Credit) <input type="checkbox"/> MFR (MF Rehab Non-Tax Credit) <input type="checkbox"/> MFT (MF New Cons Tax Credit) <input type="checkbox"/> MFX (MF Rehab Tax Credit) <input type="checkbox"/> MSC (Multi Service Centers) <input type="checkbox"/> DPC (Developer Participation) <input type="checkbox"/> PUB (Public Facility)		Partner Department: <input type="checkbox"/> AAD <input type="checkbox"/> CTR <input type="checkbox"/> DON <input type="checkbox"/> HAS <input type="checkbox"/> HPD <input type="checkbox"/> ITD <input type="checkbox"/> MYR <input type="checkbox"/> PWE <input type="checkbox"/> ARA <input type="checkbox"/> CNL <input type="checkbox"/> FIN <input type="checkbox"/> HFD <input type="checkbox"/> HPL <input type="checkbox"/> LGL <input type="checkbox"/> PDD <input type="checkbox"/> SWD <input type="checkbox"/> CEF <input type="checkbox"/> CSC <input type="checkbox"/> GSD <input type="checkbox"/> HLT <input type="checkbox"/> HRD <input type="checkbox"/> MCA <input type="checkbox"/> PRD		Amendment to GLO's Plan for CDBG-DR17
Funding Source <input type="checkbox"/> CDBG <input type="checkbox"/> DR-2 <input type="checkbox"/> HOME <input type="checkbox"/> DR 2015 <input type="checkbox"/> HOPWA <input type="checkbox"/> DR 2016 <input type="checkbox"/> HESG <input checked="" type="checkbox"/> DR-Harvey		Is the Entity a Subrecipient? <input type="checkbox"/> FEMA <input type="checkbox"/> TIRZ <input type="checkbox"/> HHSP <input type="checkbox"/> Other <input checked="" type="checkbox"/> No		Documents Attached (Check all that apply) <input type="checkbox"/> Director Signed RCA <input checked="" type="checkbox"/> Draft RCA <input type="checkbox"/> Eligibility Checklist <input type="checkbox"/> Location Map <input type="checkbox"/> Fact Sheet and Scope <input type="checkbox"/> Revised Budget <input type="checkbox"/> Census Tract Maps <input type="checkbox"/> Con Plan Page
RM Signature <i>Fatima Wajahat</i>		Date 2/4/2019		AD or Div. Mgr Approval <i>Fatima Wajahat</i>
AD or Div. Mgr Approval <i>Fatima Wajahat</i>		Date 2/4/19		

NO INCOMPLETE PACKAGES WILL BE		NOVUS HCD# 19-03	
Project Name	Amendment to State of Texas Plan for Disaster Recovery - Hurricane Harvey	Amount Requested	0
Date Originated			
FUNDING ELIGIBILITY & VERIFICATION BY GRANTS MANAGEMENT			
Eligibility Activity & Citation:	24 CFR 570.206 Program Administration		
Public Notice Required?	Comments:		
<input type="checkbox"/> NO - Not Required <input type="checkbox"/> NO - In Action Plan <input type="checkbox"/> YES - Not in Action Plan <input type="checkbox"/> YES - Substantial Change			
Public Notice Period (Publication timeframe):	Start Date 1/25/19	End Date 2/24/19	Legal Services Required <u>Circle Yes/No</u>
Grants Management Signature	Francesca Marshall		
FUNDING SOURCE VERIFICATION BY FINANCIAL SERVICES (USED FOR ENVIRONMENTAL PROCESSING)			
Funding Source (verification done by Financial Services)	If Other is Checked (List)		
<input type="checkbox"/> HOME <input type="checkbox"/> HOPWA <input type="checkbox"/> HESG <input type="checkbox"/> CDBG <input type="checkbox"/> TIRZ <input type="checkbox"/> FEMA <input type="checkbox"/> HHSP <input type="checkbox"/> DR-2 <input type="checkbox"/> DR 2016 <input type="checkbox"/> Other <input checked="" type="checkbox"/> DR-Harvey			
Activity Per Action Plan (use the main activity listed)	No funding required. Amendment only		
HUD Budget Year(s)			
Funded Amount	\$	\$	\$
By signing, finance verified funding and it complies with the Consolidated Plan(s) and Action Plan(s)			
Budget Management Team Signature	[Signature]		
FS Reviewer	Date 2/6/19		
PART 3A-NEW			
TIRZ/HHB FUNDING IS REQUESTED (Designated Planner (Special Grants GM staff) completes this section only)			
Fund	Activity/Project Included in Approved Budget Plan? Circle One		
Funded Amount	\$	\$	\$
Designated Planner			Date

NO INCOMPLETE PACKAGES WILL BE PROCESSED ALL SHEETS (4) MUST BE SUBMITTED AT ONCE		NOVUS HCD# 19-03
Project Name Amendment to State of Texas Plan for Disaster Recovery - Hurricane Harvey	Amount Requested 0	Date Originated
COMPLIANCE		
PART 4		
ENVIRONMENTAL REVIEW		
Check All that Apply: <input type="checkbox"/> Required <input type="checkbox"/> Categorically Excluded <input type="checkbox"/> Exempt <input type="checkbox"/> NOT REQUIRED- Non Federal Funds	Comments: <i>Amendment w/o funding - no review for this item needed</i>	Date 2/7/19
Is the Environmental Release of Federal Funds Required? (Circle one) Yes / No (If Yes, on 2nd Routing complete Part 5)		
Environmental Review Officer (ERO) Signature <i>Math Jenkins</i>	Team Signature <i>Michael Kegan</i>	Date 2/8/19
Davis Bacon Required? (Circle one) Yes / No <i>No</i>	Compliance & Monitoring Team Signature <i>Christina Byza</i>	Date 2.8.19
Subject to MWSBE? (Circle one) Yes / No <i>No</i> If Yes, Contract Goal %: _____	Compliance & Monitoring Team Signature <i>Christina Byza</i>	Date 2.8.19
Subject to POP? (Circle one) Yes / No <i>No</i>	Compliance & Monitoring Team Signature	Date
RELOCATION		
Subject to Relocation (URA)? (Circle one) Yes / No <i>No</i>	Relocation Specialist Signature <i>K London</i>	Date 2/7/19
Comments:		
PART 5		
RELEASE OF FEDERAL FUNDS (ROFF)-2ND ROUTING TO THE ERO FROM GM		
Enter Environmental Release of Funds Date	ERO Signature	Date
PART 6		
SAP FUND ASSIGNMENT - COMPLETED ONLY AFTER ENVIRONMENTAL ROFF ISSUED AND PUBLIC NOTICE PERIOD HAS EXPIRED		
Transfer From:		
Activity Type		Comments:
SAP Grant ID		
Sponsor Program		
Amount \$	\$	
Transfer To:		
SAP Grant ID (i.e. 320000XX-20XX)		Comments:
Fund Business Area (i.e. 3200)		

NO INCOMPLETE PACKAGES WILL BE PROCESSED ALL SHEETS (4) MUST BE SUBMITTED AT ONCE		NOVUS HCD#	19-03
Project Name	Amendment to State of Texas Plan for Disaster Recovery - Hurricane Harvey	Amount Requested	0
PART 6 (CON'T)	SAP FUND ASSIGNMENT- COMPLETED ONLY AFTER ENVIRONMENTAL ROFF ISSUED AND PUBLIC NOTICE PERIOD HAS EXPIRED	Date Originated	
Cost Center (i.e. 32000X000X)		Outline Agreement #	
G/L (Multiple GLs- insert "See Budget")	No funding required. Amendment only	SRO /PO #	
Internal Order		Funds Reservation #	
Sponsor Program (SP)			
Sponsor Program Group			
Amount	\$		\$
SAP SP Change List Updated		Circle One	Yes / No
Budget Management Team Signature	<i>[Signature]</i>	Budget Approval / SAP Forms Completed	Circle One Yes / No
FS Reviewer		Date	2/8/19
SCAN DOCUMENT INTO COMMON FA (N):\PROJECT MANAGERS\PNFDF\PROJECT NAME (IF NOT CREATED, CREATE A FOLDER)\FILE NAME(CREATE FILE NAME USING ORIGINATION DATE (BLANK) RPT CATEGORY, IF MULTIPLE, SEPARATE W/ A DASH I.E. 0809 8A20-6A20)			
Forwarded to the DIRECTOR'S OFFICE or Returned to the RELATIONSHIP MANAGER (Circle One)			
Director's Office/ Relationship Manager Signature	<i>[Signature]</i>	Date	2/8/19

KEY

Activity Types:

ADMIN	Program administrative to be used on projects that are included in the Administrative Expense cap
CHDO	CHDO Housing
CLDM	Clearance and/or Demolition Projects such as Neighborhood Protection Corp.
DRAW	HUD Revenue booked when Draws are made in IDIS
ECDV	Economic Development
HOUS	Housing (non-CHDO)
PLAN	Homeless planning and surveys such as those conducted by Coalition for the Homeless
PRIV	Privately Owned Public Facilities such as neighborhood facilities like Chinese Community Center and Star of Hope
PUBF	Publicly Owned Public Facilities such as Fire Stations and Street Improvements (projects that are COH Capital Improvement Projects)
PUBS	Public Service to be used on projects that are included in the Public Service cap

Product Type:

ADM	Program administration not project specific
BLD	Dangerous buildings and code enforcement
CLR	Clearance of blight
CON	New Construction
DEL	Project specific delivery
DPC	Developer participation contracts
ESN	Essential Services
GAM	Grantee Administration
LIB	Libraries
MFC	Multifamily new construction non-tax credit assisted
MFR	Multifamily rehabilitation non-tax credit assisted (includes senior facilities but not SRO's)
MFT	Multifamily new construction tax credit assisted (includes senior facilities but not SRO's)
MFJ	Multifamily rehabilitation tax credit assisted (includes senior facilities but not SRO's)
MSC	Multi-service centers
OPS	CHDO operating funds
OPS	Operations
PRE	CHDO predevelopment funds
PRJ	Project delivery costs
PRK	Parks and park improvements
PRV	Prevention
PSH	Public services managed by HCD
PSO	Public services managed by other City Departments
PUB	Public Facility Publicly Owned other than parks and libraries
RMU	Short Term Rent, Mortgage and Utility Subsidy
SAM	Sponsor Administration
SBL	Small business
SFA	Single family down payment assistance
SFD	Single family development
SFR	Single family repair
SPK	SPARKS parks
SRR	Single room occupancy rehab non-tax credit assisted
SRT	Single room occupancy new construction tax credit assisted
SRX	Single room occupancy rehabilitation tax credit assisted
SUP	Supportive Services
TBR	Tenant Based Rental Assistance
THR	Technical Assistance/ Housing Informaton/ Resource Identification
UNA	Unallocated funds

HOUSING and COMMUNITY DEVELOPMENT DEPARTMENT EXHIBIT 3A
CDBG-DR17 INITIAL ELIGIBILITY REVIEW CHECKLIST
(See Last Page for Laws, Regulations, and HUD Sources)

□RFP: _____

□Letter of Agreement: _____
Amendment to the State
of Texas Plan for DR

Applicant Name: COH - HCDD

Project Name: _____

ACTIVITIES ELIGIBLE FOR CDBG FUNDS – [CHECK ONE]		SUB-ACTIVITIES / PROGRAMS
<input type="checkbox"/>	Public Facilities & Improvements (24 CFR 570.201(c)) - answer items in "Other" Section on Page 3	Specify Type (Fire Equip., Multi Svc., Park, etc.) -
<input type="checkbox"/>	Homeowner Assistance Program	
<input type="checkbox"/>	City Managed Rehabilitation and Reconstruction (24 CFR 570.202)	
<input type="checkbox"/>	Reimbursement (24 CFR 570.202)	
<input type="checkbox"/>	Acquisition (24 CFR 570.201(a))	
<input type="checkbox"/>	Homeowner Managed Rehabilitation (24 CFR 570.202)	
<input type="checkbox"/>	Interim Mortgage Assistance (Federal Register Notice)	
<input type="checkbox"/>	Single Family Development Program (Federal Register Notice)	
<input type="checkbox"/>	Small Rental Program (24 CFR 570.202)	
<input type="checkbox"/>	Homebuyer Assistance Program (24 CFR 570.201(n))	
<input type="checkbox"/>	Buyout (Federal Register Notices)	
<input type="checkbox"/>	Public Services (24 CFR 570.201(e))	
<input type="checkbox"/>	Economic Revitalization (24 CFR 570.201(o))	
<input type="checkbox"/>	Planning (24 CFR 570.205)	
<input checked="" type="checkbox"/>	Program Administration (24 CFR 570.206)	
Please note that this is not an all-inclusive list of eligible CDBG activities. If you do not see your activity, please WRITE it in the "OTHER" box.		
<input type="checkbox"/>	OTHER	
NATIONAL OBJECTIVES– 24 CFR 570.208 [CHECK ONE]		
<input type="checkbox"/>	L/M Area Benefit Activities (24 CFR 570.208 (a)(1))	If selected, submit to Area Eligibility Specialist to complete section on Page 3
<input type="checkbox"/>	L/M Limited Clientele (24 CFR 570.208 (a)(2))	
<input type="checkbox"/>	L/M Housing Activities (24 CFR 570.208 (a)(3))	
<input type="checkbox"/>	L/M Job Creation or Retention Activities (24 CFR 570.208 (a)(4))	
<input type="checkbox"/>	Slum Blight on an Area Basis (24 CFR 570.208 (b)(1))	
<input type="checkbox"/>	Slum Blight on a Spot Basis (24 CFR 570.208 (b)(2))	

HOUSING and COMMUNITY DEVELOPMENT DEPARTMENT EXHIBIT 3A
CDBG-DR17 INITIAL ELIGIBILITY REVIEW CHECKLIST
(See Last Page for Laws, Regulations, and HUD Sources)

□RFP: _____

□Letter of Agreement: Amendment to the State of

Applicant Name: COH HCDD

Project Name: Texas Plan for DR

<input type="checkbox"/>	Slum Blight in an Urban Renewal Area (24 CFR 570.208 (b)(3))	
<input type="checkbox"/>	Urgent Need (24 CFR 570.208 (c))	
<input checked="" type="checkbox"/>	N/A (Program Admin and Planning not required to meet a Nat. Obj.)	

TYPE OF ENTITIES [CHECK ONE]:

<input type="checkbox"/>	501 State Development	
<input type="checkbox"/>	502 Local Development	
<input checked="" type="checkbox"/>	City Department	Name of Department
<input type="checkbox"/>	For-Profit	Proposer
<input type="checkbox"/>	Governmental Housing Agency	Proposer
<input type="checkbox"/>	Governmental Non-Profit	Proposer
<input type="checkbox"/>	Individual	Proposer
<input type="checkbox"/>	Partnership	Proposer
<input type="checkbox"/>	Private Non-Profit	Proposer
<input type="checkbox"/>	Project Sponsor	Proposer
<input type="checkbox"/>	SBI Company	Proposer
<input type="checkbox"/>	Other	

PROHIBITED ACTIVITIES [READ CAREFULLY] Check any that apply

<input type="checkbox"/>	Buildings for the general conduct of government, such as a City Hall	
<input type="checkbox"/>	General government expenses	
<input type="checkbox"/>	Political activities	
<input type="checkbox"/>	New housing construction except under certain conditions or when carried out by a CBDO	
<input type="checkbox"/>	Income payments [supplements to a household's monthly income]	

HOUSING and COMMUNITY DEVELOPMENT DEPARTMENT EXHIBIT 3A
CDBG-DR17 INITIAL ELIGIBILITY REVIEW CHECKLIST
(See Last Page for Laws, Regulations, and HUD Sources)

□RFP: _____

□Letter of Agreement: _____

Applicant Name: COH - HCSD

Project Name: Amendment to the State of Texas Plan for DR

	Unless authorized as a special economic development activity or when carried out by a CBDO, these activities are ineligible: -Purchase of construction equipment or furnishings and personal property -Operating and maintenance expenses of public facilities, improvements and services [except when associated with eligible public service activities, interim assistance and office space for program staff employed in carrying out the CDBG program]	
	Acquire, construct or rehab properties used for primarily religious purposes	
PROHIBITED ACTIVITIES continued [READ CAREFULLY] Check any that apply		
	Promote religious interests regardless of the use of the property - NOTE: CDBG funds may be provided for the rehabilitation of property owned by a religious organization for a wholly secular purpose under certain limited circumstances.	
OTHER		
	Note any accessibility requirements (Will fees be charged? etc.)	
	Ensure locations of all activities listed are attached	
	For Public Facilities, please note other similar facilities in the area	
*AREA NATIONAL OBJECTIVE CONSIDERATIONS TO BE COMPLETED BY AREA ELIGIBILITY SPECIALIST IN GRANTS MANAGEMENT		
	Determine the nature of the activity (pocket park, regional park, community park, etc.)	
	Document census data for project and produce maps	Attached
	Is character of area residential or commercial?	
	SIGNATURE: _____	DATE: _____
	Area Eligibility Specialist (AES)	



HOUSING and COMMUNITY DEVELOPMENT DEPARTMENT EXHIBIT 3A
CDBG-DR17 INITIAL ELIGIBILITY REVIEW CHECKLIST
(See Last Page for Laws, Regulations, and HUD Sources)

ORFP: _____

Letter of Agreement: _____

Applicant Name: COH - HCDD

Project Name: Amendment to the State of Texas Plan for DR

REQUIRED SIGNATURES	
SIGNATURE:  _____ Relationship Manager	DATE: <u>2/6/2019</u> _____
SIGNATURE:  _____ Grants Management Representative	DATE: <u>2/6/19</u> _____
COMMENTS:	

Funding Source	Type of Rule	Source
CDBG-DR 2017 Hurricane Harvey	HUD Exchange – CDBG-DR	https://www.hudexchange.info/programs/cdbg-dr/
	Public Law 115-31 (Section 421), enacted 5/5/2017	https://www.congress.gov/bill/115th-congress/house-bill/244/text
	Public Law 115-56 (Division B), enacted 9/8/2017	https://www.congress.gov/bill/115th-congress/house-bill/601/text
	Public Law 115-72 (Sections 305.c and 306.a), enacted 10/26/2017	https://www.congress.gov/115/plaws/publ72/PLAW-115publ72.pdf
	FRN 82 FR 61320, effective 12/27/2017	https://www.gpo.gov/fdsys/pkg/FR-2017-12-27/pdf/2017-27960.pdf
	FRN 83 FR 5844, effective 2/9/2018	https://www.gpo.gov/fdsys/pkg/FR-2018-02-09/pdf/2018-02693.pdf
	Public Law 115-123, enacted 2/9/2018	https://www.congress.gov/115/bills/hr1892/BILLS-115hr1892enr.pdf
	FRN 83 FR 40314, effective 8/14/2018	https://www.gpo.gov/fdsys/pkg/FR-2018-08-14/pdf/2018-17365.pdf

Code of Federal Regulations

Title 24 - Housing and Urban Development

Volume: 3

Date: 2018-04-01

Original Date: 2017-04-01

Title: Section Â§ 570.206 - Program administrative costs.

Context: Title 24 - Housing and Urban Development. Subtitle B - Regulations Relating to Housing and Urban Development (Continued). CHAPTER V - OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT. SUBCHAPTER C - COMMUNITY FACILITIES. PART 570 - COMMUNITY DEVELOPMENT BLOCK GRANTS. Subpart C - Eligible Activities.

§ 570.206 Program administrative costs.

Payment of reasonable program administrative costs and carrying charges related to the planning and execution of community development activities assisted in whole or in part with funds provided under this part and, where applicable, housing activities (described in paragraph (g) of this section) covered in the recipient's housing assistance plan. This does not include staff and overhead costs directly related to carrying out activities eligible under § 570.201 through § 570.204, since those costs are eligible as part of such activities.

(a) *General management, oversight and coordination.* Reasonable costs of overall program management, coordination, monitoring, and evaluation. Such costs include, but are not necessarily limited to, necessary expenditures for the following:

(1) Salaries, wages, and related costs of the recipient's staff, the staff of local public agencies, or other staff engaged in program administration. In charging costs to this category the recipient may either include the entire salary, wages, and related costs allocable to the program of each person whose *primary* responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes *any* program administration assignments. The recipient may use only one of these methods during the program year. Program administration includes the following types of assignments:

(i) Providing local officials and citizens with information about the program;

(ii) Preparing program budgets and schedules, and amendments thereto;

(iii) Developing systems for assuring compliance with program requirements;

(iv) Developing interagency agreements and agreements with subrecipients and contractors to carry out program activities;

(v) Monitoring program activities for progress and compliance with program requirements;

(vi) Preparing reports and other documents related to the program for submission to HUD;

(vii) Coordinating the resolution of audit and monitoring findings;

(viii) Evaluating program results against stated objectives; and

(ix) Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraph (a)(1)(i) through (viii) of this section.

(2) Travel costs incurred for official business in carrying out the program;

(3) Administrative services performed under third party contracts or agreements, including such services as general legal services, accounting services, and audit services; and

(4) Other costs for goods and services required for administration of the program, including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.

(b) *Public information.* The provisions of information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of activities being assisted with

CDBG funds.

(c) *Fair housing activities.* Provision of fair housing services designed to further the fair housing objectives of the Fair Housing Act (42 U.S.C. 3601-20) by making all persons, without regard to race, color, religion, sex, national origin, familial status or handicap, aware of the range of housing opportunities available to them; other fair housing enforcement, education, and outreach activities; and other activities designed to further the housing objective of avoiding undue concentrations of assisted persons in areas containing a high proportion of low and moderate income persons.

(d) [Reserved]

(e) *Indirect costs.* Indirect costs may be charged to the CDBG program under a cost allocation plan prepared in accordance with 2 CFR part 200, subpart E.

(f) *Submission of applications for federal programs.* Preparation of documents required for submission to HUD to receive funds under the CDBG and UDAG programs. In addition, CDBG funds may be used to prepare applications for other Federal programs where the recipient determines that such activities are necessary or appropriate to achieve its community development objectives.

(g) *Administrative expenses to facilitate housing.* CDBG funds may be used for necessary administrative expenses in planning or obtaining financing for housing as follows: for entitlement recipients, assistance authorized by this paragraph is limited to units which are identified in the recipient's HUD approved housing assistance plan; for HUD-administered small cities recipients, assistance authorized by the paragraph is limited to facilitating the purchase or occupancy of existing units which are to be occupied by low and moderate income households, or the construction of rental or owner units where at least 20 percent of the units in each project will be occupied at affordable rents/costs by low and moderate income persons. Examples of eligible actions are as follows:

- (1) The cost of conducting preliminary surveys and analysis of market needs;
- (2) Site and utility plans, narrative descriptions of the proposed construction, preliminary cost estimates, urban design documentation, and "sketch drawings," but excluding architectural, engineering, and other details ordinarily required for construction purposes, such as structural, electrical, plumbing, and mechanical details;
- (3) Reasonable costs associated with development of applications for mortgage and insured loan commitments, including commitment fees, and of applications and proposals under the Section 8 Housing Assistance Payments Program pursuant to 24 CFR parts 880-883;
- (4) Fees associated with processing of applications for mortgage or insured loan commitments under programs including those administered by HUD, Farmers Home Administration (FmHA), Federal National Mortgage Association (FNMA), and the Government National Mortgage Association (GNMA);
- (5) The cost of issuance and administration of mortgage revenue bonds used to finance the acquisition, rehabilitation or construction of housing, but excluding costs associated with the payment or guarantee of the principal or interest on such bonds; and
- (6) Special outreach activities which result in greater landlord participation in Section 8 Housing Assistance Payments Program-Existing Housing or similar programs for low and moderate income persons.

(h) *Section 17 of the United States Housing Act of 1937.* Reasonable costs equivalent to those described in paragraphs (a), (b), (e) and (f) of this section for overall program management of the Rental Rehabilitation and Housing Development programs authorized under section 17 of the United States Housing Act of 1937, whether or not such activities are otherwise assisted with funds provided under this part.

(i) Whether or not such activities are otherwise assisted by funds provided under this part, reasonable costs equivalent to those described in paragraphs (a), (b), (e), and (f) of this section for overall program management of:

- (1) A Federally designated Empowerment Zone or Enterprise Community; and
- (2) The HOME program under title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12701 note).

[53 FR 34439, Sept. 6, 1988; 53 FR 41330, Oct. 21, 1988, as amended at 54 FR 37411, Sept. 8, 1989; 60 FR 56912, Nov. 9, 1995; 69 FR 32778, June 10, 2004; 80 FR 69870, Nov. 12, 2015; 80 FR 75937, Dec. 7, 2015]



CITY OF HOUSTON

Housing and Community Development
Department

Interoffice

Correspondence

To: Barbara Pierce
Senior Assistant City Attorney

From: Angela Simon
Division Manager

Date: January 31, 2019

Subject: **REQUEST FOR LEGAL SERVICES FOR
AN ORDINANCE AUTHORIZING THE
AMENDMENT TO THE STATE OF
TEXAS PLAN FOR DISASTER
RECOVERY AND THE RELATED
CONTRACT WITH GLO**

Please prepare an Ordinance 1) approving and authorizing an amendment to the State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1 (Plan), and 2) approving and authorizing the Mayor, or Mayor's designee, to execute the changes to Contract No. 18-210-007 with the Texas General Land Office (GLO) for the additional allocation of Community Development Block Grant Disaster Recovery (CDBG-DR) 2017 funds for Hurricane Harvey.

The amendment includes changes to the CDBG-DR17 budget and revisions to the narrative of the Houston related sections of the State's Plan, for clarity. One change that may need to be highlighted in the ordinance is the removal of language related to Houston's public comment period to align the Plan's substantial amendment process with GLO and Harris County.

Please see the Novus Coversheet for the budget. We are requesting that this item be placed on City Council's Agenda on February 27, 2019.

If further information is needed concerning the processing of this item, please contact Fatima Wajahat at (832) 394-6156.


Angela Simon, Division Manager



CITY OF HOUSTON – CITY COUNCIL

Meeting Date: 2/27/2019

District ALL

Item Creation Date: 1/28/2019

HCD 19-03

Amendment to the State of Texas Plan for Disaster Recovery:

Hurricane Harvey – Round 1 for CDBG-DR Funds

Agenda Item #: XX

Background:

The Housing and Community Development Department (HCDD) requests approval to amend Houston related sections of the *State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1* (Plan) and to authorize the Mayor, or Mayor’s designee, to execute the changes to Contract No. 18-210-007 (Contract). Changes to the Plan and the Contract include an additional allocation of Community Development Block Grant Disaster Recovery (CDBG-DR) funding in the amount of \$99,923,703 for Hurricane Harvey from the Texas General Land Office (GLO). The amended Houston sections of the Plan will be submitted to GLO to be incorporated into GLO’s *Plan Amendment #3*.

The City of Houston received a direct CDBG-DR allocation from GLO in the amount of \$1,175,954,338.00 to be used for Hurricane Harvey recovery efforts primarily related to housing. To receive this funding, the City of Houston developed a local action plan as prescribed by GLO, which included a local needs assessment, budget, program descriptions, and expenditure timelines for the City’s allocation of CDBG-DR funds. Council approved the submission of the local action plan to GLO on June 27, 2018, Ordinance No. 2018-518, and approved the updated local action plan and authorized the Contract on January 2, 2019, Ordinance No. 2019-10. The local action plan was incorporated into GLO’s Plan, which was approved by HUD in December 2019.

The amended Houston sections of the Plan include changes to the CDBG-DR17 budget to incorporate the additional \$99,923,703.00 in CDBG-DR funding. The following activities have been proportionally increased as shown in the table below: Homeowner Assistance Program, Single Family Development Program, Multifamily Rental Program, Small Rental Program and the Homebuyer Assistance Program.

Community Development Block Grant Disaster Recovery (CDBG-DR)		
Activity	Increase	New Budget
Homeowner Assistance Program	\$35,170,627.00	\$427,900,063.00
Single Family Development Program	\$18,269,086.00	\$222,269,086.00
Multifamily Rental Program	\$28,771,892.00	\$350,050,472.00
Small Rental Program	\$5,481,182.00	\$66,686,282.00
Homebuyer Assistance Program	\$1,947,028.00	\$23,688,328.00
Buyout Program	-	\$40,800,000.00
Public Services	-	\$60,000,000.00
Economic Revitalization Program	-	\$30,264,834.00
Administration	\$10,283,888.00	\$31,118,976.00
Planning	-	\$23,100,000.00
Total	\$99,923,703.00	\$1,275,878,041.00

Additional changes to the Plan include removing contradictory language, adding clarifying language, and removing language related to Houston's public comment period to align the Plan's substantial amendment process with GLO and Harris County.

Updated portions of the Plan were made available to the public to allow residents the opportunity to comment before City Council approval. The review period was January 25, 2019 through February 24, 2019.

No Fiscal Note is required on grant items. The Housing and Community Affairs Committee reviewed this item on February 19, 2019.

Tom McCasland, Director

Amount of Funding

Choose an item.

Prior Council Action:

2018-518

6/27/2018

2019-10

1/2/2019

Contact Information:

Roxanne Lawson

(832) 394-6307

Public Notice

The City of Houston (City) will receive an additional \$99,923,703 in Community Development Block Grant Disaster Recovery (CDBG-DR) funds for assisting in long-term housing recovery from Hurricane Harvey. To receive this funding, the City must update portions of the Texas General Land Office's (GLO) **State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1 (Plan)**, which will be incorporated into the Plan's Amendment 3.

The City's draft changes to the GLO's **State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1** are available for review and public comment from **Friday, January 25, 2019 until Sunday, February 24, 2019.**

Public comments may be submitted by email to: Fatima.Wajahat@houstontx.gov or by mail: HCDD, ATTN: Fatima Wajahat, 2100 Travis, 9th Floor, Houston, TX 77002. View the draft Plan at:

- HCDD website – <http://houstontx.gov/housing>
- Harvey Recovery website – <https://recovery.houstontx.gov/hud-requirements-reports>
- Main Public Library – 500 McKinney, 77002
- HCDD Office – 2100 Travis, 9th Floor, 77002 (copies may be obtained at this location upon request)

To learn more about CDBG-DR disaster recovery programs and how to apply, please call 832.393.0550 or visit <https://recovery.houstontx.gov>.

For specific questions or concerns about fair housing or landlord/tenant relations, please contact Yolanda Guess-Jeffries at (832) 394-6308.



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

January 7, 2019

Tom McCasland
Director
Housing & Community Development Dept.
City of Houston
601 Sawyer Street, Suite 400
Houston, TX 77007

Re: City of Houston Administrative Funds Associated with CDBG-DR Hurricane Harvey Funds

Dear Mr. McCasland:

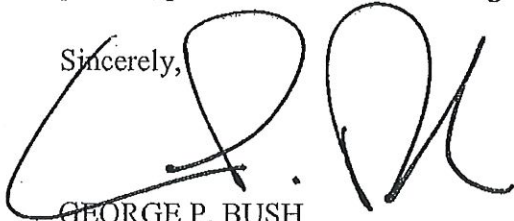
Thank you for the analysis provided to show the projected expenses incurred in administration of the CDBG-DR funds allocated to the City of Houston. The Texas General Land Office (GLO) acknowledges that the programs, as designed by the City, and the size of the overall relationship could result in expenses that are not as easily allocable to specific projects. As such, the GLO will increase the administrative funds allowable from 2% of housing activities to 2.5% of the total \$1,155,119,250 in project dollars outlined in Action Plan Amendment 1. The Action Plan will need to be amended to reflect the resulting \$28,877,981 in administrative funds, which is an increase of \$8,042,893. All administrative funds will remain subject to the program benchmarks previously discussed to ensure the City has adequate funds to complete all program activities, reporting, record keeping and closeout.

The State's overall CDBG-DR grant has a regulatory cap of 5% for administration associated with the entire \$5 billion allocation and those funds are provided in total to the State to administer the entire allocation and not specifically by Subrecipient. This administration often includes providing support to other Subrecipients who are less capable of implementing their programs than the City, and any funds not spent on administrative costs can be converted to additional recovery projects. HUD also allows grantees to use project funding that is directly associated with a project as project delivery with appropriate documentation as opposed to administrative funds. Though the City is receiving an increase in total administrative funds, it is imperative that the City utilize the 10% for housing projects and 6% for infrastructure soft costs in direct project delivery funding wherever

possible per regulation. The GLO will provide any technical assistance necessary to support the City in this effort. In the meantime, please review eligible activity and administrative regulations in 24 CFR 570 and Notice-CPD-13-07 for additional guidance.

We look forward to working with the City to implement the programs you will be pursuing now that Action Plan Amendment 1 is approved. The GLO is awaiting details from the City outlining the proposed uses of the additional \$89,639,815 identified in Action Plan Amendment 2 to begin drafting Action Plan Amendment 3. Action Plan Amendment 3 will also be the mechanism the GLO will use to increase the City's administrative funds. If you have any questions related to this process, please contact Heather Lagrone at 512-475-5027.

Sincerely,

A handwritten signature in black ink, appearing to read 'G.P. Bush', written over the word 'Sincerely,'.

GEORGE P. BUSH

Commissioner, Texas General Land Office

1.1. Amendment 2: Summary of Changes

This document constitutes the Second Amendment to the State of Texas Action Plan for Disaster Recovery: Hurricane Harvey – Round 1, approved by HUD on June 22, 2018.

Action Plan Amendment 2 (APA 2) allocates an additional \$652,175,000 in Community Development Block Grant – Disaster Recovery (CDBG-DR) funds provided by Public Law 115-123. These funds are allocated to the State of Texas and subrecipients in the following amounts, determined by applying the same methodology used to allocate additional funds for the State Homeowner Assistance Program (HAP) to HUD Most Impacted and Distressed areas, as described in Section 12.1 Appendix F: Regional Methods of Distribution, but with Harris County and Houston included:

Program Administrator and Funding Type	Public Law 115-123 Allocation
Harris County – Programs	\$89,309,355
City of Houston – Programs	\$89,639,815
State of Texas – Programs	\$440,617,080
State of Texas – Administration*	\$32,608,750
Total	\$652,175,000

**Includes all program administration costs. Administration amounts will be re-allocated to Harris County, the City of Houston, and the State of Texas in a future Action Plan amendment once Harris County and the City of Houston identify the budgets for their Housing Programs. Harris County and the City of Houston will receive up to 2% of housing program amounts for administration costs associated with housing activities.*

Of the \$440,617,080 in additional program-related funds allocated to the State of Texas-administered programs, \$200 million is allocated to the Affordable Rental Program, \$236,210,909 is allocated to HAP, and \$4,406,171 is allocated to Housing Program Project Delivery. These additional program funds will help address unmet need for renters through the Affordable Rental Program and homeowners unmet need through HAP. The additional funding allocated to HAP increases total funding for the program to \$1,288,628,396 to help meet owner-occupied housing unmet need.

In addition to using the most current available data and information to determine the funding allocations described above, the following data and information updates are made to update Section 3.1 Needs Assessment – State Action Plan which estimates unmet needs for all Texans impacted by Hurricane Harvey:

- Re-classified four counties and four zip codes as HUD Most Impacted and Distressed from State Most Impacted and Distressed;
- Updated Texas Legislative Budget Board (TLBB) State expenditures and Gross State Product (GSP) loss;
- Updated U.S. Census data, including population and median housing value estimates (from July 1, 2016 to July 1, 2017, when available);
- Updated Low- to Moderate-Income (LMI) figures from 2017 to 2018;

- Updated Texas Department of Insurance (TDI) data (from September 2017 to October 2017);
- Updated National Flood Insurance Program (NFIP) data as of July 31, 2018; Updated Small Business Administration (SBA) Disaster Home Loan data as of August 28, 2018;
- Updated Public Housing Authorities FEMA Public Assistance (PA) data (from March 30, 2018 to June 8, 2018);
- Updated need multipliers in accordance with HUD’s updated values provided in the Federal Register notice dated August 14, 2018, Appendix A: Detailed Methodology;
- Updated Federal Emergency Management Agency (FEMA) Individual Assistance (IA) data (from February 2, 2018 to June 25, 2018);
- Updated FEMA Public Assistance (PA) data (from March 30, 2018 to June 8, 2018);
- Updated Texas Workforce Commission (TWC) data as of October 2018;
- Updated SBA Business Loan data as of August 28, 2018;
- Updated TDI Commercial Property data from September 2017 to October 2017; and
- Updated “The Economic Impact of Travel on Texas” report (August 2018 report);

Harris County and the City of Houston will update their local needs assessments in a future Action Plan amendment using the most current available information.

The following additional changes have been made to reflect HUD requirements contained in Federal Register, 83 FR 40314, which was noticed on August 14, 2018:

- Added language to Section 4.1 on “General Requirements”:
 - To specify the creation of policies and procedures to assess cost-effectiveness of assisted housing rehabilitation and reconstruction;
 - To emphasize the GLO and subrecipients’ consultation with affected citizens, stakeholders, local governments, and PHAs in the development of needs assessments;
 - To emphasize the consideration of future possible extreme weather events and other natural hazards in long-term planning activities.
- Added language to Section 5.1 on the “State Administered Disaster Recovery Program”:
 - To update the total direct allocation to GLO from HUD;
 - To update the list of Most Impacted and Distressed counties and zip codes;
 - To specify that planning activities will promote sound, sustainable long-term recovery planning informed by a post-disaster evaluation of hazard risk, especially land-use decisions that reflect responsible flood plain management and take into account future possible extreme weather events and other natural hazards and long-term risks;
 - To specify a minimum five-year affordability period for new construction in the eligibility criteria for the State HAP and to ensure that costs within that program are reasonable and consistent with market costs;
 - To specify that properties acquired via eminent domain with the Local Buyout and Acquisition Program and Local Infrastructure Program must ultimately be for a public use and may not benefit a particular private party;

- To update the affordability standards in the eligibility criteria of the Affordable Multifamily Program to specify a period of fifteen years for rehabilitation or reconstruction, and a period of twenty years for new construction;
- To specify that costs are reasonable and consistent with market costs within the Affordable Multifamily Program, the Local Infrastructure Program, and Economic Revitalization Program;
- To specify that within the Local Infrastructure Program projects promote sound planning principles, coordinate with local and regional planning efforts, integrate mitigation measures, consider costs and benefits, ensure activities do not disproportionately impact vulnerable populations, ensure activities create opportunities to address economic inequities, align investments with other planned improvements, and employ adaptable and reliable technologies;
- To specify that within the Economic Revitalization Program funds may not be provided to a for-profit entity unless the project has been evaluated and selected in accordance with HUD underwriting guidelines;
- To specify that Planning Activities should promote sound planning principles, coordinate with local and regional planning efforts, integrate mitigation measures, consider costs and benefits, ensure activities do not disproportionately impact vulnerable populations, ensure activities create opportunities to address economic inequities, align investments with other planned improvements, and employ adaptable and reliable technologies.

The following appendices have also been updated to reflect updated program information:

- Section 9.1. Appendix C: Program Execution Timelines – State Action Plan; and
- Section 10.1. Appendix D: Projected Expenditures and Outcomes – State Action Plan.

Minor non-substantive edits, e.g. grammar/formatting, have also been made to this document.

APA 2 is considered substantial, as it substantially amends the action plan by allocating \$652,175,000 in additional program funds provided by Public Law 115-123. The following table summarizes modifications in allocated funding among the State of Texas, Harris County, and City of Houston administered programs.

Table 1: Hurricane Harvey CDBG-DR Allocations – APA 2

	Previous Allocation	Change	Revised Allocation
<i>State of Texas – Total</i>	<i>\$2,716,131,876</i>	<i>\$473,225,830</i>	<i>\$3,189,357,706</i>
State of Texas – Housing	\$1,823,844,297	\$440,617,080	\$2,264,461,377
State of Texas – Infrastructure and Economic Revitalization	\$540,968,427	\$0	\$540,968,427
State of Texas – Planning	\$137,685,446	\$0	\$137,685,446
State of Texas – Administration	\$213,633,706	\$32,608,750	\$246,242,456
<i>Harris County – Total</i>	<i>\$1,132,128,786</i>	<i>\$89,309,355</i>	<i>\$1,221,438,141</i>
Harris County – Housing	\$837,097,816	TBD	\$837,097,816
Harris County – Infrastructure	\$222,519,672	TBD	\$222,519,672
Harris County – Planning	\$55,769,342	TBD	\$55,769,342

	Previous Allocation	Change	Revised Allocation
Harris County – Administration	\$16,741,956	TBD	\$16,741,956
<i>City of Houston – Total</i>	<i>\$1,175,954,338</i>	<i>\$89,639,815</i>	<i>\$1,265,594,153</i>
City of Houston – Housing	\$1,041,754,416	TBD	\$1,041,754,416
City of Houston – Public Services and Economic Revitalization	\$90,264,834	TBD	\$90,264,834
City of Houston – Planning	\$23,100,000	TBD	\$23,100,000
City of Houston – Administration	\$20,835,088	TBD	\$20,835,088
Total Allocation	\$5,024,215,000	\$652,175,000	\$5,676,390,000



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 11/13/2019

ALL

Item Creation Date: 4/26/2019

HCD19-50 Amendment to the Contract with GLO for CDBG-DR17 Funds

Agenda Item#: 17.

Summary:

NOT A REAL CAPTION

ORDINANCE approving and authorizing an amendment to Contract between the City of Houston and **TEXAS GENERAL LAND OFFICE (GLO)** to increase Community Development Block Grant Disaster Recovery (CDBG-DR) funding - \$99,923,703.00 - CDBG-Disaster Recovery Hurricane Harvey -Federal State Local – Pass Through Fund

Background:

The Housing and Community Development Department (HCDD) recommends Council approval of an ordinance authorizing the Mayor, or Mayor's designee, to execute an amendment to contract No. 19-147-001-B489 with the Texas General Land Office (GLO), increasing the award of Community Development Block Grant Disaster Recovery (CDBG-DR) funding from \$1,175,954,338.00 to \$1,275,878,041.00 and making other Contract Revisions to align with the GLO's *State of Texas Plan for Disaster Recovery: Hurricane Harvey – Round 1* (Plan).

1) On January 5, 2019, the City of Houston executed a contract with the GLO for \$1,175,954,338.00 to be used for Hurricane Harvey recovery efforts, primarily related to housing. 2) In December 2018, the GLO submitted Amendment 2 Plan to the U.S. Department of Housing and Urban Development (HUD). Amendment 2 of the Plan, approved by HUD on February 22, 2019, allocated an additional \$89,639,815.00 program funding to the City of Houston. 3) Due to a change in GLO's methodology of calculation, the GLO also notified the City of Houston of an additional allocation of \$10,283,888.00 for administration funds in mid-January 2019.

As a result of this increase, City Council approved the amended Houston sections of the Plan to reflect these budget changes on February 27, 2019, as follows:

Community Development Block Grant Disaster Recovery (CDBG-DR)		
Activity	Increase	New Budget
Homeowner Assistance Program	\$35,170,627.00	\$427,900,063.00
Single Family Development Program	\$18,269,086.00	\$222,269,086.00
Multifamily Rental Program	\$28,771,892.00	\$350,050,472.00
Small Rental Program	\$5,481,182.00	\$66,686,282.00
Homebuyer Assistance Program	\$1,947,028.00	\$23,688,328.00
Buyout Program	-	\$40,800,000.00
Public Services	-	\$60,000,000.00
Economic Revitalization Program	-	\$30,264,834.00
Administration	\$10,283,888.00	\$31,118,976.00
Planning	-	\$23,100,000.00
Total	\$99,923,703.00	\$1,275,878,041.00

The GLO incorporated these and additional narrative changes into Amendment 3 of the Plan. Following GLO's 30-day public comment period ending April 20, 2019, the GLO submitted Amendment 3 to HUD, and on June 13, 2019, HUD approved the amendment.

Fiscal Note:

No Fiscal Note is required on grant items.

The Housing and Community Affairs Committee reviewed this item on May 22, 2019.

DocuSigned by:

Tom McCasland

Tom McCasland, Director

Prior Council Action:

06/27/2018 (O) 2018-0518

01/02/2019 (O) 2019-0010

02/27/2019 (O) 2019-0125

Amount of Funding:

Amount of Funding:

\$99,923,703.00 - Federal State Local – Pass Through Fund (5030)

Contact Information:

Roxanne Lawson
(832) 394-6307

ATTACHMENTS:

Description	Type
PNFDF	Financial Information
PCA Ordinance	Backup Material
PCA 2018-518	Backup Material
Budget	Financial Information
Coversheet	Signed Cover sheet



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District J

Item Creation Date: 8/3/2020

HCD20-113 5312 Clarewood Drive

Agenda Item#:

Background:

The Housing and Community Development Department (HCDD) recommends Council approval of an Ordinance authorizing an Option Agreement for Purchase and Sale of Real Property between the City of Houston (City) and Monticello Square, LLC (Seller) in the amount of \$14,169,500.00. The property is located at 5312 Clarewood Drive, Houston TX 77081 (Property), and is eligible under the Community Development Block Grant - Disaster Recovery 2016 (CDBG-DR16) - Multifamily Voluntary Buyout (MVB) and Community Development Block Grant – Harvey Disaster Recovery (CDBG-DR17) - Harvey Buyout (HB) Programs. In collaboration with Houston Public Works (HPW), HCDD will convert this site into greenspace or detention to help reduce the risk of future flooding in the area.

The Property comprises approximately 4.4107 acres of land and 122,352 square feet of improvements. The Purchase Price is \$13,800,000.00 based on appraisal, plus additional due diligence, closing costs and operational costs during post-closing of approximately \$369,500.00. The MVB Program was approved by Ordinance No. 2019-109, adopted on February 19, 2019 and the HB Program was approved by Ordinance No. 2020-0181, adopted on March 10, 2020.

Seller will convey the land to the City subject to the following restrictions and conditions:

1. The Property shall be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices.
2. No new structure will be erected on property acquired, accepted, or from which a structure was removed under the acquisition or relocation program other than: (a) a public facility that is open on all sides and functionally related to a designated open space (e.g., a park, campground, or outdoor recreation area); (b) a rest room; or (c) a flood control structure, provided that structure does not reduce valley storage, increase erosive velocities, or increase flood heights on the opposite bank, upstream, or downstream and that the local floodplain manager approves, in writing, before the commencement of the construction of the structure.
3. No subsequent application for additional disaster assistance for any purpose or to repair damage or make improvements of any sort will be made by the recipient to any Federal entity in perpetuity.
4. The foregoing covenants and agreements are adopted for, and placed upon the Property, and shall run with the land, be binding upon all parties, now and at any time hereafter, having or claiming any right, title or interest in or to the Property or any part thereof, their heirs, legal representatives, executors, administrators, successors and assigns, regardless of the source of, or the manner in which any such right, title or interest is or may be acquired and any conveyance of any interest in the Property by Grantee or a subsequent owner must reference and incorporate the foregoing covenants and require the Property to be dedicated and maintained for compatible uses in perpetuity. The foregoing covenants may be enforced by Grantee, GLO or HUD, jointly or severally; however, failure, refusal or inability by either Grantee, GLO or HUD, jointly or severally, to enforce any of the foregoing covenants shall in no event be deemed a waiver or release of the right to do so thereafter. If one or more of the foregoing covenants shall be held unenforceable, invalid or illegal in any respect, such unenforceability, invalidity or illegality shall not affect any other provision of said covenants, which shall be construed as if such unenforceable, invalid or illegal provision had never been a part hereof.

The Seller understands that there is no obligation to sell the Property under the MVB and HB Programs, but the seller does so voluntarily, and that power of eminent domain will not be used to acquire the Property. The purchase of the Property is subject to environmental clearance from the U.S. Department of Housing and Urban Development and other approvals from the program guidelines from the Texas General Land Office.

The following is a breakdown of estimated costs:

Sources	Amount	Uses	Amount
CDBG DR16- Fund 5030	\$6,761,616.61	Acquisition	\$13,800,000.00
		Due Diligence	\$70,000.00
		Closing related costs	
CDBG DR17- Fund 5030	\$7,407,883.39	Estimated operational costs	\$299,500.00

		<u>Estimated Operational Costs</u>	<u>\$200,000.00</u>
Estimated Total:	\$14,169,500.00	Estimated Total Cost:	\$14,169,500.00

No Fiscal Note is required on grant items.

This item was reviewed by the Housing and Community Affairs Committee on August 18, 2020.

Designed by

Tom McLasland

Tom McLasland, Director

Prior Council Action:

2/19/19 (O) 2019-109

3/10/20 (O) 2020-181

Amount of Funding:

\$14,169,500.00 – Federal State Local – Pass Through Fund (5030)

Contact Information:

Roxanne Lawson

(832) 394-6307

ATTACHMENTS:

Description

Cover Sheet

Type

Signed Cover sheet