

#16

JUN 23 2011



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MEMORANDUM NEIGHBORHOOD RESOURCES - COUNCIL MEMO NO. NR11-31

DATE: JUNE 9, 2011

TO: MAYOR AND CITY COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*
PATRICK MCDERMOTT, ASSISTANT CITY MANAGER *PM*
JENNIFER MORRISON, NEIGHBORHOOD RESOURCES DIRECTOR *JM*

FROM: CARL MORGAN, CDBG PROGRAM SUPERVISOR *CM*

SUBJECT: APPROVE RESOLUTION NUMBER 4523 OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AUTHORIZING THE MAYOR TO SIGN THE AGREEMENT BETWEEN THE AFFORDABLE RENTAL MOVEMENT OF SAVE THE FAMILY AND THE CITY OF CHANDLER TO IMPLEMENT PERMANENT AFFORDABLE RENTAL HOUSING PROGRAM FOR FAMILIES IN CHANDLER UTILIZING NEIGHBORHOOD STABILIZATION PROGRAM 3 (NSP 3) FUNDS IN THE AMOUNT OF \$419,643

RECOMMENDATION: Approve Resolution Number 4523 of the City Council of the City of Chandler, Arizona, authorizing the Mayor to sign the agreement between the Affordable Rental Movement of Save the Family and the City of Chandler to implement an affordable rental housing program for families in Chandler utilizing Neighborhood Stabilization Program 3 funds in the amount of \$419,643.

BACKGROUND: On January 27, 2011, Chandler City Council approved Resolution 4489 authorizing submission of an amendment to the Annual Action Plan for Neighborhood Stabilization Program 3 (NSP 3) funding from the U. S. Development of Housing and Urban Development. NSP 3 funds must be targeted to specific neighborhoods most impacted by foreclosures. Chandler's NSP 3 funds are targeted to two specific areas of Chandler, totaling two square miles.

DISCUSSION: In the Action Plan approved by Council, Affordable Rental Movement (ARM) of Save the Family was approved to acquire and rehabilitate three homes that will provide affordable rental housing for working poor families. Staff has negotiated a contract with ARM of Save the Family for the provision of these services which is outlined in Resolution 4523 and the

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accompanying subrecipient agreement. A map of the target area for this activity is on Attachment B, page 16. All of the acquisition/ rehabilitation activities are located in the 422209 Census Tract.

FINANCIAL IMPLICATIONS: All costs associated with this agreement will be reimbursed by the U.S. Department of Housing and Urban Development and do not require repayment on the part of the City of Chandler.

PROPOSED MOTION: Approve Resolution Number 4523 of the City Council of the City of Chandler, Arizona, authorizing the Mayor to sign the agreement between the Affordable Rental Movement of Save the Family and the City of Chandler to implement an affordable rental housing program for families in Chandler utilizing Neighborhood Stabilization Program 3 funds in the amount of \$419,643.

Attachment: Resolution 4523

Attachment: Subrecipient Agreement with the Affordable Rental Movement of Save the Family
Target Area Map- p. 16

RESOLUTION NO. 4523

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AUTHORIZING THE MAYOR TO SIGN THE AGREEMENT BETWEEN THE AFFORDABLE RENTAL MOVEMENT OF SAVE THE FAMILY AND THE CITY OF CHANDLER TO IMPLEMENT PERMANAENT AFFORDABLE RENTAL PROGRAM FOR FAMILIES IN CHANDLER UTILIZING NEIGHBORHOOD STABILIZATION PROGRAM 3 (NSP 3) FUNDS IN THE AMOUNT OF \$419,643

WHEREAS, the City of Chandler (“City”) pursuant to Public Law 110-289, of the Housing Economic Recovery Act of 2008 (HERA), has been notified of an award of Neighborhood Stabilization Program 3 (“NSP 3”) funds in the amount of \$1,332,011 for, among other purposes, the funding of permanent affordable rental housing for homeless families; and,

WHEREAS, strong neighborhoods exist when housing units are occupied and well-maintained and the spirit of community is strong; and,

WHEREAS, affordability of rental housing for very low income families is a need in the City; and,

WHEREAS, the Department of Housing and Urban Development has approved the City’s plan to utilize \$419,643 of awarded NSP 3 funds to partner with a non-profit agency who will purchase and rehabilitate vacant and foreclosed properties in areas of the City identified as high incident areas for foreclosures; and,

WHEREAS, Affordable Rental Movement of Save the Family, a nonprofit 501(c)(3) corporation has created and successfully managed the rental of single family homes, condominiums and apartments to income-qualified participants of its program in the cities of Scottsdale, Tempe, Mesa and Chandler, Arizona; and,

WHEREAS, Affordable Rental Movement of Save the Family proposes to purchase and rehabilitate vacant, foreclosed multifamily properties and rent them to income-qualified families whose income is at or below 50% of area median income as determined by the U.S. Department of Housing and Urban Development; and,

WHEREAS, Affordable Rental Movement of Save the Family Program establishes working poor families in affordable housing and offers supportive services to help maintain and increase their financial stability; and,

WHEREAS, it is in the best interest of the City to enter into this agreement with Affordable Rental Movement of Save the Family to develop affordable rental housing

that remains affordable for a period of twenty years from the date of the closing of each acquired property.

NOW, THEREFORE BE IT RESOLVED, by the City Council of the City of Chandler, Arizona as follows:

Section 1: That the City Council authorizes the Mayor to enter into an agreement with the Affordable Rental Movement of Save the Family for the acquisition and rehabilitation of vacant foreclosed properties in the City of Chandler as outlined in Resolution No. 4489-Substantial Amendment to the U.S. Department of Housing and Urban Development passed by the City Council on January 27, 2011.

Section 2: That the City Council authorizes staff to take those actions that are necessary to implement the NSP 3 program including establish procedures, expend funds, evaluate activities, complete amendments to this agreement, and close out this agreement when complete.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA THIS _____ DAY OF _____, 2011.

ATTEST:

CITY CLERK

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above foregoing Resolution No. 4523 was duly passed and adopted by the City Council of the City of Chandler, Arizona at a regular meeting held on the _____ day of _____, 2011, and that a quorum was present thereat.

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY GAB

SUBRECIPIENT AGREEMENT BETWEEN THE CITY OF CHANDLER AND THE
AFFORDABLE RENTAL MOVEMENT OF SAVE THE FAMILY
FOR

Acquisition and Rehabilitation of Permanent Affordable Rental Housing in the City of Chandler

THIS AGREEMENT made and entered in to this _____ day of _____ 2011, between the City of Chandler, a municipal Corporation, hereinafter called the CITY, and Affordable Rental Movement of Save the Family Foundation of Arizona, a nonprofit 501 (c)(3) corporation (hereinafter referred to as CONTRACTOR); all parties established under the laws of the State of Arizona.

WHEREAS, pursuant to Public Law 110-289, the Housing and Economic Recovery Act of 2008 (HERA), the CITY has applied for and has been notified of an award of Neighborhood Stabilization Program 3 funds (hereinafter referred to as NSP) for, among other purposes:

The purchase and rehabilitation of residential properties that have been abandoned and foreclosed upon to be sold to eligible homebuyers through a Community Land Trust program and to provide downpayment assistance to first time homebuyers; and,

WHEREAS, the Department of Housing and Urban Development has approved the City's plan to utilize \$419,643 of awarded NSP funds to partner with a non-profit agency who will purchase and rehabilitate vacant and foreclosed properties in areas of the City identified as high incident areas for foreclosures and will use the properties to provide affordable rental housing; and,

WHEREAS, CONTRACTOR proposes to acquire and rehabilitate 3 vacant, foreclosed properties and rent them to income-qualified families whose income is at or below 50% of area median income as determined by the U.S. Department of Housing and Urban Development; and

WHEREAS, CONTRACTOR is a nonprofit 501 (c)(3) corporation that has a program that establishes working poor families in affordable rental housing and offers supportive services to help maintain and increase their financial stability; and,

WHEREAS, it is in the best interest of the City to enter into this agreement with CONTRACTOR to develop affordable rental housing that remains affordable for a period of twenty years from the date of the closing of each acquired property.

NOW, THEREFORE, the parties, for and in consideration of the sum to be paid by the CITY, in the manner and at the time here in the provided, and such other covenants and conditions herein contained, do hereby agree and assigns as follows:

ARTICLE I: PURPOSE AND SCOPE OF AGREEMENT

1. Project Description. CONTRACTOR will use the sub recipient grant to purchase and rehabilitate vacant and/or foreclosed multi-family properties and rent them to income qualified families whose income is at or below 50% of Area Median Income according to the Scope of Work included herein as Attachment A.

2. Acquisition / Rehabilitation / Lease of Vacant Foreclosed Properties. In accordance with the Neighborhood Stabilization Program, CONTRACTOR shall furnish all labor, materials, services, supervision, tools, equipment, licenses and permits necessary to complete the acquisition and rehabilitation of 3 vacant and foreclosed properties to be leased to very low income families. The individual or families to be assisted through this program will have gross household incomes at or below 50% of the Area Median Income.
3. Supportive Services. CONTRACTOR will engage in various outreach activities and offer supportive services with clients enrolled in the CONTRACTOR Program to help them maintain and increase their financial, personal and parental stability.

ARTICLE II: TERMS

1. Funding. Funds from the City of Chandler Federal Neighborhood Stabilization 3 program in the amount of Four Hundred Nineteen Thousand, Six Hundred Forty Three Dollars (\$419,643) will be utilized for the activities herein described in Article I, Purpose and Scope of Agreement and the Scope of Work (Attachment A).
2. Contract Amount. CONTRACTOR shall furnish all labor, materials, services, supervision, tools, equipment, and licenses and permits necessary to complete the Project.
3. The CITY shall provide financial assistance in the form of a forgivable loan, in an amount not to exceed Four Hundred Nineteen Thousand, Six Hundred Forty Three Dollars (\$419,643). This amount constitutes the entire consideration for the CITY's participation in the performance and completion of all work to be performed under this Agreement.
4. Expenditure Deadlines. The funds provided under this agreement must be expended by:
 - 50% by March 31, 2012.
 - 75% by September 30, 2012.
 - 100% by March 31, 2012.This contract expires on March 31, 2012.
5. Term of Agreement. The term provided under this Agreement will be for all units purchased with NSP funds to have a minimum affordability period of 20 years from the date of purchase.
6. CONTRACTOR will not voluntarily sell or transfer any units purchased or rehabilitated with NSP funds during the 20-year term of affordability. If NSP assisted units are sold or transferred during the term of affordability, the sum of NSP assistance provided to CONTRACTOR from the CITY as stated in this Agreement would be due in full to the CITY.

7. The CONTRACTOR will secure the NSP funds by placing a lien on each property purchased by CONTRACTOR utilizing NSP funds for the 20-year forgiveness period. A Deed of Trust and Promissory Note will be filed at the Office of the County Recorder of Maricopa County, State of Arizona.
8. The NSP funding provided by the CITY to CONTRACTOR will be at 0% interest with no payments required during the 20-year forgiveness period. At the end of the terms of this Agreement and pursuant to NSP compliance and satisfactory performance measurements completed by the CONTRACTOR, the CITY will release the liens on the NSP funded properties.

ARTICLE III: CERTIFICATIONS

1. CONTRACTOR is a non-profit corporation.
2. CONTRACTOR intends to provide the services for which funds are granted under this Agreement for the duration of this Agreement.
3. CONTRACTOR possesses legal authority to execute this Agreement.
4. CONTRACTOR'S governing body has duly adopted or passed as an official act, a resolution, motion, or similar action authorizing the person identified as the official representative of CONTRACTOR to execute this Agreement and to comply with the terms of this Agreement.
5. The project will be carried out and services administered in compliance with Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352; 42 U.S.C. 2000d (et seq.) and Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284; 42 U.S.C. 3601 (et seq)).
6. The Project assisted under this Agreement is designed to give maximum feasible priority to activities that benefit very low income families.
7. CONTRACTOR will comply with other applicable laws.
8. CONTRACTOR certifies that it is in compliance with all of the terms contained within the CONTRACTOR Certifications (Attachment H) in regard to fulfilling its obligations contained in this Agreement.

ARTICLE IV: CONTRACTOR OBLIGATIONS

1. CONTRACTOR agrees to:
 - (a) Utilize normal and customary practices and procedures for the services provided, and provide a level of service that is consistent with the level of service for similar programs administered by CONTRACTOR in the community.

Mail Stop 600, P.O. Box 4008, Chandler AZ 85244-4008

Affordable Rental Movement of Save The Family
450 W. 4th Place, Mesa, AZ 85201

2. Both parties acknowledge that no member of the governing body of the CITY, or any employees of the CITY who exercise any functions or responsibilities in connection with carrying out CONTRACTOR Project, or who are affiliated with the Neighborhood Stabilization Program, may have any personal interest direct or indirect in this Agreement.
3. CONTRACTOR agrees to include as part of its program service delivery a signed Conflict of Interest certification statement (Attachment E) signed by the person(s) receiving direct program assistance. CONTRACTOR agrees to notify the CITY of any possible conflict of interest before direct services are provided to the person(s) whom have declared a conflict of interest may exist.
4. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto and contains all the covenants and agreements between the parties. Each party to this Agreement acknowledges that any party, or anyone acting on behalf of any parties, which are not embodied herein, orally or otherwise, has made no representatives, inducements, promises or agreements.
5. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement as long as the material terms of the Agreement are not vitiated.
6. Any amendments to this Agreement shall be in writing and signed by both parties and are subject to approval by the appropriate CITY authority.
7. All CONTRACTOR records with respect to any matters covered by this Agreement shall be made available to the CITY, grantor agency, their designees or the Federal Government, at any time during normal business hours, as often as the CITY or grantor agency deems necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies notes in audit reports must be fully cleared by CONTRACTOR within 30 days after receipt by CONTRACTOR. Failure of CONTRACTOR to comply with the above audit requirements will constitute a violation of this Agreement. CONTRACTOR hereby agrees to have an annual audit conducted in accordance with current CITY policy concerning subrecipient audits.
8. CONTRACTOR is prohibited from using funds provided herein or personnel employed in the administration of the program for political activities; sectarian, or religious activities; lobbying, political patronage, and nepotism activities.
9. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of the CITY thereto; provided, however that claims for money due or to become due to CONTRACTOR from the CITY under this Agreement may be assigned to a

bank, trust company, or other financial institution without such approval. Written notice of any such assignment or transfer shall be furnished promptly to the CITY.

10. The Federal government requires that all applicants for Federal grants and cooperative agreements with the exception of individuals other than sole proprietors have a DUNS number. (See policy at: http://www.whitehouse.gov/omb/grants/grants_docs.html). The Federal government will use the DUNS number to better identify related organizations that are receiving funding under grants and cooperative agreements, and to provide consistent name and address data for electronic grant application systems. CONTRACTOR will obtain and submit to the CITY their organization DUNS number for reporting as required by Neighborhood Stabilization Program funds.
11. CONTRACTOR acknowledges that the performance of obligations hereunder is rendered in its capacity as an independent contractor and that it is in no way an agent of the CITY.
13. CONTRACTOR shall comply with and require all subcontractors paid with funds provided by this Agreement to comply with all applicable provisions of the Housing and Community Development Act of 1974, as amended, 24 CFR Part 570, and Special Conditions for activities assisted pursuant to Title I of the Community Development Act of 1974.
14. Pursuant to the provisions of A.R.S. § 41-4401, the CONTRACTOR hereby warrants to the City that the CONTRACTOR and each of its subcontractors (“Subcontractors”) will comply with all Federal Immigration laws and regulations that relate to the immigration status of their employees and the requirement to use E-Verify set forth in A.R.S. §23-214(A) (hereinafter “Contractor Immigration Warranty”).
15. A breach of the Contractor Immigration Warranty (Attachment D) shall constitute a material breach of this Contract that is subject to penalties up to and including termination of the contract.
16. The City retains the legal right to inspect the papers of any Contractor or Subcontractor employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. CONTRACTOR agrees to assist the City in the conduct of any such inspections.
17. The City may, at its sole discretion, conduct random verifications of the employment records of the Contractor and any Subcontractors to ensure compliance with Contractors Immigration Warranty. CONTRACTOR agrees to assist the City in performing any such random verification.
18. The provisions of this Article must be included in any contract CONTRACTOR enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. A contractor or subcontractor defines “Services” as furnishing labor, time or effort in the State of Arizona. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

19. In accordance with A.R.S. §35-397, CONTRACTOR hereby certifies that the offeror does not have scrutinized business operations in Iran.
20. In accordance with A.R.S. §35-397, CONTRACTOR hereby certifies that the offeror does not have scrutinized business operations in Sudan.

IN WITNESS WHEREOF, all parties concerned acknowledge that they have read and understand this Agreement and the undersigned approve and accept all of the provisions of this Agreement and the attachments thereto.

Jacki L. Taylor, Chief Executive

Jennifer Morrison, Neighborhood Resources Director

Tax I.D. Number: 86-0710822

CONTRACTOR:

STATE OF ARIZONA)

ss.

County of Maricopa)

On this _____ day of _____, 2011, before me, the undersigned Notary Public, personally appeared Jacki L. Taylor who acknowledged that she executed the foregoing for the purpose and consideration therein expressed. IN WITNESS WHEREOF I hereunto set my hand and official seal.

Notary Public

My Commission Expires

CITY OF CHANDLER:

STATE OF ARIZONA)

ss.

County of Maricopa)

On this _____ day of _____, 2011, before me, the undersigned Notary Public, personally appeared Jennifer Morrison IN WITNESS WHEREOF, all parties concerned acknowledge that they have read and understand this Agreement and the undersigned approve and accept all of the provisions of this Agreement and the attachments thereto.

Notary Public

My Commission Expires

APPROVED TO FORM

CITY ATTORNEY *GMB*

ATTACHMENT A - SCOPE OF WORK

The CITY will provide \$419,643 to CONTRACTOR acquire and rehabilitate 3 vacant and or foreclosed housing units to be leased to income qualified families whose income is at or below 50% of Area Median Income.

Project Budget

Expenses

	<u>NSP 3</u>
Real Property Acquisition	384,673
Rehabilitation	22,020
Administrative costs	5,950
HOA Fees for One Year	7,000
Total	419,643

Acquisition / Rehabilitation of Vacant/ Foreclosed Properties

1. Project Description. CONTRACTOR shall furnish all labor, materials, services, supervisions, tools, equipment, and licenses and permits necessary to complete the acquisition and rehabilitation of 3 vacant, foreclosed or abandoned properties. The properties will be purchased at a discount of at least 1% (less than the current market appraised value) for individual properties, and 15% for bulk or aggregate purchases of property. The properties will be leased to income qualified individuals and families..
2. The targeted service area shall be the following Census Tracts, shown on Attachment B:
422209 Census Tract, Alma School Rd. to Arizona Ave, Elliot Rd. to Warner Rd.
3. The individuals or families to be assisted through this program will have gross household incomes not to exceed 50% of the Area Median Income.
4. CONTRACTOR agrees that all property purchased with NSP funds meet the NSP required definition of foreclosed or abandoned properties as specified herein:
 - a) Foreclosed: A property is eligible if the property is at least 60 days delinquent on its mortgage and the owner has been notified; or the property owner is 90 days or more delinquent on tax payments; or under state or local law, foreclosure proceedings have been initiated or completed; or foreclosure proceedings have been completed and title has been transferred to an intermediary aggregator or servicer that is not an NSP grantee, subrecipient, developer, or end user.
 - b) Abandoned: A home is abandoned where no mortgage or tax payments have been made by the property owner for at least 90 days or a code enforcement inspection has

determined that the property is not habitable and the owner has taken no corrective actions within 90 days of notification of the deficiencies.

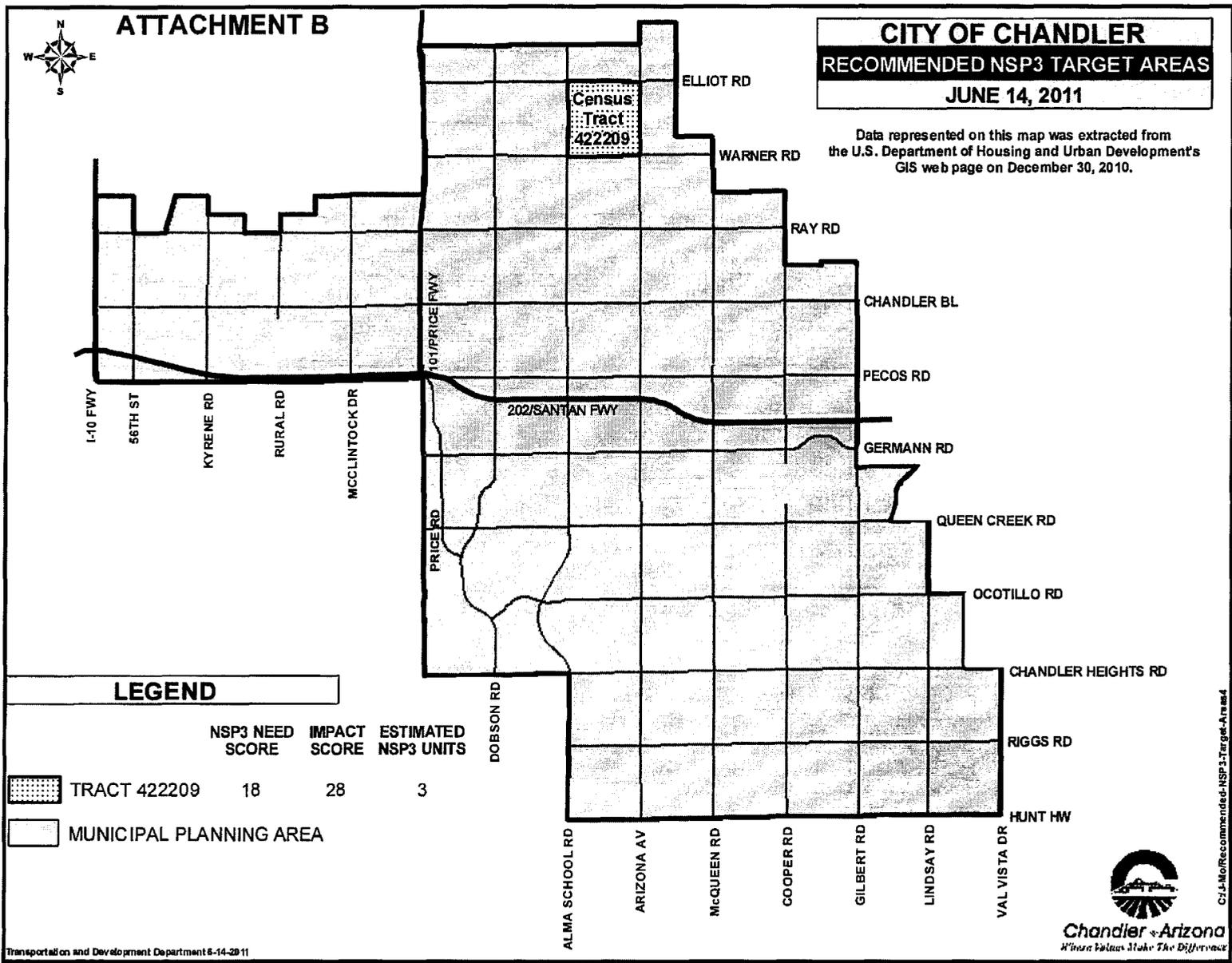
5. CONTRACTOR must ensure that the owner is informed in writing of what the grantee believes to be the market value of the property; and that ARM will not acquire the property if negotiations fail to result in a an amicable agreement (see 49 CFR 24.101(b)(1) & (b)(2)). A sample letter is included in this Agreement as Attachment K.
6. If NSP funds are to be used to acquire a foreclosed upon home or residential property (other than through donation), CONTRACTOR must ensure that the purchase price includes a discount from the value established by an appraisal that meets the following requirements:
 - a) The appraisal must have been completed within 60 days of the offer made for the property (we have advised that an initial offer can be made, subject to the completion of the appraisal within 60 days of a final offer).
 - b) The appraisal must meet the URA definition of an appraisal (see 49 CFR 24.2(a)(3) and the five following requirements (see 49 CFR 24.103(a)(2)):
 - i. An adequate description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, an adequate description of the remaining property), including items identified as personal property, a statement of the known and observed encumbrances, if any, title information, location, zoning, present use, an analysis of highest and best use, and at least a 5-year sales history of the property.
 - ii. All relevant and reliable approaches to value. If the appraiser uses more than one approach, there shall be an analysis and reconciliation of approaches to value used that is sufficient to support the appraiser's opinion of value.
 - iii. A description of comparable sales, including a description of all relevant physical, legal, and economic factors such as parties to the transaction, source and method of financing, and verification by a party involved in the transaction.
 - iv. A statement of the value of the real property to be acquired and, for a partial acquisition, a statement of the value of the damages and benefits, if any, to the remaining real property, where appropriate.
 - v. The effective date of valuation, date of appraisal, signature, and certification of the appraiser.
 - c) The appraiser shall disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner.

- d) If the owner of a real property improvement is permitted to retain it for removal from the project site, the amount to be offered for the interest in the real property to be acquired shall be not less than the difference between the amount determined to be just compensation for the owner's entire interest in the real property and the salvage value (defined at §24.2(a)(24)) of the retained improvement.
7. When the rehabilitation is completed the units will meet local code and ARM'S Rehabilitation Standards included as Attachment G, which may be amended as needed.
8. CONTRACTOR agrees to comply with the National Environmental Policy Act of 1969 pursuant thereto 24 CFR Part 58 Environmental Review Requirements for the Neighborhood Stabilization Program. Prior to commitment of funds for each project will send and Environmental Request Clearance Form to the CITY who will complete a HUD level of Environmental Review Form and a 2009 Appendix A for each project and forward approved compliance to CONTRACTOR. CONTRACTOR cannot commit federal funding for a project until the environmental clearance is completed.
9. CONTRACTOR will screen all clients and CONTRACTOR will verify income and other eligibility requirements.
 - a. Income eligibility will be verified using W-2 statements, tax returns, Verification of Employment forms (3rd party verification) in conjunction with recent pay stubs, and Verification of Deposit forms in conjunction with recent bank statements.
 - b. Government issued photo ID's and social security cards or birth certificates for all family members will be used to verify and document household size.
10. CONTRACTOR will require all eligible clients residing in NSP unit(s) to enter into a minimum one-year lease agreement to live in said unit.
11. CONTRACTOR will recertify tenants residing in NSP units annually to verify income eligibility continues to be present. After the first year lease agreement is complete, tenants will be recertified at or below 80% of Area Median Income.
12. Subsidy funding for acquisition / rehabilitation activities will be provided at close of escrow when CONTRACTOR acquires property. A Note and Deed of Trust naming the CITY as beneficiary will secure the funding. CONTRACTOR will provide the following to designated CITY staff prior to close of escrow:
 - a. Development Budget and Pro Forma
 - b. Appraisal
13. CONTRACTOR will provide to the CITY all required beneficiary data, but not limited to, a copy of the HUD-1 Settlement Statement, and beneficiary demographics information at close of escrow to income qualified buyer.

14. Administrative costs will be reimbursed by CITY upon receipt of invoice(s) with appropriate back up documentation including timesheets for the actual hours to be reimbursed and other expenses directly related to the completion of this contract.
15. CONTRACTOR will track, report, and return to the CITY all program income generated by this activity and during the affordability period for any NSP funded properties. See Attachment J.
16. CONTRACTOR will carry general liability insurance on all CCLT properties held by CONTRACTOR.
17. In the event CONTRACTOR is dissolved or ceases its operations, CONTRACTOR will, according to its Articles of Incorporation, transfer the NEWTOWN properties it holds to another charitable organization that is qualified under the provisions of Section 501(c)(3) of the Internal Revenue Code. The CITY shall have the right to designate the charitable organization the land and housing units will be transferred to. In the event there is not a suitable charitable organization to transfer the land and units to ownership, the land and units will be transferred to the CITY.

Outreach Activities / Lessee Support / Unit Oversight and Maintenance

1. CONTRACTOR will insure that the housing units acquired and rehabilitated under this agreement are maintained in accordance with Housing Quality Standards. CONTRACTOR will inspect each unit annually to insure the unit is maintained.
2. CONTRACTOR will provide ongoing maintenance of the exterior of units on an ongoing basis to insure compliance with all City Codes including Chapter 30 of the City's Neighborhood Preservation Code. Failure to comply with this requirement will result in City completing the maintenance and placing a lien on the property for expenses.



ATTACHMENT B

**ATTACHMENT C
AFFORDABILITY PROVISIONS**

PERMANENT AFFORDABLE RENTAL PROGRAMS

- 1. Initial Income and Rent Restrictions in NSP-Assisted Units** – NSP assisted units and the households that occupy the units are subject to rent and income restrictions throughout the period of affordability. Rents may be lower, as long as the project remains viable. Rental sales tax is included in maximum rent.

NSP tenant income and rent restrictions are subject to the HOME program requirements for low income at 24 CFR 92.252(a), (c), (e), and (f), and 92.254.

Standard Projects	
<p>100% of the NSP-assisted units must be occupied by households whose incomes do not initially exceed 50% of the area median income (very low-income units) adjusted by household size, and bear rents not greater than the lesser of:</p>	<ul style="list-style-type: none"> • The fair market rent (FMR) for the area as established by HUD, including tenant paid utilities; <li style="text-align: center;"><u>Or</u> • A rent that does not exceed the area 50% rent limit, including tenant paid utilities. • (Low HOME rent) See the rent chart on Page 18.

- 2. Utility Allowances** – Maximum rents include utility allowances for tenant-paid utility costs. The utility allowance must be deducted from the actual rent charges, whether the rent is equal to or lower than the rent limit. Utility allowances must be based on the utility allowance established by the local public housing authority for the area in which the project is located and must be provided in application.
- 3. Section 8 Requirements** – Units may not be refused for leasing to a holder of a Section 8 voucher, or a tenant-based rental assistance certificate. When accepting Section 8 vouchers, the rent received, including tenant payment and subsidy, may not exceed the maximum rent level.
- 4. Long-Term Compliance** – Applicants who become recipients of Neighborhood Stabilization Program funds must maintain long-term compliance with NSP and Federal regulations, policies and program requirements in each NSP-assisted unit during the entire affordability period of 20 years.

* **NOTE:** Calculations and current standards for FMR's, status of area rent exceptions, median income standards and High or Low rental rates vary annually. The most current figures must be used throughout the period of affordability. These can be obtained from the local HUD Office.

TERM OF RENT CONTROL

All NSP funded units have a minimum affordability period of 20 years.

1. **Rent and Income Limit Calculations** - Rent and income limits and utility allowances must be analyzed and adjusted annually during the period of affordability. The Department or Housing and Urban Development (HUD) on an annual basis distributes updated income and rents limits to recipients. Based on changes in area income levels or market conditions, rents as calculated by HUD annually may increase or decrease.
 - a) Tenants must be given at least 30 days written notice before increases are implemented. Any increases are also subject to other provisions of the lease agreements. For example, rents may not increase until the tenant’s lease expires.
 - b) NSP rents may decrease. While project rent levels are not required to decrease below the HOME rent limits in effect at the time of the project commitment, decreasing HOME rents may reflect a change in market conditions that may force owners to reduce rents in order to maintain tenants.
 - c) HUD may permit adjustments to the rent structure if the financial feasibility of the project is threatened.

2. **Tenant Income Certification and Recertification Requirements** - The income of tenants in NSP-assisted units must be certified according to Section 8 (part 5) guidelines for determining annual gross income. During the period of affordability, tenant income (and assets) must be recertified annually. First time tenants are subject to a maximum household income at or below 50% of Area Median Income. After the first year at recertification, annual household income may not exceed 80% of Area Median Income.

3. **Implementing new HOME rents:** New rents are effective upon receipt of the new HUD-published numbers. However, tenants’ rents should not be adjusted until their leases are renewed.

4. **The maximum allowable HOME rents must be reduced if the tenant pays for utilities.**
 - a) The calculation of Section 8 FMRs includes all utilities and housing-related services, except telephone.
 - b) HUD’s calculation of high and low rents also includes utilities.
 - c) In practice, many utilities – water, heat, air conditioning, fuel, etc. – are not included in rents and are paid by the tenant.
 - d) Utility allowances provide a mechanism for reducing the maximum allowable HOME rents when some or all utilities are paid by the tenant.
 - e) Utility allowances must be approved by the CITY and must be supported by documentation.
 - f)

2010 HOME Program Rents LOW HOME Rent Limit (50%)						
Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
\$583	\$625	\$750	\$866	\$966	\$1,066	\$1,165

ATTACHMENT D:

**State Contractor Employment Record Verification Form and
Employee Verification Worksheet
To Be Completed by Contractor Prior to Execution of Contract**

A.R.S. § 41-4401 requires as a condition of your contract verification of compliance by the contractor and subcontractors with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of its employees.

By completing and signing this form and attached Employee Verification Worksheet the contractor shall attest that it and all subcontractors performing work under the cited City contract meet all conditions contained herein. Failure to complete and submit this form and attached worksheet on or before the requested date to the above cited address and/or the falsification of any information provided herein shall be considered a material breach of the contract.

Contract Number/State Agency/Division:		
Name (as listed in the contract):		
Street Name and Number:		
City:	State:	Zip Code:

I hereby attest that:

1. The contractor complies with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of those employees performing work under this contract;
2. All subcontractors performing work under this contract comply with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of their employees; and
3. The contractor has identified all contractor and subcontractor employees who perform work under the contract on the attached Employee Verification Worksheet and has verified compliance with Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214.

Signature of Contractor (Employer) or Authorized Designee:

Printed Name: _____

Title: _____

Date (month/day/year): _____

**ATTACHMENT E
CONFLICT OF INTEREST CERTIFICATION**

1. Are you, or any member of your household or family, related by blood, marriage or operation of law to any employee or board member of Affordable Rental Movement Save the Family? Yes No

If yes, please indicate his/her name, position and relationship to you:

2. Are you, or any member of your household or family, related by blood, marriage or operation of law to any City of Chandler employee? Yes No

If yes, please indicate his/her name, position and relationship to you:

3. Are you or any member of your household or family, related by blood, marriage or operation of law to any member of the Chandler City Council or any Chandler Commission and/or Board member? Yes No

If yes, please indicate his/her name, position and relationship to you:

Household or Family is defined as persons related by blood, marriage or adoption, i.e. husband, wife, daughter, son, parents, grandparents, cousin, etc. Household or family also includes significant others defined as person(s) with whom you have a close personal relationship, i.e. live-ins, fiancées, etc.

My/Our signature below certifies that the above information is true and correct to the best of my/our knowledge. I/we understand that it is unlawful to present false information and that doing so may result in termination from the program and civil and/or criminal legal action:

Head of Household

Date

Co-Head of Household or Spouse

Date

ARM Save the Family Use Only:		
Reviewed by: _____	Date: _____	
<input type="checkbox"/> No conflict exists	<input type="checkbox"/> A conflict appears to exist, proceed with further investigation	<input type="checkbox"/> See back of form for notes

**ATTACHMENT F
ENVIRONMENTAL REQUEST CLEARANCE FORM**

Date of Request: _____ Requesting Organization: _____

Property Address, Zip Code: _____

Parcel Number: _____

Description of property (i.e. detached single family home, 2 bedroom, 3 bath, carport, etc)

Rehab work to be done (i.e. replace windows and doors, smoke detectors, kitchen and bath renovations)

Interior:

Total Estimated Cost- Interior: \$ _____

Exterior:

Total Estimated Cost- Exterior: \$ _____

Total Construction Cost: \$ _____

Acquisition Cost (if applicable): \$ _____

Total Project Cost: \$ _____

ATTACHMENT G
CONTRACTOR - Affordable Rental Movement of Save the Family
Rehabilitation Standards

Single-Family Housing Rehabilitation Standard

This Single-Family Housing Rehabilitation Standard is a template for creating a minimum performance standard for a rehab program. The standard is a guide for decision-making—about what specifications should be applied in what situations to produce uniformly safe, decent, durable and high-performing homes.

The following will be considered when properties are acquired and rehabbed.

- Building types that may differ
- Costs and budget considerations
- Zoning codes
- Housing codes
- Regulatory requirements
- Climate
- Marketability
- Local product availability

This Standard is designed to be used with one- to four-unit dwellings of three stories or less.

These standards often describe the minimum requirements in a variety of ways including:

- Remaining useful life of a component such as a roof
- Minimum requirements for the materials used such as insulation or plumbing fixtures
- The minimum quantity of a component that is acceptable such as lineal feet of countertop in a kitchen
- The requirements of funders such as HUD (CDBG, HOME, NSP) or local governments, including the Environmental Review process.

Throughout the document you will see a symbol - **[GREEN STANDARD]**. This symbol represents a standard that accomplishes one or more of the following:

- Conserve water
- Conserve energy
- Provide the resident with a healthier living environment
- Reduce impact on the natural environment
- Create a more sustainable product lifetime

In order to access further and more detailed information, hyperlinks to useful web sites are included in this document. They can serve as a valuable resource.

Format of the NSP Single-Family Housing Rehabilitation Standard

- Mission and Housing Values
- Applicable Laws and Regulations
- Categories of Standards:

- | | |
|-------------------------------|-----------------------------|
| 1. Health & Safety | 7. Insulation & Ventilation |
| 2. Site | 8. Interior Standards |
| 3. Exterior Building Surfaces | 9. Electric |
| 4. Foundations & Structure | 10. Plumbing System |
| 5. Windows & Doors | 11. HVAC |
| 6. Roofing | 12. Appliances |

Mission and Housing Values

The Affordable Rental Movement (ARM) establishes working poor families and individuals in affordable housing and offers supportive services to help them maintain and increase their self-sufficiency” while providing low -income families with safe, secure and affordable homes.”

The ranking of primary considerations from the program’s mission is as follows:

- | | |
|-------------------------------|------------------------------------|
| 1. Health and Safety | 4. Balanced initial cost |
| 2. Performance and durability | 5. Environmental impact |
| 3. Affordable operating cost | 6. Historically sensitive exterior |

Applicable Laws and Regulations

ARM intends to construct and maintain homes in full compliance with the following statutory and regulatory requirements:

- HUD Environmental Review
- Building Code: uniform Residential Code
- Housing Code: The local housing code
- Federal Housing Code: Housing Quality Standards
- Life Safety Code: Life Safety Code

ARM will seek guidance and strive to conform to the following codes if financial resources are available for a specific project:

- Energy: 2009 International Energy Conservation Code (IECC)
- Accessibility: ANSI standards for accessibility by disabled residents
- HAZMAT: HUD Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing
- Building Code: CABO 1-4 Unit Dwelling Code
- Exceptions: On a case-by-case basis, deviations from the minimum requirements of this standard will be permitted with approval of the appropriate local agency

ARM will determine when the Green Standard provided in the document can be met based on the availability of funds to meet the Green Standards.

1 Health & Safety

Contaminants [GREEN STANDARD]	
Repair Standard	Minimum Life 5 yrs.
NA	
Replacement Standard	
<p>All materials installed will meet the following standards to minimize the presence of Volatile Organic Compounds (VOC) and Formaldehyde:</p> <ul style="list-style-type: none"> • All paints and primers must meet the most recent Green Seal G-11 Environmental Standard. Http://www.greenseal.org/certification/standards/paints and coatings.pdf • Adhesives must comply with Rule 1168 of the South Coast Air Quality Management District. http://www.aqmd.gov/rules/reg/reg11/r1168.pdf • All caulks and sealants, including floor finishes, must comply with regulation 8, rule 51, of the Bay Area Air Quality Management District. • All particleboard components will meet ANSI A208.1 for formaldehyde emission limits, or all exposed particleboard edges will be sealed with a low-VOC sealant or have a factory-applied, low-VOC sealant prior to installation. All MDF edges will meet ANSI A208.2 for formaldehyde emission limits, or all exposed MDF edges will be sealed with a low-VOC sealant or have a factory-applied, low-VOC sealant prior to installation. 	

Lead Based Paint (LBP) [GREEN STANDARD]	
Repair Standard	Minimum Life 5 yrs.
<p>For all houses constructed prior to 1978 - four (4) floors, two (2) window sills and two (2) window troughs (all randomly selected) plus a blank sample must be submitted to an EPA-accredited lead analytical laboratory and the dust samples must pass a dust wipe test for lead content as per the protocol in the HUD Guidelines. Lead-safe work practices must be followed, and only certified abatement contractors used to perform the work. See: http://www.hud.gov/offices/lead/lbp/hudguidelines/</p>	
Replacement Standard	Minimum Life 20 yrs.
<p>When stabilization of surfaces containing LBP is impractical, the most affordable solution for abatement of the component will be chosen. Walls containing LBP may be covered with drywall or gutted and replaced with drywall. Trim and other wood or metal components containing LBP may be removed and replaced with similar materials. Lead-safe work practices must be followed, and only certified abatement contractors used to perform the work.</p>	

Asbestos [GREEN STANDARD]	
Repair Standard	Minimum Life NA
Non-friable intact Asbestos materials that are not creating a hazard such as cementitious exterior wall shingles may be left intact and painted if appropriate. Asbestos-resilient floor tiles may be labeled as such and covered with underlayment and new resilient flooring.	
Replacement Standard	Minimum Life NA
Friable asbestos components such as boiler or pipe insulation, badly deteriorated cementitious shingles or deteriorated flooring will be removed and, if necessary, replaced with non-hazardous materials.	

Radon [GREEN STANDARD]	
Repair Standard	Minimum Life 5 yrs.
All housing in this program will be subject to a "Short Term" Radon Test, and if the result is a reading of 4 pCi/L or higher, a follow-up "Short Term" test will be performed. When a second test is required, average the results. If the average is above 4 pCi/L, remediation will be required.	
Replacement Standard	Minimum Life 20 yrs.
If, as a result of the testing above, there is a presence of Radon at or above the 4 pCi/L level, remediation will be undertaken per the EPA guidance in their Consumer's Guide to Radon Reduction. http://www.epa.gov/radon/pubs/consguid.html	

Mold [GREEN STANDARD]	
Repair Standard	Minimum Life NA
Any presence of mold is unacceptable and must be addressed per the National Center for Healthy Housing protocol "Creating a Healthy Home." http://www.nchh.org/Portals/0/Contents/FloodCleanupGuide_screen .pdf	
Replacement Standard	Minimum Life NA
All carpeting, drywall or other gypsum-based wall coverings or any other non-structural components with mold present will be removed and replaced. The National Center for Healthy Housing protocol "Creating a Healthy Home" will be followed for remediation of structural components.	

Fire Safety - Egress	
Repair Standard	Minimum Life NA
NA	
Replacement Standard	Minimum Life NA
Egress windows are required in all new sleeping and living areas unless other secondary means of escape requirements are met. The minimum dimensions for egress window clear openings are 20" wide by 24" tall, with a clear opening of 5.7 square feet. No bedrooms should be created in attics or basements unless Life Safety Code egress requirements are met.	

Fire and CO Alarms [GREEN STANDARD]	
Repair Standard	Minimum Life 5 years
Existing fire and smoke, carbon monoxide and security systems that meet code will be repaired to operating condition.	
Replacement Standard	
Directly wired smoke detectors are required on each dwelling floor and in all bedrooms. CO detectors are required with all fuel-burning furnaces and water heaters in sleep areas and on each floor level.	

2 - Site

Grading [GREEN STANDARD]	
Repair Standard	Minimum Life 5 yrs.
All grading adjacent to the building and for a distance of at least 10 feet away from the building will slope away from the structure at a pitch of at least 1 inch per foot. All bare earth will be reseeded or sod will be installed to cover.	
Replacement Standard	
NA	

Outbuildings	
Repair Standard	Minimum Life 5 yrs.
Unsafe and blighted structures, including outbuildings, will be removed if it is not financially feasible to complete the repairs required to make them structurally sound, leak-free, with lead hazards stabilized. Detached garages should have operable and lockable doors and windows.	
Replacement Standard	
No outbuilding replacement is permitted in this program.	

Fencing	
Repair Standard	Minimum Life 3 yrs.
Fencing on property lines is preferred. If repairs are needed, replacing sections in kind is permissible if the budget permits.	
Replacement Standard	
Wholesale replacement of deteriorated fencing is discouraged and should only be undertaken if the budget permits.	

Paving And Walks [GREEN STANDARD]	
Repair Standard	Minimum Life 5 yrs.
Essential paving, such as front sidewalks and driveways with minor defects, will be repaired to match. Tripping hazards greater than 3/4" must be addressed. Non-essential, highly deteriorated paving, such as sidewalks that are unnecessary, will be removed and appropriately landscaped.	
Replacement Standard	
Un-repairable essential walks and driveways will be replaced with permeable paving when financially feasible or concrete per City Ordinance. Wood-framed, handicapped-accessible ramps are an eligible expense.	

Trees and Shrubbery [GREEN STANDARD]	
Repair Standard	Minimum Life 5 yrs
Trees that are dead, dying, or hazardous will be removed. Removal will include cutting close to the ground, grinding of the stump to 12 inches below the finished grade, installation of topsoil and re-seeding.	
Replacement Standard	
Replacement trees and shrubs are permitted if economically feasible and may be selected from the State Extension Service list of local, drought-resistant and non-invasive plant materials. In placement of trees, attention should be paid to shading the house to reduce air conditioning costs. Also, trees should be located a sufficient distance from foundations, sidewalks, walkways, driveways, patios and sidewalks in order to avoid future damage from root growth and branches brushing against the structure. Setbacks from structures should typically exceed half of the canopy diameter of a full-grown example of the species.	

3 - Exterior Building Surfaces

Exterior Cladding [GREEN STANDARD]	
Repair Standard	Minimum Life 10 years
Siding and trim will be intact and weatherproof. All exterior wood components will have a minimum of one continuous coat of paint, and no exterior painted surface will have any deteriorated paint. Buildings designated as historic will have existing wood siding repaired in kind. New exterior wood will blend with existing and will be spot-primed and top-coated in a lead-safe manner.	
Replacement Standard	
Buildings not designated as historic may have siding replaced with vinyl siding to match the existing configuration. CertainTeed, Mastic, and Wolverine brands are approved. If replaced, soffit material will be vented/perforated vinyl. New wood components will be FSC certified. http://www.fsc.org/	

Exterior Porches	
Repair Standard	Minimum Life 5 years
Deteriorated concrete porches will be repaired when possible. Unsafe wood porch components will be repaired with readily available materials to conform closely to historically accurate porches in the neighborhood. Porch repairs will be structurally sound, with smooth and even decking surfaces. Deteriorated wood structural components will be replaced with preservative-treated wood.	
Replacement Standard	
Porches on building designated as historic will be rebuilt to conform closely to historically accurate porches in the neighborhood. Decks on non-historic porches will be replaced with 5/4" preservative-treated decking. Replaced railings will meet code. Replaced wood structural components will be preservative-treated.	

Exterior Railings	
Repair Standard	Minimum Life 5 years
Existing handrails will be structurally sound. Guard rails are required on any accessible area with a walking surface over 30" above the adjacent ground level. Sound railings may be repaired if it is possible to maintain the existing style. On historic structures railing repairs will be historically sensitive.	
Replacement Standard	
Handrails will be present on one side of all interior and exterior steps or stairways with more than two risers and around porches or platforms over 30" above the adjacent ground level, and will meet local codes. Handrails and guard rails will conform to the style of similar components in the neighborhood. On historic structures new railings will be historically sensitive.	

Exterior Steps and Decks	
Repair Standard	Minimum Life 5 years
Steps, stairways, and porch decks will be structurally sound, reasonably level, with smooth and even surfaces. Repairs will match existing materials,	
Replacement Standard	
In non-historic structures wood decking may be replaced with 5/4" X 6" preservative-treated material and new steps will be constructed from nominal 2" preservative-treated wood. On historic structures new wood decking will be 3/4" clear T & G fir, primed on all 6 sides before installation.	

Exterior House Numbers and Mailboxes	
Repair & Replacement Standard	Minimum Life 5 years
All houses will have numbers clearly displayed near the front door, and a standard size mailbox.	

4 - Foundations & Structure

Firewalls	
Repair Standard	Minimum Life 5 years
Party walls will be maintained without cracks and plaster deterioration.	
Replacement Standard	
When frame walls and floors adjoining other dwellings are gutted, new wall finish installations will conform to local requirements for fire ratings.	

Foundations	
Repair Standard	Minimum Life 15 years
Foundations will be repaired to be sound, reasonably level, and free from movement.	
Replacement Standard	
Foundation replacements are beyond the scope of the program.	

Structural Walls	
Repair Standard	Minimum Life 15 years
Structural framing and masonry will be free from visible deterioration, rot, or serious termite damage, and be adequately sized for current loads. Prior to rehab, all sagging floor joists or rafters will be visually inspected, and significant structural damage and its cause will be corrected.	
Replacement Standard	
New structural walls will be build to meet the local code requirement.	

Additions	
Repair Standard	Minimum Life NA
NA	
Replacement Standard	Minimum Life 60 years
New additions are acceptable only when – for marketing and livability reasons – it is necessary to add additional bedroom space. Stamped plans must be submitted to the City Building Official for review and approval prior to bidding. All standards for Exterior Building Surfaces, Roofing, Windows and Doors, Insulation and Ventilation, Plumbing, Electrical, HVAC apply.	

5 - Windows and Doors

Interior Doors	
Repair Standard	Minimum Life 5 years
Baths and occupied bedrooms will have operating doors and lock sets.	
Replacement Standard	
Hollow-core, pressed-wood product consistent with the style of existing doors including a brass-plated bedroom lock set.	

Exterior Doors	
Repair Standard	Minimum Life 5 years
Exterior doors will be solid, weather-stripped and will operate smoothly. They will include a peep site, a dead bolt, and an entrance lock set.	
Replacement Standard	
Replacement doors at the front of the property for historically significant buildings will be historically sensitive. Steel, six-panel doors may be installed at entrances not visible from the front street and on the front of the property for buildings that are not historically significant. Dead bolt locks will be installed on all exterior doors keyed to match. All new doors will be weather-stripped to be air tight.	

Windows [GREEN STANDARD]	
Repair Standard	Minimum Life NA
All windows will operate, remain in an open position when placed there, lock when closed and the open section will be covered with a screen.	
Replacement Standard	
Windows that are not repairable may be replaced and will meet the ENERGY STAR standard for this geographic region. http://www.energystar.gov/index.cfm?c=windows_doors.pr_anat_window	
Windows on key façades of historically sensitive properties will be wood of the style original to the building. New windows on other properties may be vinyl and double-glazed.	

6 - Roofing

Flat and Low-Slope Roofing	
Repair Standard	Minimum Life 2 years
Built-up roofing that is leak-free will be re-coated and flashing and accessories repaired if their minimum life is questionable.	
Replacement Standard	
The most cost-effective roof – either 3-ply, hot built-up or EPDM – will be installed.	

Pitched Roofs	
Repair Standard	Minimum Life 5 years
Missing and leaking shingles and flashing will be repaired on otherwise functional roofs. Slate, metal and tile roofs will be repaired when possible. Antennae will be removed.	
Replacement Standard	
No more than 2 layers of roofing are permitted. Fiberglass, asphalt, 3-tab, class A shingles with a prorated 25-year warranty with a continuous ridge vent will be installed over 15-lb. felt with new drip edge on all edges.	

Gutters and Downspouts [GREEN STANDARD]	
Repair Standard	Minimum Life 5 years
Gutters and downspouts if needed must be in good repair, leak free and collect storm water from all lower roof edges. Concrete splash blocks will be installed to move water away from the foundation. The system must move all storm water away from the building and prevent water from entering the structure. In addition to positive drainage away from the building, outlets will be a minimum of 3 feet away from the foundation whenever there is a history of water problems.	
Replacement Standard	
Gutters and downspouts will be installed and collect storm water from all lower roof edges. Concrete splash blocks will be installed to move water away from the foundation. The system must move all storm water away from the building and prevent water from entering the structure. In addition to positive drainage away from the building, outlets will be a minimum of 3 feet away from the foundation whenever there is a history of water problems.	

7 - Insulation and Ventilation

Infiltration [GREEN STANDARD]	
Repair Standard	Minimum Life
All homes or units will be tested with a Blower Door and any existing air sealing will be repaired to attain a maximum 0.35 Air Changes per Hour at 50 Pascal pressure (0.35 ACH50).	
Replacement Standard	
All homes or units will be air sealed to meet the minimum Blower Door test requirements of 0.35 Air Changes per Hour at 50 Pascal pressure (0.35 ACH50).	

Insulation [GREEN STANDARD]	
Repair Standard	Minimum Life NA
NA	
Replacement Standard	Minimum Life 20 years
<p>The envelopes of all homes or units will have a continuous air barrier and a continuous thermal barrier that is in contact with the air barrier. Attic insulation shall be a minimum of R38 with soffit baffles installed when there are soffit vents to maintain ventilation at the eaves. All exterior walls opened in the course of renovations shall be insulated with un-faced fiberglass batts or damp spray cellulose to R13 for 2x4 framing and R19 for 2x6 framing. Whenever financially feasible, 1-inch, foil-faced polyisocyanurate foam board will be added under new siding. Rim joists will be insulated to R19 with either foil-faced foam board or Class 1-rated spray foam. Crawl space walls shall be insulated with 1-inch, foil-faced polyisocyanurate foam board and a 6-mil plastic vapor barrier will be installed continuously over the ground to the sill plate with all seams sealed. The ENERGY STAR Thermal Bypass Inspection Checklist shall be completed for each home.</p> <p>http://www.energystar.gov/ia/partners/bldrs_lenders_raters/downloads/Thermal_Bypass_Inspection_Checklist.pdf</p>	

Whole House Ventilation [GREEN STANDARD]	
Repair Standard	Minimum Life 5 years
<p>All homes shall meet the most recent ASHRAE 62.2 standard by using one bathroom fan continuously operating at a verified CFM rate sufficient to meet the ASHRAE standard and creating ≤ 0.3 Sones of fan noise. The fan will also have a ≥ 80 CFM boost function switched one of three ways: by a switch at the entrance, with an adjustable time-delay function that runs the fan for an additional period after the switch is turned off; or a motion detector with an adjustable time-delay function that runs the fan for an additional period after the motion detector ceases to see motion; or by a humidistat.</p>	
Replacement Standard	
As stated in the Repair Standard	

Bath Ventilation [GREEN STANDARD]	
Repair Standard	Minimum Life NA
NA	
Replacement Standard	Minimum Life 10 years
<p>One bathroom must have a bath fan that meets the Whole House Ventilation requirement and also have a ≥ 80 CFM boost function switched one of three ways: by a switch at the entrance, with an adjustable time-delay function that runs the fan for an additional period after the switch is turned off; or a motion detector with an adjustable time-delay function that runs the fan for an additional period after the motion detector ceases to see motion; or by a humidistat. Any additional bathrooms must be mechanically vented to the ≥ 80 CFM standard with the time-delay switching described above.</p>	

Kitchen Ventilation [GREEN STANDARD]	
Repair Standard	Minimum Life 2 years
All kitchens must have functional mechanical ventilation operating at a minimum 120 CFM.	
Replacement Standard	
<p>All kitchens must have mechanical ventilation operating at a maximum of 20 Sones and producing a minimum of 150 CFM after accounting for ducting losses. All ductwork will be heavy gauge galvanized metal, air tight with mastic-sealed seams (no duct tape). It is preferred that mechanical ventilation exit at side walls and not at the soffit to minimize the potential for ice damming.</p>	

Roof Ventilation [GREEN STANDARD]	
Repair Standard	Minimum Life 5 years
<p>1 square foot of free venting must be supplied for every SF of area directly under the roof if there is no soffit venting. 1 square foot of free venting must be supplied for every 300 SF of area directly under the roof if 20% of the venting is soffit vent and if the living space ceiling directly below the roof has a rating of one perm or less. (1 perm is achievable with a coating of ICI Dulux Ultra Hide Vapor Barrier paint 1060-1200 per manufacturer's instructions)</p>	
Replacement Standard	
<p>The venting requirement is the same as with the Repair Standard above with a strong preference for a combination of ridge vents, soffit vents and the one perm-rated ceiling required for the 1 to 300 ratio.</p>	

8 - Interior Standards

Interior Walls and Ceilings	
Repair Standard	Minimum Life 3 years
Holes, cracks and deteriorated and un-keyed plaster will be repaired to match the surrounding surfaces. All visual surfaces will be stabilized to minimize lead paint hazards using premium vinyl acrylic paint.	
Replacement Standard	
When necessary plaster will be replaced by ½" gypsum board. Fire-rated assemblies will be specified on a project-by-project basis as required by local codes.	

Flooring [GREEN STANDARD]	
Repair Standard	Minimum Life 3 years
Bathroom, kitchen and other water-susceptible floor areas will be covered with water-resistant flooring that is free from tears or tripping hazards. Damaged wood floor will be repaired. When existing deteriorated carpet is installed over hardwood floors, the hardwood will be refinished whenever possible. Basement floors will be continuous concrete at least 1" thick.	
Replacement Standard	
Baths will receive resilient sheet goods over plywood underlayment, and kitchens will receive resilient sheet goods or tile over plywood underlayment. Whenever possible rooms other than kitchens and baths with existing wood flooring will be maintained as wood floors and refinished when appropriate. Rooms other than kitchens or baths without usable wood floors may be finished with carpet and associated products that are Carpet and Rug Institute's Green Label certified. New basement slabs will be at least 3" thick and have a 6-mil vapor barrier.	

Closets	
Repair Standard	Minimum Life 5 years
Existing closets with a minimum depth of 2 feet will be maintained in good repair and have a shelf and clothes rod.	
Replacement Standard	
New closets may be created if there is a significant lack of storage space and the budget permits. New closets will have a depth of 2 feet and include a shelf and clothes rod.	

Kitchen Cabinets and Countertop [GREEN STANDARD]	
Repair Standard	Minimum Life 3 years
Kitchens will have a minimum of 5 feet of countertop with base and wall cabinets (or dishwasher) to match. Existing cabinets with hardwood doors and face frames may be repaired if in good condition. All cabinets will be sound and cleanable.	
Replacement Standard	
New kitchen cabinets will meet the ANSI A208.1 and A208.2 standard for formaldehyde content of particleboard and MDF, or have exposed edges of particleboard and MDF sealed to prevent the out-gassing of formaldehyde. Cabinets will have hardwood doors and face frames. There will be a minimum of 10 lineal feet of post-formed countertop with corresponding base cabinets and wall cabinets, and a dishwasher. Corners in countertop designs are permitted if factory assembled. A drawer base (12" or 15") will be included in new cabinetry. A plastic laminate panel to match the countertop will be installed as a base cabinet to wall cabinet backsplash behind the range and extending 6 inches past the range on both sides, or if the range is in a corner along the side wall and trimmed with chrome metal edging.	

9 - Electric

Ground Fault Interrupter Circuits	
Repair Standard	Minimum Life 5 years
Non-functioning GFCIs will be replaced. Kitchen counter, bath and laundry receptacles within 6' of a sink will be replaced with a GFCI-protected receptacle or protected by a GFCI device.	
Replacement Standard	
Kitchen counter, bath and laundry receptacles within 6' of a sink will be replaced with a GFCI-protected receptacle or protected by a GFCI device.	

Passage Lighting [GREEN STANDARD]	
Repair Standard	Minimum Life 7 years
All lights and switches in hallways, stairs and other passages will be operable and safe. Existing fixtures with incandescent lamp fittings will have minimum 7W CFL replacement lamps installed.	
Replacement Standard	
All halls, stairs and rooms necessary to cross to other rooms and stairways must be well lit and controlled by a 3-way switch using concealed wiring. Attics, basements and crawl spaces must have utility fixtures. All new light fixtures will be ENERGY STAR labeled.	

Kitchen Electric Distribution	
Repair Standard	Minimum Life 5 years
Existing receptacles, fixtures and switches will be safe and grounded.	
Replacement Standard	
Permanently installed or proposed stoves, refrigerators, freezers, dishwashers and disposals, washers and dryers will have separate circuits sized to N.E.C. Two separate 20-amp counter circuits are required with each kitchen area.	

Interior Electric Distribution	
Repair Standard	Minimum Life 7 years
Exposed knob and tube will be replaced. Every room will have a minimum of two duplex receptacles, placed on separate walls and one light fixture or receptacle switched at each room entrance. Where the source wiring circuit is accessible (e.g.. first floor above basements, in gutted rooms, etc.), receptacles will be grounded. All switch, receptacle, and junction boxes will have appropriate cover plates. Wiring will be free from hazard, and all circuits will be properly protected at the panel. Floor receptacles will be removed and a metal cover plate installed. Exposed conduit is allowed. Bedrooms receptacles will be protected by an Arc Fault breaker. There must be one electrical receptacle at the service panel. Basements will have a minimum of 3 keyless bare bulb fixtures switched at the top of the stairs.	
Replacement Standard	
When a room's wall finishes are removed, it will be rewired to the latest version of the National Electric Code.	

Service and Panel	
Repair Standard	Minimum Life 10 years
Distribution panels will have a main disconnect, at least 10 circuit-breaker-protected circuits, a 100-amp minimum capacity and be adequate to safely supply existing and proposed devices. If a working central air conditioning system is present, the minimum service will be 150 amp.	
Replacement Standard	
200-amp service with a main disconnect panel containing at least 30 circuit breaker positions.	

10 - Plumbing System

Drain, Waste, Vent Lines	
Repair Standard	Minimum Life 1 year
Waste and vent lines must function without losing the trap seal.	
Replacement Standard	
When walls are removed exposing vent and waste lines those lines will be reworked to the current mechanical code.	

Plumbing Fixtures [GREEN STANDARD]	
Repair Standard	Minimum Life 3 years
All fixtures and faucets will have working, drip-free components. Toilets with greater than a 1.6 GPF rating will be replaced with a maximum 1.3 GPF model.	
Replacement Standard	
Single lever, metal faucets and shower diverters with 15-year, drip-free warranty and maximum 2.0 GPM flow. White ceramic low-flow toilets (1.3 Gal), double bowl stainless steel sinks, and fiberglass tubs with surrounds.	

Plumbing Minimum Equipment [GREEN STANDARD]	
Repair Standard	Minimum Life 3 years
Existing equipment will be repaired to conform to the Housing Quality Standards.	
Replacement Standard	
Every dwelling unit will have a minimum of one single bowl sink with hot and cold running water in the kitchen and at least one bathroom containing a vanity with a sink, and a shower/tub unit, both with hot and cold running water, and a toilet. Redesigned kitchens will include an ENERGY STAR-labeled dishwasher.	
http://www.hudnsphelp.info/media/resources/GuidanceonNSPEligibleAppliancePurchases.pdf	

Water Heaters	
Repair Standard	Minimum Life 7 years
Each housing unit will have a working water heater less than 3 years old with a minimum capacity of 40 gallons if it is gas-fired. Gas water heaters more than 3 years old may be repaired if it is clear that a repair will make it operable. All electric water heaters will be replaced with a gas-fired model.	
Replacement Standard	
All units will have a minimum 40-gallon, gas-fired water heater with a 10-year warranty installed to the mechanical code. High efficiency power-vented or sealed combustion tankless models are required.	

Water Supply	
Repair Standard	Minimum Life 10 years
The main shut off valve must be operable and completely stop the flow of water to the house. All fixtures must be leak-free and deliver sufficient cold water and, where applicable, hot water.	
Replacement Standard	
The main shut off valve must be operable and completely stop the flow of water to the house, and should be replaced if it does not. Lead and galvanized pipe that is part of the water service or the distribution system will be replaced with copper. All fixtures will have brass shut off valves. One freeze-protected exterior hose bib is required.	

11 - HVAC

Air Conditioning [GREEN STANDARD]	
Repair Standard	Minimum Life - NA
Non-functioning, non-repairable air conditioners will be removed and drained of all CFCs. Existing central air conditioning will be inspected, serviced and refurbished to operate safely.	
Replacement Standard	Minimum Life 20 years
New HVAC systems will have a rough-in installed for air conditioning (\geq 13 SEER)	

Chimney Repair	
Repair Standard	Minimum Life NA
Unused chimneys will be removed to below the roof line wherever roofing is replaced. Unsound chimneys will be repaired or removed. When chimneys must be used for combustion ventilation, they will be relined.	
Replacement Standard	Minimum Life NA
The creation of new flues is not recommended in this program. The use of high efficiency closed combustion appliances is recommended to avoid the need for new flues. Replacement furnace flues, when required, will be metal double- or triple-walled as recommended by the furnace manufacturer.	

Distribution System	
Repair Standard	Minimum Life 5 years
Duct work and radiator piping will be well supported, insulated in unconditioned space and adequate to maintain 68°F measured 36" off the floor when the outside temperature is the average yearly minimum, in all habitable and essential rooms. All duct work will be insulated to R-7, sealed at all seams with mastic (not tape) and pressure tested to eliminate leakage.	
Replacement Standard	Minimum Life 25 years
All duct work will be insulated to R-7, sealed at all seams with mastic (not tape), pressure tested to eliminate leakage and run in concealed space.	

Heating System [GREEN STANDARD]	
Repair Standard	Minimum Life 5 years
Workable existing heating systems will be inspected and serviced to operate in a safe manner. Regardless of condition, resistance electric heating systems will be removed and replaced with systems as described below, unless the home has either a very low heating load to super-insulation, solar gain or a mild climate.	
Replacement Standard	Minimum Life 25 years
Gas-fired heating plants will be rated at $\geq 92\%$ AFUE or better. Oil-fired furnaces will be rated at $> 83\%$ AFUE or better. Oil-fired boilers will be rated at $> 85\%$ AFUE or better. Heat pumps will be rated at ≥ 15 SEER. Setback thermostats are required. When electric resistance heating systems are replaced, soffits for ductwork and/or new distribution pipes for hot water heating systems will be provided. Up to 4 lineal feet of resistance electric heating strips per 1000 square feet of floor area may be retained or installed in areas that are not cost effective to heat via ductwork or hot water distribution systems.	

12 – Appliances

Kitchen Appliances [GREEN STANDARD]	
Repair Standard	Minimum Life 3 years
All units will have a working and cleanable range. If there is an existing dishwasher in working and cleanable condition, it may be retained with minor repairs.	
Replacement Standard	Minimum Life 15 years
All redesigned kitchens will have ENERGY STAR-labeled appliances where applicable. All new cooking ranges will be electric.	

ATTACHMENT H CONTRACTOR CERTIFICATIONS

In accordance with the Housing and Community Development Act of 1974, as amended, and with 24 CFR 570.303 of the Community Development Block Grant regulations, the subrecipient certifies that:

1. It possesses legal authority to make a grant submission and to execute a community development and housing program;
2. It provides for a timely written answer to written complaints and grievances, within 15 working days where practicable;
3. Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonable expected to participate;
4. NSP funds will be conducted and administered in compliance with:
 - a. Title VI of the Civil Rights Act of 1964 (Public Law 88-352, 42 U.S.C. S2000d et seq.); and
 - b. Title I and II (as applicable to the City) of the Americans with Disabilities Act (42 U.S.C. 12101 et seq.), and all regulations issued pursuant thereto.
 - c. The Fair Housing Act (42 U.S.C. 3601-20);
 - i. It will affirmatively further fair housing;
 - ii. It has developed its final statement/proposal of projected use of funds so as to give maximum feasible priority to activities which benefit low and moderate income families.
5. It has developed or is following a City of Chandler's Community Development Plan, for the period specified in its proposal, that identifies community development and housing needs and specifies both short and long-term community development objectives that have been developed in accordance with the primary objective and requirements of the Act;
6. It is in compliance with the City of Chandler's current Consolidated Plan/Action Plan which has been approved by HUD pursuant to S570.306 and Part 91, and that any housing activities will be consistent with the Consolidated Plan;
7. It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, as required under S570.606(b) and federal implementing regulations; and it is following a residential anti-displacement and relocation assistance plan as required under section 104(d) of the Act and in S570.606(c); and it will comply with the relocation requirements of S570.606(d) governing optional relocation assistance under section 105(a) (11) of the Act;
8. It will or will continue to provide a drug-free workplace by:
 - a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - b. Establishing an ongoing drug-free awareness program to inform employees about:
 - i. The dangers of drug abuse in the workplace;
 - ii. The grantee's policy of maintaining a drug-free workplace;

- iii. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - iv. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 9;
 - d. Notifying the employee in the statement required by paragraph 9 that, as a condition of employment under the grant, the employee will:
 - i. Abide by the terms of the statement; and
 - ii. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
 - e. Notifying the CITY in writing, within ten calendar days after receiving notice under subparagraph 9(d) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the federal Agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
 - f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 9(d), with respect to any employee who is convicted:
 - i. 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
 - ii. Requiring such employee to participate satisfactory 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;
 - g. Making a good faith effort to maintain drug-free workplace through implementation of paragraphs 11, 12, 13, 14, and 15.
9. It will comply with the other provisions of the Act and with other applicable laws.

10. Section 319 of Public Law 101-121. The undersigned also certifies the best of his or her knowledge and belief, that:

- a. 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 Congress, or any 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 of modification if any Federal contract, grant, loan, or cooperative Agreement.
- b. If any funds other than Federally 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.

- c. 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.

Signature

Date

REPRESENTING: Affordable Rental Movement

NAME: Jacki L. Taylor

TITLE: Chief Executive Officer

ATTACHMENT I
ACQUISITION AND REHABILITATION REQUIREMENTS

1. CONTRACTOR shall comply with current City policy concerning the purchase of equipment and shall maintain an inventory record of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of the Agreement.
2. CONTRACTOR shall comply with 24 CFR 570.606 relating to the acquisition and disposition of real property utilizing grant funds, and to the displacement of persons, businesses, nonprofit organizations and farms occurring as a direct result of any acquisition of real property utilizing grant funds. CONTRACTOR agrees to comply with applicable City Ordinances, Resolutions, and Policies concerning displacement of individuals from their residences.
3. CONTRACTOR agrees to act in accordance with the requirements of the Resource Conservation and Recovery Act and shall give preference in their procurement programs funded with Federal funds to the purchase of recycled products pursuant to the EPA guidelines.
4. CONTRACTOR will use its best efforts to afford minority and women-owned business enterprises the maximum practicable opportunity to participate in the performance of this Agreement. As used in this Agreement, the term “minority and female 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. CONTRACTOR may rely on written representations by Contractors regarding their status as minority and female business enterprises in lieu of an independent investigation.
5. The CITY must complete the environmental review process (24 CFR Part 58) and provide CONTRACTOR a notice to proceed before taking physical action on a site or making a commitment or expenditure of funds. Applicable HUD regulations prohibit CONTRACTOR from entering into contracts, conditional or not, or in any way committing funds until the CITY give notice to proceed for any project activity.
6. CONTRACTOR agrees to comply with the following regulations insofar as they apply to the performance of the Agreement:
 - Clean Air Act, 42 U.S.C., 1857, et seq.
 - Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251, et seq., as amended 1318 relating to inspection, monitoring, entry, reports, and information as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder.
 - National Environmental Policy Act of 1969.

- HUD Environmental Review Procedures (24 CFR, Part 58).

CONTRACTOR agrees to comply with the requirements of the Flood Disaster Protection Act of 1973 (P.L.-2234) in regard to the sale, lease or other transfer of land acquired, cleared or improved under the terms of this Agreement, as it may apply to the provisions of this Agreement.

7. CONTRACTOR agrees that any construction or rehabilitation structures with assistance provided under this Agreement shall be subject to HUD Lead-Based Paint Regulations at 24 CFR 570.608, and 24 CFR Part 35, and in particular Sub-Part B thereof. Such regulations pertain to all HUD-assisted housing and require that all owners, prospective owners, and tenants or properties constructed prior to 1978 be properly notified that such properties may include lead-based paint. Such notification shall point out the hazards of lead-based paint and explain the symptoms, treatment and precautions that should be taken when dealing with lead-based paint poisoning.
8. CONTRACTOR agrees to comply with the Historic Preservation requirements set forth in the National Historic Preservation requirements set forth in the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470) and the procedures set forth in 36 CFR, Part 800, Advisory Council on Historic Preservation Procedures for Protection of Historic Properties, insofar as they apply to the performance of this Agreement. In general, this requires concurrence from the State Historic Preservation Officer for all rehabilitation and demolition of historic properties that are fifty years old or older or that are included on a Federal, State, or local historic property list.
9. NSP requires that in a contract for the construction and rehabilitation of 8 or more units, construction pay to all laborers and mechanics not less than the wages prevailing in that locality as predetermined by the Department of Labor. Prevailing wages must be paid on the entire development and the wage provisions must be in the construction contract. Recipients of NSP funding must supply applicable documents to the CITY to ensure Davis Bacon requirements throughout the contract period. CONTRACTOR 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, the Safety Standards Act, the Copeland "Anti-Kickback" Act (40 U.S.C. 276,327-333) and all other applicable federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance of the Agreement. CONTRACTOR shall maintain documents that demonstrated compliance with hour and wage requirements of this part. Such documentation shall be made available to the City for review upon request.
10. Where employees are engaged in activities not covered under the Occupational Safety and Health Act of 1970, they shall not be required or permitted to work, be trained, or receive services in buildings or surroundings or under working conditions, which are unsanitary, hazardous or dangerous to the participants' health or safety.
11. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of the Agreement,

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

CONTRACTOR 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 contract 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 lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the areas of the project.”

CONTRACTOR certifies and agrees that no contractual or other disability exists which would prevent compliance with the requirements.

CONTRACTOR agrees to send to each labor organization or representative of workers with which it has a collective bargaining Agreement or other contract or understanding, if any, a notice advising said labor organization or worker’s representative of its commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

CONTRACTOR will include this Section 3 clause in every subcontract and will take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the City Agency. 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 135 and will not let any subcontract unless the subcontractor as first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

12. CONTRACTOR must incorporate “green” retrofit during NSP unit rehabilitation that benefits tenants or reduced operating costs. Examples include: Double paneled, Low-E windows, HVAC with SEER rating greater or equal to 13, unit appliances that are “Energy Star” rated, or landscape designs utilizing xeriscape principles to conserve water.
13. CONTRACTOR must take actions to provide information and otherwise attract eligible persons from all racial, ethnic, and gender groups in the housing market area to the available housing.

14. Current regulations require that CONTRACTOR must ensure that occupants are notified of the hazards of lead-based paint. Additionally, CONTRACTOR must a) conduct a visual assessment, paint testing, or risk assessment, depending on the activity of units purchased with NSP funds, and b) conduct lead hazard reduction activities, including paint stabilization, interim controls, standard treatments, or abatement on all units purchased with NSP funds if applicable.
15. Pursuant to applicable Environmental Protection Agency (EPA) regulations, CONTRACTOR must comply with Federal and State requirements to protect affected public members from exposure to regulated asbestos-containing material during facility renovation, demolition, removal, transport and disposal activities.
16. CONTRACTOR shall comply with the provisions of 24 CFR Part 24 that contractors and subcontractors selected for rehabilitation of NSP funded units are not debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Agreement. Additionally, CONTRACTOR shall not use, directly or indirectly, any NSP funds provided by this Agreement to employ, award contracts to, or otherwise engage the services of, or fund any contractor/subcontractor during any period that the contractor/subcontractor is debarred, suspended or ineligible under the provisions of 24 CFR Part 24.

**ATTACHMENT J
PROGRAM INCOME**

1. Program Income, for the purpose of this Agreement is defined as rent payments received from low-income tenants residing in NSP purchased units, minus expenses, including but not limited to, unit internal and external maintenance, property maintenance, HOA fees, and operating costs.
2. Any net proceeds remaining after expenses are considered NSP program income and shall be returned to the City of Chandler and be utilized for NSP eligible activities.
3. During the term of this contract, CONTRACTOR is required to submit quarterly activity reports to the City. The Quarterly Report shall include a schedule of ongoing program income, broken down by monthly basis within the quarter itemizing rental income received, costs and expenses, and net proceeds.
4. During the term of this contract CONTRACTOR is required to remit Program Income generated during the reporting quarter to the City of Chandler via check on a quarterly basis (15 days after the end of the quarter).
5. During the 20 year period of affordability, CONTRACTOR is required to remit Program Income to the City of Chandler on a quarterly basis. A Program Income report is required to be submitted to the City annually. The report should be submitted when Program Income has been received, or within 30 days of the end of the fiscal year.

ATTACHMENT K

GUIDEFORM

- NSP VOLUNTARY ACQUISITION OF FORECLOSED PROPERTY –

- Information Notice –

(Agencies/Persons **without** Eminent Domain Authority)

Grantee or Agency Letterhead

(date)

Dear _____ :

(Name of Agency/Person) _____, is interested in acquiring property you own at (address) _____ for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the Neighborhood Stabilization Program (NSP).

Please be advised that (Name of Agency/Person) _____ does not have authority to acquire your property by eminent domain. In the event we cannot reach an amicable agreement for the purchase of your property, we will not pursue this proposed acquisition.

The subject property is listed for purchase at \$ _____. We currently believe \$ _____ to be the market value of the property.

Under the NSP, we are required to purchase foreclosed property at a discount from its current market appraised value. Depending on the results of our appraisal, our purchase offer may differ from the amounts noted above.

Please contact us at your convenience if you are interested in selling your property.

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. A tenant-occupant who moves as a result of a voluntary acquisition for a federally-assisted project may be eligible for relocation assistance. Such displaced persons may include not only current lawful occupants, but also former tenants required to move for any reason other than an eviction for cause in accordance with applicable federal, state, and local law. If your property is currently tenant-occupied or a tenant lawfully occupied your property on or after February 17, 2009, we need to know immediately. Further, you should not order current occupant(s) to move, or fail to renew a lease, in order to sell the property to us as vacant.

If you have any questions about this notice or the proposed project, please contact (name) _____, (title) _____, (address) _____, (phone) _____.

NOTES to Voluntary Acquisition Notice (Agency/person without Eminent Domain authority).

1. The case file must indicate the manner in which this notice was delivered (e.g., certified mail, return receipt requested) and the date of delivery. (See 49 CFR 24.5 and Paragraph 2-3 J of Handbook 1378)
2. Tenant-occupants displaced as a result of a voluntary acquisition may be entitled to URA relocation assistance and must be so informed per 49 CFR 24.2(a)(15)(iv) – Initiation of negotiations, and 49 CFR 24 Appendix A – 24.2(a)(15)(iv).
3. See 49 CFR 24.206 regarding eviction for cause.
4. This guideform may only be used if all of the requirements of 49 CFR 24.101(b)(2)(i) and (ii) or 49 CFR 24.101(b)(3) are met.
5. This is a guideform. It should be revised to reflect the circumstances.

When recorded Mail to:
City of Chandler
Community Development
Mail Stop 600
P.O. Box 4008
Chandler, AZ 85244-4008

ATTACHMENT L

**CITY OF CHANDLER
NEIGHBORHOOD STABILIZATION PROGRAM
DEED OF TRUST AND ASSIGNMENT OF RENTS**

DATE:

FILE NO:

PROPERTY ADDRESS:

TRUSTOR:

TRUSTOR'S MAILING ADDRESS:

BENEFICIARY: CITY OF CHANDLER (NSP- PERMANENT AFFORDABLE RENTAL PROGRAM)

BENEFICIARY'S ADDRESS: Mail Stop 600, P.O. Box 4008, Chandler, AZ 85244-4008

TRUSTEE: Glenn A. Brockman, Assistant Chandler City Attorney and a member of the State Bar of Arizona, Mail Stop 602, P.O. Box 4008, Chandler, AZ 85244-4008

Property in Maricopa County, State of Arizona, legally described as legal

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

This Deed of Trust made between the Trustor, the Trustee and the Beneficiary above named, WITNESETH: That Trustor irrevocably grants, conveys, transfers and assigns to Trustee in Trust, with Power of Sale, the above-described real property and all buildings, improvements and fixtures located thereon or hereinafter erected thereon, together with the leases, rents, issues profits or income thereof, (all of which are hereinafter called "property income"); SUBJECT, HOWEVER, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such property income; AND SUBJECT TO existing taxes, assessments, liens, encumbrances, covenants, conditions restrictions, rights of way and easements of record.

FOR PURPOSE OF SECURING:

- A. Performance of each agreement of Trustor herein contained.
- B. Payment of the indebtedness evidence by promissory note or notes of even date herein, and any extension or renewal whereof, in principal sum of _____(_____)

Executed by Trustor in favor of Beneficiary or order.

- C. Payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidence by a promissory note or notes reciting that they are secured by this Deed of Trust.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

1. To keep said property in good condition and repair: not to remove or demolish any building thereon; to complete and restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefore; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; and, do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.
2. To provide, maintain and deliver to Beneficiary fire insurance policies satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary. Upon any indebtedness secured thereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of Trustee's sale hereunder or invalidate any act done pursuant to such notice.
3. To appear in and defend any action or proceeding purporting to affect the security thereof or the rights or powers of Beneficiary or Trustee, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear or be named, and in any suit brought by Beneficiary to foreclose this Deed of Trust.
4. To pay: before delinquent, all taxes and assessments affecting said property; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any Deed of Partial Release Reconveyance or Deed of Release and Full Reconveyance, and all lawful charges, costs and expenses in the event of reinstatement of, following default in, this Deed of Trust or the obligations secured hereby.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice or demand upon Trustor and without

releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security thereof, Beneficiary or trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgement of either appears to counsel and pay his reasonable fees.

5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, together with interest from date of expenditure at the same rate as is provided for the note(s) secured by this Deed of Trust or at the highest legal rate, whichever be the greater rate. Any amounts so paid by Beneficiary or Trustee shall become part of the debt secured by this Deed of Trust and a lien on said premises or shall become immediately due and payable at option of Beneficiary or Trustee.

IT IS MUTUALLY AGREED:

6. That any award of damages in connection with condemnation or any such taking, or for injury to the property by reason of public use, or for damages for private trespass or injury thereto, is assigned and shall be paid to Beneficiary as further security for all obligations secured hereby (reserving into the Trustor; however, the right to sue therefore and ownership thereof subject to this Deed of Trust), and upon receipt of such monies Beneficiary may hold the same as such further security, or apply or release the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

7. That time is of the essence of this Deed of Trust, and by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

8. That at any time or from time –to-time, and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and said note(s) for endorsement and without liability therefore, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, and without affecting the security hereof for the full amount secured hereby on all property remaining subject hereto, and without the necessity that any sum representing the value or any portion thereof of the property affected by Trustee's action be credited on the indebtedness, the Trustee may: (a) release and reconvey all or party of said property; (b) consent to the making and recording,

or either, of any map or plat of the property or any part thereof; (c) join in granting any easement thereof; (d) join in or consent to any extension agreement subordinating the lien, encumbrance or charge thereof.

9. That upon written request of Beneficiary stating that all sums secured hereby have been paid and upon surrender of this Deed of Trust and said note(s) to Trustee for cancellation, and upon payment of its fees, Trustee shall by Deed of Release and Full Reconveyance release and reconvey, without covenant or warranty, express or implied, the property then held hereunder.

The recitals in such Deed of Release and Full Reconveyance of any matters shall be conclusive proof of the truthfulness thereof. The grantee in such Deed of Release and Full Reconveyance may be described as “The Person or Persons Legally Entitled Thereto.”

10. That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of the Trust, to collect the property income, reserve to Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such property income as it becomes due and payable. Upon any such default Beneficiary may at any time without notice, either in person, be agent or by a receiver to be appointed by court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such property income, including reasonable attorney’s fees, upon any indebtedness secured hereby, and such order as Beneficiary may determine. The entering upon and taking possession of said property, the or waive any default or notice of Trustee’s sale hereunder or invalidate any act done pursuant to such notice.

11. That upon default by Trustor in payment of any indebtedness hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due payable by delivery to Trustee of written notice thereof, setting forth the nature thereof and election to cause to be sold said property under this and all documents evidencing expenditures secured hereby.

Trustee shall record and give notice of Trustee’s sale in manner required by law, and after the lapse of such time as may then required by law, Trustee shall sell, in the manner required by law, said property at public auction at the time and place affixed by it in said notice of Trustee’s sale to the highest bidder for cash in lawful money of the United States of America, payable at time of sale. Trustee may postpone or continue the sale by giving notice of postponement or continuance by public declaration at the time and place last appointed for sale. Trustee shall deliver to such purchaser its Deed conveying he property so sold, but without any covenant or warranty, expressed or implied. Any persons, including Trustor, trustee or Beneficiary, may purchase at such sale.

After deducting all cost, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with the sale and reasonable attorney’s fees, Trustee shall apply the proceeds of the sale to payment of all sums then secured hereby and all other sums due, under the terms hereof, with accrued interest, and, the remainder, if any, to the person or persons legally entitled thereto, or as provided in A.R.S. Sec.33-812. To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgement for any balance hereunder.

The purchaser at the Trustee’s sale shall be entitled to immediate possession of the property against Trustor and shall have a right to the summary proceedings to obtain possession provided in Title 12, Chapter 8, Article 4, Arizona Revised Statutes, together with costs and reasonable attorney’s fees. In lieu of sale pursuant to the power of sale conferred hereby, the Deed of Trust

may be foreclosed in the same manner provided by rights and remedies available to it hereunder and at law or in equity. All rights and remedies shall be cumulative.

12. That Beneficiary may appoint a successor Trustee in the manner prescribed by law. A successor Trustee here shall, without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, power and duties. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor.

13. That this Deed of Trust applies to, inures to the benefit of, and binds all parties hereto their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder of the note(s) secured hereby, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and neuter, and the singular number includes the plural.

14. That Trustee accepts this trust when this Deed of trust duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee. In the event Trustee is made a party in any legal or court proceeding as a result of litigation between Trustor and Beneficiary or between a third party and either or both of Trustor and/or Beneficiary, the attorney's fees and costs of Trustee shall be paid by either Trustor or Beneficiary, whichever is the non-prevailing party.

15. Time is of the essence of this Deed of Trust and each and every provision hereof.

16. Trustor requests that a copy of any notice of Trustee's sale hereunder be mailed to Trustor at Trustor's mailing address herein before set forth. All notices required hereby shall be sent to the address indicated above unless such party shall have recorded a Request of Notice pursuant to A.R.S. Sec. 33-809.A in the county recorder's office of the county where the property encumbered hereby is located, indicating a different address.

17. In the event that Trustor shall sell, convey, or alienate or otherwise transfer the subject property, or any part thereof, or any interest therein, or shall be divested of title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of Beneficiary being first obtained, said Beneficiary, to the fullest extent provided by law, shall have the right at its option to declare any indebtedness or obligation secured by this Deed of Trust, irrespective of the maturity date specified in the Note evidencing the same, immediately due and payable.

DATED:

TRUSTOR

STATE OF ARIZONA)
) ss.
County of Maricopa)

This instrument was acknowledged before me this
_____ day of _____ 20_____,
by _____

My commission will expire:

NOTARY PUBLIC

ATTACHMENT M

CITY OF CHANDLER
NEIGHBORHOOD STABILIZATION PROGRAM
PERMANENT AFFORDABLE RENTAL PROGRAM

SECURED PROMISSORY NOTE

\$ _____, 20____
Chandler, Arizona

FOR VALUE RECEIVED, _____ (**“Maker”**) promises to pay to the City of Chandler, an Arizona municipal corporation (**“Payee”**), at Mail Stop # 600, P.O. Box 4008, Chandler, AZ 85244-4008, or at such other place as the City may from time-to-time designate, in lawful money of the United States of America, the principal sum of _____ (_____) (the **“Principal Sum”**).

1. The sums advanced under this Note shall be used as a down payment to purchase the property located at _____, Chandler, Arizona, as more fully described in Exhibit 1 (**the “Property”**). Payment of this Note will be secured by a deed of trust (**the “Deed of Trust”**) from the Maker to Payee to be recorded against the Property.
2. The term of this Note shall be 20 years from the date written above, provided however, that no event of default under this Note shall have occurred during said term. If an event of default occurs during the term of this Note, said term shall not expire unless the default is cured as provided herein or until this Note is paid in full. Upon expiration of the term of this Note, the debt evidenced by this Note shall be forgiven.
3. Maker shall have the right to prepay this Note, in whole, without penalty, discount, or premium.
4. The occurrence of any of the following shall constitute an event of default under this Note: (i) Maker fails to pay any amount due hereunder within fifteen (15) days of demand; (ii) any sale, lease, exchange, conveyance, assignment, refinance or other transfer of the Property without the prior written consent of Payee; or (iii) any violation of the covenants or restrictions set forth in that certain Declaration of Affirmative Land Use Restrictive Covenants, between Make and Payee, dated on or about the date of this Note.
5. Upon the occurrence of any event of default, or at any time thereafter, at the option of the Payee, the entire unpaid principal sum of this Note shall become immediately due and payable. This option may be exercised at any time following any such event. The failure to exercise this option shall not constitute a waiver of the right to exercise such option in any subsequent even of default. Payee’s failure in the exercise of any other right or remedy hereunder or under any agreement which secures the indebtedness or is related thereto shall

not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

6. Payee shall not exercise any right or remedy provided for herein because of any default of maker unless, in the event of a monetary default, Maker shall have failed to pay the outstanding sums within a period of thirty (30) calendar days after the date of the notice that payment was due, or in the event of a nonmonetary default, Payee shall have first given written notice thereof to Maker, and Maker shall have failed to cure the nonmonetary default within a period of thirty (30) calendar days after the date of such notice; provided that if the nonmonetary default cannot be cured within thirty (30) calendar days and Maker proceeds diligently with effort to cure such default until it shall be fully cured within no more than sixty (60) calendar days after the giving of such notice, Payee shall not exercise any right or remedy provided for herein until such sixty (60) day period shall expire. Notwithstanding the foregoing, Payee shall not be required to give any notice or allow any part of the grace period if Maker shall have filed a petition in bankruptcy or for reorganization or a bill in equity or otherwise initiated proceedings for the appointment of a receiver of its assets, or if Maker shall have made an assignment for the benefit of creditors, or if a receiver or trustee is appointed for Maker and such appointment or such receivership is not terminated within forty-five (45) days. With respect to any right to cure or cure period provided in this paragraph 7, performance of a cure by an entity or partner of Maker shall have the same effect as would like performance by Maker.
7. Maker and any endorsers hereof and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment of this Note, and expressly consent to any extension of the time of payment hereof, or of any installment hereof, to the release of any party liable for this obligation. Any such extension or release may be made without notice to any of said parties and without in any way affecting or discharging this liability.
8. Maker shall pay immediately, upon demand, all costs and expenses of Payee, including without limitation reasonable attorney fees, for the collection of this Note upon default. Maker shall pay immediately, upon demand, all costs and expenses of Payee, including without limitation reasonable attorney's fees, if Payee seeks to have the Property abandoned by or reclaimed from any estate in bankruptcy, or attempts to have any stay or injunction prohibiting the enforcement or collection of the Note or prohibiting the enforcement of the Deed of Trust or any other agreement evidencing or securing this Note lifted by any bankruptcy or other court.
9. If Payee shall be made a party to or shall reasonably intervene in any action or proceeding, whether in court or before any governmental agency, affecting the Property or the title thereto or the interest of the Payee under the Deed of Trust, including without limitation, any form of condemnation or eminent domain proceeding, Maker shall reimburse Payee immediately upon demand for all costs, charges, and attorneys' fees incurred by payee in any such case, and the same shall be secured by the Deed of Trust as a further charge and lien upon the Property.

10. All payments required under this Note shall be delivered to the City of Chandler, Neighborhood Resources Division, 55 N. Arizona Place, Suite 310, Mail Stop 600, Chandler, AZ 85225, or such other place as the Payee notifies Maker in writing.
11. This Note shall be binding upon Maker, its successors and assigns.
12. This Note shall be construed in accordance with and be governed by the laws of the State of Arizona.
13. If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.
14. This Note shall be secured by a Deed of Trust on the Property executed by Maker and recorded in the Office of the County Recorder of Maricopa County, State of Arizona.

IN WITNESS WHEREFOR, the undersigned has executed this Note on the date first written above.

STATE OF ARIZONA)
) ss.
 County of Maricopa)

BE IT REMEMBERED, that on this _____ day of _____ 20____
 Before me the undersigned, Notary Public in and for said County and State, personally appeared the within named _____
 known to me to be the identical individual(s) described in and who executed the within loan and Note and acknowledged to me that the said individual(s) executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my seal the day and year written above.

 Notary Public

My Commission Expires:
