

To: Program Applicants to Affordable Housing Development Fund – Round 2

From: NCORR

Re: Developer Agreement Template – GENERAL DISCLAIMER

This developer agreement template is a sample only.

It identifies the minimum amount of content for consistency with CDBG Program requirements in 24 CFR 570 and with 2 CFR 200.

Applicants must ensure that the developer agreement satisfies applicable CDBG-DR award requirements as well as state and local laws. Applicants should tailor the developer agreement to the project that the applicant will carry out, deleting requirements that do not apply to the use of the funds, and adding additional information about other requirements for the use of the funds. A signed agreement, in some form, between the Unit of General Local Government and the Developer is required for application submission whether using the template provided or another form.

At a minimum, the agreement must include the following information (in accordance with 24 CFR 570.503(b)):

Records and reports. Specific information on the records your subrecipient/developer must maintain, including time periods for retention and required reports and reporting deadlines (24 CFR 570.506).

Program income. An explanation of how you will treat any income generated by the funded activity. If your subrecipient/developer will retain any program income, the agreement must (24 CFR 570.504(c)):

- Specify the activities it can undertake with these funds;
- State that all provisions of the agreement apply to activities funded with program income;
- Clarify at what point you will disperse additional CDBG funds to them; and
- Require the return of any remaining program income when the agreement expires.

Suspension and termination. How and when you will end the agreement or initiate other remedies for noncompliance if your subrecipient/developer materially fails to:

- Comply with any of the rules, regulations, or provisions of the agreement;
- Fulfill its obligations in a timely manner;
- Effectively or properly use funds or program income; or submit accurate or complete reports (24 CFR 570.501(b); 2 CFR 200.326 (Appendix II, paragraph B)).

Reversion of assets. How and when your subrecipient/developer must transfer remaining CDBG funds and accounts receivable to you when the agreement ends and how to use or dispose of real property acquired or improved with CDBG funds in excess of \$25,000. (24 CFR 570.503(b)(7)).

Prohibition of religious activities. Reference to regulations prohibiting the use of funds for inherently religious activities (24 CFR 570.200(j)).

Uniform administrative requirements. Federal administrative and financial management requirements and standards. These provisions will vary depending upon the nature of your subrecipient/developer (2 CFR 200) and relevant OMB circulars and Executive Orders).

Other regulatory requirements. Your agreement must also require compliance with other federal regulations specific to the activity (24 CFR 570 Subpart K). These include, among others, regulations governing:

- Environmental standards;
- Labor standards;
- Conflicts of interest;
- Displacement, relocation, acquisition, and replacement of housing;
- Use of debarred, suspended, or ineligible contractors or subrecipient/developers; and/or
- The Architectural Barriers Act and the Americans with Disabilities Act.

**DEVELOPER AGREEMENT BETWEEN
THE [CITY/COUNTY] OF _____, NORTH CAROLINA
AND**

THIS AGREEMENT is made and entered into this [_____] day of [_____], 202[____], by and between the [City/County of _____], [a municipal organization/body corporate and politic] in the State of North Carolina (the “[City/County]”) whose address is: _____ and _____ (the “Developer”), whose address is: _____

Recitals

WHEREAS, the [City/County] has received a subgrant of U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant – Disaster Recovery (CDBG-DR) funding from the North Carolina Office of Recovery and Resiliency (NCORR); and

WHEREAS, the Developer has requested funding from the [City/County] in the amount of \$_____ to fill a funding gap in their pre-approved North Carolina Housing Finance Agency (NCHFA) 4% Low Income Housing Tax Credit (LIHTC) project for the development of _____ units of affordable rental housing units in the [City/County]; and,

WHEREAS, this affordable rental housing project consists of the new construction/acquisition and/or rehabilitation of _____ affordable rental units located at _____ (the “Project”) and made available to households that qualify as low-moderate-income.

NOW THEREFORE, in consideration of the mutual covenants promises and obligations, and subject to the terms and conditions in this Agreement, the parties understand and agree as follows:

**ARTICLE 1
Use of CDBG-DR Funds**

1. The total award provided by the [City/County], pursuant to this Agreement is \$_____ (the “Award”). Receipt of this Award by Developer from [City/County] is contingent upon a successful application to the Affordable Housing Development Fund Program with NCORR and subsequent notice of award to [City/County] for the Project. Award is additionally contingent upon Developer receiving all funds necessary to complete construction of the proposed affordable rental housing units. The Award funds shall be used to finance the construction of the Project. The Award shall be used in a manner that is consistent with the provisions of 24 CFR 570.

**ARTICLE 2
Developer Provisions**

2. It is understood that the Developer will maintain compliance with the CDBG program for the term of this Agreement in accordance with 24 CFR Part 570. The Developer agrees to provide information as may be requested by the [City/County] to document its continued compliance, including but not limited to annual income certification of its tenants.

ARTICLE 3
Affordability

3. The units in the Project financed in whole or in part by the Award (the “CDBG-DR Units”) will meet the affordability requirements as found in 24 CFR 570.208(a)(3) for rental housing developments, as outlined below.
- 3.1** A Declaration of Restrictive Covenants (the “Deed Restrictions”) will be executed by the Developer. Specifically:
- a. For a period of twenty (20) years for any new construction units, commencing on the date of completion of construction and submission of a project completion report by the [City/County] (the “Affordability Period”), the incomes of all tenants of the CDBG-DR Units shall not exceed 80% of the Area Median Income (AMI) for the area in which the units are located. The Developer will set the rents at an amount that does not exceed 30 percent of the adjusted income of a household whose income equals 65 percent of the median income for the area, in compliance with the NCHFA 2018 through 2021 Qualified Allocation Plans (QAPs) and as determined by HUD with adjustments for the number of bedrooms in the unit.
 - b. This affordability requirement, as outlined in the Deed Restriction, shall remain in effect for the term stated, irrespective of the sale, conveyance, or other transfer of the property, and irrespective of the termination, satisfaction, release, or other discharge of any mortgage or lien upon the property, and shall be binding upon the Developer, its successors, assigns and transferees, and all parties having any right, title or interest in the Project provided, however, that upon foreclosure by a loan or other transfer in lieu of foreclosure, the Affordability Period shall be terminated if such foreclosure or other transfer recognizes any contractual or legal rights of public agencies, non-profit investor sponsors, or others to take actions that would avoid the termination of low-income affordability; and further provided that the affordability restrictions shall be revived according to the terms of this Agreement if, during the original affordability period, the owner of record before the foreclosure or other transfer, or any entity that includes such former owner or those with whom such former owner has or had family or business ties, obtains an ownership interest in any of the Property.
 - c. The Developer, by its acceptance and recordation of the Deed Restriction, does, for the duration of the Affordability Period, hereby agree itself, and its successors and assigns, with the [City/County], its successors and assigns, that the Developer, its successors and assigns, shall fully comply with the restrictive covenants set forth in this Agreement and if the Developer, its successors and assigns, fails to comply with any of said covenants, any funds distributed under this agreement may be recaptured due to the regulatory requirements imposed on the funds involved. The City/County shall not be limited to recapture and may also pursue additional legal remedies or recourse at their discretion.
- 3.2** The Developer shall collect and maintain information on households residing in the Project pertaining to household size, income levels, racial characteristics, and household type in order to determine low and moderate-income benefit in a cumulative and

individual manner. Income documentation shall be in a form consistent with CDBG-DR requirements.

ARTICLE 4 Program Requirements

4. The Project shall meet the following requirements:

4.1 Environmental Review. No Award funds will be advanced, and no costs can be incurred, until an environmental review record of the proposed site for the Project has been completed and a HUD Authorization to Use Grant Funds (AUGF) has been received as required under 24 CFR Part 58. The environmental review record may result in a decision to proceed with, modify or cancel the Project.

Notwithstanding any provision of this Agreement, the parties hereto agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review record and receipt by the Developer of a release of funds from HUD under 24 CFR Part 58.

Further, the Developer will not undertake or commit any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair, or construction prior to the environmental clearance, and must indicate that the violation of this provision may result in the denial of any funds under this Agreement.

4.2 Nondiscrimination. In the selection of occupants for the Project units, the Developer shall comply with all nondiscrimination requirements of 24 CFR 570.601-602 and 24 CFR Part 8.

4.3 Relocation. If the Project is occupied at the time of this commitment, the Developer will comply with the relocation requirements of 24 CFR 570.201, 24 CFR 570.606, and 49 CFR Part 24.

4.4 Accessibility. In addition to any state and local requirements, due to the source of the Award, the Developer shall comply with accessibility requirements in the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973.

4.5 Affirmative Marketing. If any project under this Agreement involves the rental of five or more CDBG-DR Units, the Developer shall comply with the [City/County]'s requirements to affirmatively market any CDBG-DR Unit available for rent in a manner to attract tenants without regard to race, color, national origin, sex, religion, familial status, or disability. The Developer agrees, in soliciting tenants, to do the following:

- a. Use the Equal Housing Opportunity logo in all advertising;
- b. Display a Fair Housing poster in the rental leasing office;
- c. Where appropriate, advertise, use media, including minority outlets, likely to reach persons least likely to apply for the housing;

- d. Maintain files of Developer's affirmative marketing activities for five (5) years and provide access thereto to the [City/County]'s Staff;
- e. Not refrain from renting to any tenant holding a Section 8 Existing Housing Certificate, except for good cause, such as previous failure to pay rent and/or to maintain a rental unit, or the tenant's violation of other material terms and conditions of tenancy;
- f. Comply with Section 8 Existing Housing Regulations when renting to any tenant holding a Section 8 Existing Housing Certificate; and
- g. Exercise affirmative marketing of the units when vacated.

Documentation regarding affirmative marketing shall be completed prior to unit occupancy and retained in the Developer's project file.

4.6 Expenditure of Funds. The Developer will ensure that any expenditure of the Award will be in compliance with the requirements of the NCORR Affordable Housing Development Fund Manual and any subsequent billing guidance, as well as all requirements set forth by the [City/County], and acknowledges that Award funds will only be provided as reimbursement for eligible costs incurred, including actual expenditures or invoices for work completed.

4.7 Monitoring. As a Subrecipient, the [City/County] will be monitored by NCORR at least annually for continued compliance throughout the entire Affordability Period. Likewise, the Developer will be monitored by the [City/County] for compliance with the regulations of 24 CFR 570.900 for the Affordability Period. The Developer will provide reports and access to project files as requested by the [City/County] during the Affordability Period and for five (5) years after completion and closeout of this Agreement.

ARTICLE 5 Other Federal and Program Requirements

- 5. The Developer agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations, except that (1) the Developer does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and (2) the Developer does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part 52. The Developer also agrees to comply with all other applicable federal, state, and local laws, regulations, and policies governing the funds provided under this Agreement. The Developer further agrees to utilize funds available under this Agreement to supplement rather than supplant funds otherwise available.

ARTICLE 6 Disbursement of Funds

- 6. The Developer may not request disbursement of funds under this Agreement until such time as funds are needed for reimbursement of eligible costs. It shall be the responsibility of the [City/County] to verify completion of work with the Developer; therefore, [City/County] retains

the right to inspect all work prior to reimbursement. The disbursement of funds shall occur according to the Request for Reimbursement process as described by the [City/County].

- 6.1 The Developer shall use the Request for Reimbursement process and/or form that has been approved by the [City/County].

ARTICLE 7 Records and Reports

7. The Developer shall maintain records sufficient to meet the requirements of 24 CFR 570.490. The Developer further agrees to abide by the requirements and policies of [City/County] and its successors and NCORR and its successors as it pertains to public records requests; if the requirements differ, the more restrictive requirement or policy will govern.

- 7.1 The Developer shall maintain records specific to each individual unit including tenant income eligibility documentation, so that all documentation regarding each unit will be easily retrievable.
- 7.2 All original records pertinent to this Agreement shall be retained by the Developer for a period of five (5) years following the date of termination of this Agreement or of submission of the final close-out report, whichever is later, with the following exceptions:
- a. If any litigation, claim, or audit is started before the expiration of the five (5) year period and extends beyond the three (3) year period, the records will be maintained until all litigation, claims or audit findings involving the records have been resolved.
 - b. Records for the disposition of non-expendable personal property valued at \$1,000 or more at the time of acquisition shall be retained for five (5) years after final disposition.
- 7.3 All records, including supporting documentation of all program costs, shall be sufficient to determine compliance with the requirements and the applicable federal laws and regulations and all other applicable laws and regulations.
- 7.4 The Developer, its employees, and agents, including all subcontractors or consultants to be paid from CDBG-DR Funds provided under this Agreement, shall allow access to its records at reasonable times to the [City/County], its employees and agents, and to HUD. "Reasonable" shall be construed according to the circumstances, but ordinarily shall mean during normal business hours of 8:00 a.m. to 5:00 p.m., local time, Monday through Friday. The term "agents" shall include but is not limited to auditors or consultants retained by the Developer or the [City/County].
- 7.5 The Developer shall submit to the [City/County] a Monthly Progress Report which is due on the [tenth (10th)] day of each month during the term of this Agreement.
- 7.6 The Developer's failure to submit Monthly Progress Reports shall give cause for future payments to the Developer being withheld until said report(s) are submitted.

- 7.7 The Developer shall provide the [City/County] with additional program information as requested.

ARTICLE 8
Duration of Agreement

8. This Agreement shall commence upon its execution by both parties and shall terminate after twenty (20) years for the CDBG-DR funded units, after the date of final inspection and acceptance by the [City/County] and the completion and certification of the CDBG-DR Units. If the award of funds from NCORR is not approved or construction funding is not finalized by the Developer, this Agreement may be terminated by the [City/County] at the time notice of such is received. Additional termination provisions are provided in Article 10.7 below.

ARTICLE 9
Time of Performance

9. The Developer agrees to construct the Project and comply with a timetable agreed upon by both parties but which may not exceed seventy-two (72 months) including close-out procedures.

ARTICLE 10
General Provisions

10. The following general provisions apply.

10.1 Independent Contractor

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating, or establishing the relationship of employer/employee between the parties. The Developer shall at all times remain an “independent contractor” with respect to the services to be performed under this Agreement. The [City/County] shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers’ Compensation Insurance, as the Developer is an independent contractor.

10.2 Hold Harmless

The Developer shall hold harmless, defend, and indemnify the [City/County] from any and all claims, actions, suits, charges, and judgments whatsoever that arise out of the Developer’s performance or nonperformance of the services or subject matter called for in this Agreement.

10.3 Workers’ Compensation

The Developer shall provide Workers’ Compensation Insurance coverage for all of its employees involved in the performance of this Agreement.

10.4 Insurance & Bonding

The Developer shall carry sufficient insurance coverage to protect contract assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to cash advances from the [City/County].

The Developer shall comply with the bonding and insurance requirements of 24 CFR 84.31 and 84.48, Bonding and Insurance.

10.5 [City/County] and NCORR Recognition

The Developer shall insure recognition of the role of the [City/County] in providing services through this Agreement. All activities, facilities and items utilized pursuant to this Agreement shall be prominently labeled as to funding source. In addition, the Developer will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

10.6 Amendments

The [City/County] or Developer may amend this Agreement at any time provided that such amendments make specific reference to this Agreement, and are executed in writing, signed by a duly authorized representative of each organization, and approved by the [City/County]'s governing body. Such amendments shall not invalidate this Agreement, nor relieve or release the [City/County] or Developer from its obligations under this Agreement.

The [City/County] may, in its discretion, amend this Agreement to conform with federal, state, or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed by both [City/County] and Developer.

10.7 Suspension or Termination

In accordance with 24 CFR 85.43, the [City/County] may suspend or terminate this Agreement if the Developer materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

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

10.7.2 Failure, for any reason, of the Developer to fulfill in a timely and proper manner its obligations under this Agreement;

10.7.3 Ineffective or improper use of funds provided under this Agreement; or

10.7.4 Submission by the Developer to the [City/County] reports that are incorrect or incomplete in any material respect.

In accordance with 24 CFR 85.44, this Agreement may also be terminated for convenience by either the [City/County] or the Developer, in whole or in part, by setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the [City/County] determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the [City/County] may terminate the award in its entirety.

Article 11
Employment and Contracting Restrictions

11. The Developer is prohibited from using Award funds or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities. Hiring and contracting activities are subject to compliance with 24 CFR Part 570 and other applicable, local, state, and federal laws and regulations.

11.1 Labor Standards

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

The Developer agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under contracts in excess of \$2,000 for construction, renovation or repair work financed in whole or in part with assistance provided under this contract, shall comply with Federal requirements adopted by the [City/County] pertaining to such contracts and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Developer of its obligation, if any, to require payment of the higher wage. The Developer shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

11.2 Minority and Women-Owned Business Enterprise (MWBE)

The Developer will use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of this contract. As used in this contract, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Developer may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

11.3 Access to Records

The Developer shall furnish and cause each of its own developers or subcontractors to furnish all information and reports required hereunder and will permit access to its books, records, and accounts by the [City/County], HUD or its agent, or other authorized federal officials for purposes of investigation to ascertain compliance with the rules, regulations and provisions stated herein.

11.4 Notifications

The Developer will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the Developer's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

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11.5 Subcontract Provisions

The Developer will include the provisions of 11.1 in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its own Developers or subcontractors.

Article 12 Conflict of Interest

12. In the procurement of labor, supplies, equipment, construction, and services by the Developer or by any subcontractor, the conflict of interest provisions in 24 C.F.R. 570.611(b) and 2 CFR 200.112 apply.

12.1 No person who is an employee, agent, consultant, officer, or elected official or appointed official of the [City/County], or of any designated public agencies, or subcontractors which are receiving CDBG-DR funds or who exercise or have exercised any functions or responsibilities with respect to CDBG-DR funded activities or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from the activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties during their tenure or for one year thereafter. This prohibition includes the following:

- a. Any interest in any contract, subcontract or agreement with respect to any CDBG-DR assisted-projects or programs administered by the Developer, or the proceeds thereunder; or
- b. Any unit benefits or financial assistance associated with CDBG-DR funds or programs administered by the Developer including, occupancy of a rental housing unit in a CDBG-DR Unit in the Project;

12.2 This prohibition does not apply to an employee or agent of the Developer who is income qualified and occupies a CDBG-DR Unit in the Project as the on-site project manager or maintenance worker.

- 12.3** In addition, no member of Congress of the United States, official or employee of HUD, official or employee of NCORR, or official or employee of the [City/County] shall be permitted to receive or share any financial or unit benefits arising from the CDBG-DR funds in the Project.

ARTICLE 13
Section 3

- 13. Section 3 of the Housing and Urban Development Act Notice.** If the Developer has a Project Specific Award Letter dated on or after November 30, 2020, the Section 3 rules pursuant to 24 CFR Part 75 apply to that project addressed in the Project Specific Award letter, and those regulations provide that the Developer shall abide by the following:
- 13.1** Any work to be performed under this Agreement that is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701 u (Section 3) shall follow the requirements of 24 CFR Part 75. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing, community development assistance, public housing financial assistance, or assistance from the Lead Hazard Control and Healthy Homes programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970, the Lead-Based Paint Poisoning Prevention Act, and the Residential Lead-Based Paint Hazard Reduction Act of 1992.
- 13.2** The Developer agrees to include Section 3 language in every contract subject to compliance with regulations in 24 CFR Part 75, and agrees to take appropriate action, as provided in an applicable provision of the contract or in this Section 3 language, upon finding that a contract is in violation of the regulations in 24 CFR Part 75. The Developer will not subcontract with any entity where the Developer has notice or knowledge that the entity has been found in violation of the regulations in 24 CFR Part 75.
- 13.3** Execution of this Agreement is contingent upon the acceptance and approval by NCORR of a Section 3 Utilization Plan consistent with HUD guidelines. If the Developer does not have a Section 3 Utilization Plan consistent with 24 CFR Part 75 regulations upon signature, the Developer shall abide by the NCORR Section 3 guidelines. NCORR's Section 3 Policy and subsequent amendments shall be automatically incorporated herein with this Agreement if the Developer does not have a Section 3 Utilization Plan, or until the Developer has a final Section 3 Utilization Plan.
- 13.4** Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this Agreement for default, and debarment or suspension from future HUD assisted contracts.
- 13.5** Pursuant to 24 CFR 75.27, the Developer shall include, or cause its borrowers, contractors, and subcontractors receiving CDBG-DR funds under this Agreement to include Section 3 language and Section 3 requirements in every Section 3 project (as defined in 24 CFR 75.3(A)(2)). Recipients of Section 3 funding must require contractors and subcontractors to meet the requirements of 24 CFR 75.19, regardless of whether Section 3 language is included in agreements, program regulatory agreements, or contracts.

- 13.6** The Developer will certify that any vacant employment positions, including training positions, that are filled (1) after the Developer is selected but before the contract (or Agreement) is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 75 require employment opportunities be directed, were not filled to circumvent the Developer's obligations under 24 CFR Part 75.

With respect to work performed in contracts, subcontracts, grants or subgrants subject to Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)) or subject to tribal preference requirements as authorized under 101(k) of the Native American Housing Assistance and Self-Determination Act (25 U.S.C. 4111(k)) must provide preferences in employment, training, and business opportunities to Indians and Indian organizations, and are therefore not subject to the requirements of 24 CFR Part 75.

ARTICLE 14
Governing Law

- 14.** This agreement is governed by and shall be construed in accordance with the laws of the State of North Carolina. The Developer and the [City/County] consent to the exclusive jurisdiction of the Courts of the State of North Carolina and the [City/County], in all proceedings arising under this Agreement.

ARTICLE 15
Entire Agreement

- 15.** This Agreement represents the entire agreement by and between the parties hereto for the matter specified herein. No statement, representation, writing, understanding, or agreement made by either party, or a representative of either party shall be binding unless expressed herein. All changes, amendments, modifications, or revisions to this Agreement shall be binding only when in writing and signed by both parties, by their respective authorized officers, agents, or representatives.

ARTICLE 16
Incorporation

- 16.** The recitals at the beginning of this Agreement are true and correct and, by this reference, are incorporated herein and made a part hereof. All exhibits attached hereto are, by this reference, incorporated herein and made a part hereof.

ARTICLE 17
Program Income Requirements

- 17.** The [City/County] and Developer agree to comply with Program Income requirements in 24 CFR 570.504.

ARTICLE 18
Counterparts

- 18.** This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which, taken together, will constitute one and the same agreement. Execution by facsimile, by scanned attachments, or by electronic signature (including, but not limited to DocuSign) has

the same force and effect as a wet signature. An executed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission will be deemed to have the same legal effect as delivery of an original signed copy of that document.

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In **WITNESS WHEREOF**, the parties hereto duly execute this Agreement as of the day and year first written above.

[City/County] Official Signature

Developer Official Signature

[City/County] Official Name/Title

Developer Official Name/Title

Date

Company Name

Date