

A CONTRACT
Between
CITY OF LAREDO and LAREDO HOUSING OPPORTUNITIES CORPORATION

The contract is made between the City of Laredo, a municipal corporation, (hereinafter called "CITY") and the Laredo Housing Opportunities Corporation, a non-profit organization (hereinafter called "LHOC") for the Use of Funds in the HOME-American Rescue Plan (HOME-ARP) for the Development of Affordable Rental Housing. The parties bind themselves to the mutual obligations of the contract, and to the performance and accomplishment of the tasks described in the contract.

CONTRACT PERIOD

This contract is effective from date of signature and shall terminate fifteen (15) years after project completion unless otherwise specifically provided by the terms of this contract.

TERMS AND CONDITIONS

1. CITY agrees to do the following:

- A. Pay a total of Two Million Three Hundred and No/100 Dollars (\$2,300,000.00) from the HOME-ARP Program funds for the development of affordable rental housing to benefit qualifying individuals and families who are (1) homeless; (2) at risk of homelessness; (3) fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; (4) part of other populations where providing supportive services or assistance would prevent a family's homelessness or would serve those with the greatest risk of housing instability; or (5) veterans and families that include a veteran family member that meet the criteria in one of (1)-(4) above. However, not more than 30 percent of the total number of rental units assisted with HOME-ARP funds may be occupied by low-income households as defined in 24 CFR 92.2.
- B. Issue payments to LHOC for eligible expenses as they occur and/or are requested by LHOC on a reimbursement basis, but no less than quarterly. The City shall not be liable to LHOC for any costs incurred by the organization which are not strictly in accordance with the terms of this contract, not in compliance with 2 CFR Part 200 and 24 CFR part 570, and/or for performance rendered by LHOC before commencement of this contract or after termination of this contract.
- C. Assume the responsibility for the environmental review, decision-making, and other actions in compliance with 24CFR Part 58. Award of funds to LHOC is contingent on completion of environmental review and release of funds by the U.S. Department of Housing and Urban Development.
- D. Enforce the rental requirements through a deed restriction, covenant running with the land, legally binding agreement restricting the use of the property and recorded on the property in accordance with State recordation laws, or other mechanism approved by HUD.
- E. Verify that the affordable rental housing project adheres to local building code requirements by conducting in progress and completion inspections of the construction.
- F. Review and approve the HOME- ARP rents proposed by LHOC.
- G. Conduct annual onsite monitoring review and inspections to ensure program compliance. After each monitoring visit, the City shall provide LHOC with a written report of the monitor's findings. If the monitoring reports note deficiencies in LHOC's performance under the terms of this contract, the monitoring report shall include requirements for the timely correction of such deficiencies by LHOC.

2. LHOC agrees to do the following:

- A. Utilize HOME-ARP funds exclusively to construct rental-housing units for occupancy by individuals and families that meet one of the qualifying populations.

HOME-ARP funds may pay for up to 100 percent of the following eligible costs associated with HOME-ARP rental units:

- Development hard costs (24 CFR 92.206 (a))
- Related soft costs (24 CFR 92.206(d))

- B. Adhere to their budget as per **Exhibit A**.
- C. Submit the site location to the City to initiate the environmental review process prior to project commencement.
- D. Responsible to obtain all applicable building permits and adhere to local building code requirements.
- E. Administer all tasks and services in compliance with all applicable federal, state, and local rules and regulations governing funds and in a manner satisfactory to the City.
- F. Comply with the City of Laredo HOME-ARP Policy and Procedures Manual and HUD CPD-21-10 Notice (**Exhibit B**), as applicable.
- G. Comply with the following HOME-ARP program requirements.

1. Minimum Number of HOME-ARP Units

Units must be substantially comparable in size and amenities to units not assisted with HOME-ARP funds. The minimum number of HOME-ARP units will be calculated as follows:

Example:

Total Development Cost	\$8,000,000
Divided by the total number of units in project	70
Equals the average per unit investment (all units)	\$114,285.71
City of Laredo HOME-ARP Investment	\$2,300,000
Divided by average per unit investment (all units)	\$114,285.71
Equals the number of HOME-ARP units (rounded up)	21
Minimum number of HOME-ARP Qualifying Population Units (not less than 70% of total units)	15
Maximum number of HOME-ARP Low-income Units	6

HOME-ARP units for this project will be designated as floating.

2. Project Completion, Occupancy and Noncompliance

LHOC must initiate construction within 12 months of the date of this contract and expend 100% of the funds by July 31, 2027.

LHOC will be responsible to repay any HOME-ARP funds in units that are 1) not completed within 2 year of project commitment, 2) not rented to eligible qualifying or low-income households within 6 months of project completion, or 3) terminated before completion or otherwise not compliant with the HOME-ARP requirements.

Timing of Noncompliance or Termination	\$8,000,000
Up to year 10 of compliance period	100% of HOME-ARP Investment
Years 11 through 15 of compliance period	Repayment reduced 20% for each year beyond 10

3. Tenant Selection Process.

Applicants for occupancy in HOME-ARP unit must submit a completed inquiry form that provides sufficient information to be placed on the waiting list. This information includes name, address, phone number, family composition, and will be first come first served basis.

Reasonable accommodation are available to persons with disabilities who require assistance completing their application.

Placement on the waiting list does not indicate the applicant will be eligible for occupancy – a final determination must be made when the applicant is selected from the waiting list.

Removal from Waiting List

The applicant:

- Request to be removed;
- Fails to respond;
- Misses scheduled appointments;
- Does not meet the eligibility criteria; and/or
- Knowingly provides false information or fraudulent statements affecting the applicant's status or eligibility.

Application Selection

Applicants must be selected from the top of the waiting list and the following information will be required.

- Information to verify eligibility as a qualifying population for HOME-ARP QP units;
- Information to verify household income for HOME-ARP LI units; and
- Other criteria required by other funding sources and by the City.

LHOC must conduct outreach through flyers, public service announcements, networking with local agencies, and other means to inform the qualifying populations of the availability of the services provided.

4. Household Income Requirements

- Qualifying Households: At initial occupancy and each subsequent year during the minimum 15-year compliance period, LHOC must use the definition of annual income at 24 CFR 5.609 and the process described in the Notice to determine the household's contribution to rent.
- Low-Income Households: The PJ must use the definition of annual income at 24 CFR 5.609 and the process described in the Notice to examine the household's income at initial occupancy and each subsequent year during the minimum 15-year compliance period to determine the household's ongoing income eligibility and applicable contribution to rent.

A qualifying household may not contribute to rent more than is affordable based on the determination of the household's income throughout compliance period.

Rent contribution must be determined using three months of source documentation.

5. Targeting and Occupancy Requirement

Not less than 70 percent of the total number of rental units LHOC assists with HOME-ARP funds must be restricted to occupancy by households that are qualifying households at the time of the household's initial occupancy. Not more than 30 percent of the total number of rental units assisted with HOME-ARP funds by LHOC may be restricted for occupancy by low-income households. A household that met the definition of one or more qualifying populations at initial occupancy remains a qualifying household throughout their period of occupancy irrespective of changes in income or whether they continue to meet a qualifying population definition (e.g., no longer qualify as homeless after being admitted to a HOME-ARP unit).

6. Rent Limitations

HOME-ARP establishes rent limitations for units restricted for qualifying households and units restricted for low-income households as follows:

- Units Restricted for Occupancy by Qualifying Households: The HOME-ARP rent may not exceed 30 percent of the adjusted income of a household whose annual income is equal to or less than 50 percent of the median income for the area, as determined by HUD (i.e., Low HOME Rent).
- Units Restricted for Occupancy by Low-Income Households: HOME-ARP rental units restricted for low-income households must comply with the rent limitations at 24 CFR 92.252(a).

The rent limits for HOME-ARP units for qualifying households include the rent plus the utility allowance. The City must review and approve the HOME-ARP rents proposed by LHOC, subject to the HOME-ARP rent limitations.

Additional HOME-ARP Unit Limitations, if applicable:

- Federal/State Project-Based Rental Subsidy: A HOME-ARP unit that receives Federal or state project-based rental subsidy may charge the rent allowable under the rental subsidy program.
- Single Room Occupancy Units (SRO): If an SRO unit has both sanitary and food preparation facilities, the maximum HOME-ARP rent is based on the zero-bedroom fair market rent. If the SRO unit only has sanitary facilities, the maximum HOME-ARP rent is based on 75 percent of the zero-bedroom fair market rent.

Changes in Income and Over Income Households: LHOC must take action to address over-income households occupying HOME-ARP units as follows:

- Qualifying Households: A qualifying household whose annual income at the time of recertification is above 50 percent of median income for the area but below 80 percent of median income for the area must pay the rent specified in 24 CFR 92.252(a). (i.e., High HOME Rent)
- Low-Income Households: A low-income household whose income is above 80 percent of the median income for the area must pay rent that complies with 24 CFR 92.252(i)(2).

Each household that occupies a HOME-ARP assisted unit must execute a lease that complies with the tenant protection requirements.

a. Lease Requirement:

There must be a lease between the qualifying household or the low-income household and the owner of the HOME-ARP-assisted project in accordance with [24 CFR 92.253\(a\)](#), except that a sublease is permitted if a HOME-ARP sponsor has executed a master lease or lease with the project owner for the leasing of the units restricted for occupancy by qualifying households.

b. Prohibited Lease Terms:

The lease between the low-income household, qualifying household, or HOME-ARP sponsor and the HOME-ARP project owner or the sublease between the HOME-ARP sponsor and a qualifying household may not contain any of the prohibited lease terms specified in [24 CFR 92.253\(b\)](#).

c. Termination of tenancy:

An owner may not terminate the tenancy or refuse to renew the lease of a tenant of a HOME-ARP unit or of a HOME-ARP sponsor with a sublease with a qualifying household except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local laws; or for other good cause. Similarly, a HOME-ARP sponsor may not refuse to renew a sublease with a qualifying household except for serious or repeated violation of the terms and conditions of the sublease; for violation of applicable Federal, State, or local laws; or for other good cause. An increase in the tenant's or sublessee's income does not constitute good cause.

7. Property Standards

HOME-ARP rental units must comply with all rental property standards required in 24 CFR 92.251 paragraphs (a), (b), (c)(1) and (2), (e), and (f).

8. Monitoring

- a. LHOC shall make the facility available for monitoring visits by the CITY and the U.S. Department of Housing and Urban Development or its designee, for fifteen (15) years from the completion of the project to ensure compliance with the requirements of this agreement. Not less than annually, the City will conduct an on-site monitoring review and building inspection to determine program compliance.
- b. After each monitoring visit, the City shall provide LHOC with a written report of the monitor's findings. If the monitoring reports note deficiencies in LHOC's performance under the terms of this contract, the monitoring report shall include requirements for the timely correction of such deficiencies by LHOC.

9. Confidentiality

LHOC will be required to develop written procedures to ensure the security and confidentiality of all records containing personally identifying information of any individual or family who applies for and/or receives HOME-ARP assistance.

10. Record Keeping

LHOC shall comply with the record keeping requirements under CFR Part 576.500 to include maintaining and making records available as necessary for a period of five years after the compliance period of all funds from the grant under which the program participant was served to include (but not limited to):

- Completed Qualifying Populations Eligibility Forms for each client.
- An accurate record of expenses supported by invoices and billing statements.

H. Act in accordance with the Anti-lobbying requirements. Exhibit C

I. Provide a copy of LHOC annual internal audit report within 60 days after its completion.

J. Provide all information required for the City's Consolidated Annual Performance Evaluation Report.

K. Comply with other federal requirements, as applicable.

1. Environmental Review

The City of Laredo assumes the responsibilities for environmental review, decision-making, and other actions in compliance with 24 CFR, Part 58.

2. URA Displacement, Relocation, and Acquisition

LHOC agrees to comply with (a) the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), and implementing regulations at 49 CFR Part 24 and 24 CFR 570.606 (b); (b) the requirements of 24 CFR 570.606 (c) governing the Residential Anti-displacement and Relocation Assistance Plan under section 104 (d) of the HCD Act; and (c) the requirements in 24 CFR 570.606 (d) governing optional relocation policies. The Subrecipient shall provide relocation assistance to displaced persons as defined by 24 CFR 570.606 (b)(2) that are displaced as a direct result of acquisition rehabilitation, demolition, or conversion for a CDBG-assisted project. The Subrecipient also agrees to comply with

applicable State, City ordinances, resolutions and policies concerning the displacement of persons from their residence.

3. Lead Based Paint

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

Upon project completion, Title IV of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. Sec 4821 et seq.) and 24 CFR Part 35. The lead-based paint provision of Section 24 CFR 982.401 (j), except 24 CFR 982.401 (j)(i), also apply.

4. Nondiscrimination and Equal Opportunity

The Subrecipient agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

Equal Employment Opportunities and Affirmative Action (EEO/AA) Statement: LHOC will, in all solicitations or advertisements for employees placed by or on behalf of the Subrecipient, state that it is an Equal Opportunity or Affirmative Action employer.

Subrecipient will not discriminate against applicants for services or employment on the basis of age, religion, race, sex, disability, veteran status, familial status, or national origin.

5. Disclosure Requirements, Debarred, suspended, or Ineligible Contractors

LHOC shall not employ, award contract to, or fund any person that has been debarred, suspended, proposed for debarment, or placed on ineligibility status by the U.S. Department of Housing and Urban Development. All debarment checks must be completed by the City once the subrecipient provides the person/business name, prior to the commencement of the work to be performed. All debarment checks must be completed by the city once the subrecipient provides the person/business name, prior to the commencement of the work to be performed.

6. Fair Housing

LHOC agrees to follow The Fair Housing Act established in 1964. Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, because of race, color, religion, sex (including gender identity and sexual orientation), familial status, national origin, and disability. It also requires that all federal programs relating to housing and urban development be administered in a manner that affirmatively furthers fair housing.

7. Drug-free workplace

LHOC shall or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violation of such prohibition.

2. Establishing an ongoing drug-free awareness program to inform employees about:

- a. The dangers of drug abuse in the workplace
- b. The City's policy of maintaining a drug-free workplace
- c. Any available drug counseling, rehabilitation, and employee assistance programs; and
- d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

3. Making it a requirement that each employee be engaged in the performance under this contract be given a copy of the statement in paragraph 1.

4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under this contract, the employee will:

- a. Abide by the terms of the statement; and
- b. Notify the employer in writing of his or her conviction for a violation of a criminal statute occurring in the workplace no later than five calendar days after such conviction.

5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to Subrecipient representative or other designee on whose contract activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices.

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted:

- a. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended or
- b. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5, and 6.

8. Housing Counseling and Non-discrimination – NAHA Section 282

No person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.

9. Violence Against Woman Act (VAWA) Requirements

LHOC must meet with the requirements of VAWA which is a federal law that, in part, provides housing protections for people applying for or living in units subsidized by the federal government and who have

experienced domestic violence, dating violence, sexual assault, or stalking, to help keep them safe and reduce their likelihood of experiencing homelessness. As mentioned in 24 CFR 5.

10. Affirmative Marketing and Minority Business Outreach

Under section 808(e)(5) of the Fair Housing Act, HUD has a statutory duty to affirmatively further fair housing. HUD requires the same of its funding recipients. LHOC will have a duty to affirmatively further fair housing opportunities for classes protected under the Fair Housing Act.

11. Labor Standards

All laborers and mechanics employed in the construction for the project assisted under this contract shall be paid wages at rates not less than the appropriate rate as determined by the Secretary of Labor in accordance with the Davis-bacon Act A (40 U.S.C. 276a-5) and contracts involving their employment shall be subject to the provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333). Construction contractors and subcontractors, must comply with regulation issued under these Acts and with all other federal laws and regulations pertaining to labor standards and HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), as applicable. The Subrecipient shall maintain documentation that demonstrates compliance with hour and wage requirement of this part. Such documentation shall be submitted to the City for review on a weekly basis.

The Subrecipient agrees that all contractors engaged under contracts in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided under this Agreement, shall comply with Federal requirements adopted by the City 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 Subrecipient of its obligation, if any, to require the payment of the higher wage. The Subrecipient shall cause or require to be inserted in full, in all such contracts subject to such regulations, provisions meeting the requirements of this paragraph.

Except for subcontracts to which the federal labor standards requirements apply, LHOC may not subcontract for performances described in this contract without obtaining the City's prior written approval. LHOC shall only subcontract for performances described in this contract to which the federal labor standards requirements apply after LHOC has submitted a Subcontractor Eligibility Form, as specified by the City, for each such proposed subcontract, and LHOC has obtained the City's prior written approval, based on the information submitted, of LHOC intent to enter into such proposed subcontract. LHOC, in subcontracting for any performances described in this contract, expressly understands that in entering into such subcontracts, the City is in no way liable to LHOC subcontractor(s).

In no event, shall any provision of this section, specifically the requirement that LHOC obtain the City's prior approval of a subcontractor's eligibility be construed as relieving LHOC of the responsibility for ensuring that the performances rendered under all subcontracts are rendered to comply with all the terms of this contract, as if such performances were rendered by LHOC. City approval under this section does not constitute adoption, ratification, or acceptance of LHOC's or subcontractor's performance hereunder. City maintains the right to insist upon LHOC's full compliance with the terms of this contract, and by the act of approval under this section, City does not waive any right of action which may exist or which may subsequently accrue to City under this contract. LHOC/subcontractor shall comply with all applicable federal, state, and local laws, regulations, and ordinances for making procurements under this Agreement.

12. Section 3 Economic Opportunities

Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the

execution of this contract, shall be a condition of the Federal financial assistance provided under this contract and binding upon the City, the Subrecipient and any of the Subrecipient's contractors and subcontractors. Failure to fulfill these requirements shall subject the City, the Subrecipient and any of the Subrecipient's contractors and subcontractors, their successors and assigns, to those sanctions specified by the Agreement through which Federal assistance is provided. The Subrecipient certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

The Subrecipient further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Agreement:

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

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

LHOC certifies and agrees that no contractual or other legal incapacity exists that would prevent compliance with these requirements.

13. Conflict of Interest

Shall comply with 24 CFR 85.36(b) (3), 24 CFR 200.112 and 24 CFR 200.113 regarding conflict of interest.

The Subrecipient agrees to abide by the provisions of 24 CFR 200.112 and 200.113, which include (but are not limited to) the following:

- a. The Subrecipient shall maintain a written code or standards of conduct that shall govern the performance of its officers, employees or agents engaged in the award and administration of contracts supported by Federal funds.
- b. No employee, officer or agent of the Subrecipient shall participate in the selection, or in the award, or administration of, a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.
- c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any contract, or have a financial interest in any contract, subcontract, or agreement with respect to the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during

their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a “covered person” includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, the Subrecipient, or any designated public agency.

14. Procurement of Recovered Materials

LHOC must comply with the requirements of Section 6002 of the Solid Waste Disposal Act. In accordance, with Section 6002, LHOC must procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired in the preceeding fiscal year exceeded \$10,000.

TERMINATION

In the event that LHOC fails to provide services in accordance with the provisions of this contract, CITY may upon written notice of default to LHOC terminate in whole or in part this contract, and such termination shall not be an exclusive remedy, but shall be in addition to any other rights and remedies provided by law or under this contract.

A. In accordance with 2 CFR 200.338 - 200.342, the City may suspend or terminate this Agreement if the LHOC materially fails to comply with any terms of this Agreement, which include (but are not limited to) the following:

1. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulation, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
2. Failure, for any reason, of the LHOC to fulfill in a timely and proper manner its obligations under this Agreement;
3. Ineffective or improper use of funds provided under this Agreement; or
4. Submission by the LHOC to the City reports that are incorrect or incomplete in any material respect.

B. In accordance with 24 CFR 200, this Agreement may also be terminated for convenience by either the City or the LHOC, in whole or in part, by setting forth the reasons for such termination, the effective date, and, and in the case of partial termination, the portion to be terminated. However, if in the case of a partial termination, the City determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the City may terminate the award in its entirety.

INDEMNIFICATION

LHOC SHALL INDEMNIFY, DEFEND, SAVE AND HOLD HARMLESS THE CITY AND ITS OFFICERS, EMPLOYEES AND AGENTS FROM AND AGAINST ALL CAUSES OF ACTION, FINES, JUDGMENTS, LOSSES, CLAIMS, DAMAGES, LIABILITIES, COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES, JOINT OR SEVERAL, WHETHER THEY BE FOR PERSONAL INJURY OR PROPERTY DAMAGE OR ANY OTHER TYPE OF CLAIM, WHICH MAY BE ASSERTED AGAINST ANY OF THEM ARISING OUT OF OR RELATED TO (I) ANY ACTION BY LHOC OR ITS AGENTS IN THE CARRYING OUT OF THE SERVICES DURING THE TERM OF THIS AGREEMENT; (II) THE NEGLIGENCE OR WILLFUL OR WANTON MISCONDUCT OF LHOC OR ITS AGENTS; (III) ANY VIOLATION OF ANY REQUIREMENT APPLICABLE TO LHOC OR ITS AGENTS UNDER ANY FEDERAL, STATE, OR LOCAL LAW OR REGULATION, (IV) THE FAILURE OF LHOC TO PERFORM SPECIFIED DUTIES UNDER THIS AGREEMENT, OR (V) THE BREACH OF THIS AGREEMENT BY BETHANY HOUSE, EXCEPT IN EACH CASE TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL OR WANTON MISCONDUCT OF THE CITY. OBLIGATIONS UNDER THIS SECTION SHALL NOT BE LIMITED TO THE LIMITS OF COVERAGE OF INSURANCE MAINTAINED OR REQUIRED TO BE MAINTAINED BY BETHANY HOUSE UNDER THIS AGREEMENT AND WILL NOT BE LIMITED BY

COMPARATIVE NEGLIGENCE STATUTES. THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

ENTIRE AGREEMENT REPRESENTED

This contract and its exhibits represent the entire agreement of the parties. This contract may not be changed except by written agreement approved by the City Council and duly executed by all of the parties hereto.

MULTIPLE COUNTERPARTS

This contract may be executed in several counterparts each of which shall be deemed an original and all of which when taken together shall constitute but one and the same contract.

The parties each agree to hold and save free and harmless each other for liability resulting from acts, omissions, and defaults by their employees, agents, or representatives and which cause damages or injuries to persons or property in conjunction with administration of the program.

NOTICE

Any and all notices or other communications required or permitted to be given pursuant to this contract shall be in writing and shall be considered as properly given if mailed by certified, return receipt requested mail, postage prepaid and addressed as follows:

To the City:
Joseph W. Neeb, City Manager
City of Laredo
P.O. Box 579
Laredo, TX. 78040

Laredo Housing Opportunities Corporation:
Maria A. Gaona, Executive Director
Laredo Housing Authority
2000 San Francisco Ave.
Laredo, Texas 78040

PARTIES BOUND

This contract shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, executors, administrators, legal representatives, successors and assigns.

REPRESENTATIONS

No representations, promise, guarantees or warranties were made to induce the other party to execute this contract, or made in connection therewith, which are not expressly stated in the body of this contract.

SEVERABILITY

If any provision of this contract shall for any reason be held violative of any applicable law, governmental rule or regulation or if said contract is held to be unenforceable or unconscionable, then the invalidity of such specific provisions herein shall not be held to invalidate the remaining provisions of this contract. Such other provisions and the entirety of this contract shall remain in full force and effect unless the removal of said invalid provision destroys the legitimate purpose of this contract, in which event this contract shall be null and void.

STATE LAW APPLICABLE TO CONTRACT

This contract shall be subject to and governed under the laws of the State of Texas. Any and all obligations and payments are due in performance and payable in Laredo, Webb County, Texas.

(i) Complete Understanding

By execution and acceptance of this contract, the parties hereto acknowledge they have read the same and understand each provision, term and obligation contained in this contract. This contract although drawn by one party shall be construed fairly and reasonably and not more strictly against the drafting party than the non-drafting party.

(ii) Acceptance

This contract shall not be binding until it is executed by both parties to this contract.

(iii) Date and Effectiveness

This contract shall become effective upon execution whereupon the parties' obligations contained hereinabove shall be conclusive and binding upon all or the parties hereto and this contract shall no longer be considered executory.

(iv) Signatory clause

This contract is signed, accepted and agreed to by CITY and _____ by and through the parties or the parties' agents or authorized representatives and the same hereby acknowledge that they have read and understand this contract and the attachments and/or exhibits hereto and that all parties execute this legal document voluntarily and of their own free will.

Executed in triplicated originals, this ____ day of _____, 2024.

CITY OF LAREDO

LAREDO HOUSING OPPORTUNITIES CORPORATION

By: _____
Joseph W. Neeb
City Manager

By: _____
Maria M. Gaona
Executive Director

ATTEST:

Jose A. Valdez Jr.
City Secretary

APPROVED BY:

Doanh "Zone" T. Nguyen
City Attorney