

**CHOICE NEIGHBORHOODS PARTNERSHIP IMPLEMENTATION AGREEMENT
FOR THE
MURCHISON CHOICE NEIGHBORHOOD TRANSFORMATION**

This Choice Neighborhood Partnership Implementation Agreement is entered into as of this ___ day of _____ 2024, by and among the City of Fayetteville, (“City”), Fayetteville Metropolitan Housing Authority (“FMHA”), the JBS Developers, LLC (“JBS” or “Developer”), the Cumberland County Schools, “CCS”) and Urban Strategies, Inc. (“USI”) in connection with the comprehensive revitalization of the Murchison Townhomes and Elliot Circle housing developments (“Developments”) and the surrounding Murchison Choice Neighborhood (“the Target Neighborhood”) in Fayetteville, North Carolina.

RECITALS

- A. The United States Department of Housing and Urban Development (“HUD”) has developed the Choice Neighborhoods Initiative, pursuant to which the HUD makes Choice Neighborhoods Implementation (“CNI”) Grants to eligible applicants who have submitted comprehensive neighborhood revitalization strategies, called Transformation Plans that meet the criteria set forth in HUD’s Fiscal Year (FY) 2023 NOFA for the Choice Neighborhoods Initiative — Implementation Grants (Docket No.FR-6700-N-34) (“the NOFA”).
- B. The Parties (as defined in Article I, Section A below) to this Agreement and other members of the community have undergone a comprehensive local planning process and are now moving forward with a Transformation Plan to revitalize and transform the Murchison Choice Neighborhood (the “Target Neighborhood”).
- C. The City is the local government of the Target Neighborhood. The City of Fayetteville will serve as the Lead Applicant for the Grant. The City is submitting an application (the “Application”) to HUD for a CNI Grant (the “Grant”) in accordance with the NOFA.
- D. The FMHA is a quasi-governmental, public body, corporate and politic, exercising exclusively public and essential government functions, and having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of the North Carolina Housing Authorities Law (NCGS 157). The FMHA will serve as the Co-Applicant for the Grant and Co-Developer for the Housing Strategy.
- E. JBS is an accomplished developer with national experience revitalizing distressed urban communities and developing vibrant, mixed-finance, mixed-income, and mixed-use communities that leverage and strengthen community assets. JBS is the Developer responsible for implementing the Housing Strategy (the “**Housing Strategy**”) in the NOFA and serving as the Principal Team Member and co-housing lead with the FMHA.
- F. USI is a 501(c)(3) not-for-profit corporation specializing in citizen-directed planning, community-based economic vitality, and community and supportive services and has partnered with public housing authorities nationwide to guide the human aspects of transformative neighborhood revitalization programs. USI will serve as the Principal Team Member responsible for implementing the People Strategy (the “**People Strategy**”) in the NOFA, other than those tasks delegated to CCS under the education components of the People Strategy. USI will serve as the Principal Team Member responsible for implementing the Neighborhood Strategy (the “**Neighborhood Strategy**”) in the NOFA.
- G. CCS serves nearly 50,000 students at 89 schools and is focused on meeting students' diverse learning needs. As a fully-accredited school system with a diverse student population representing more than 75 different countries and 82 different native languages, more than 13,000 CCS students are military/federally connected. CCS will be responsible for implementing the Education Strategy (the

“**Education Strategy**”) of the Transformation Plan.

- H. The Transformation Plan is further described in the Application and will, if the Application is successful, be implemented in accordance with the requirements of the Grant.

AGREEMENT

Therefore, in consideration of the foregoing recitals and underlying promises, the Parties, with the intent to be legally bound, agree as follows:

I. BASIC COMMITMENTS OF THE PARTIES

- A. Commitment to Transformation Plan and Implementation Schedule. The City, the FMHA, JBS, USI, and CCS (collectively, the "Parties") acknowledge that they each:
- i. Have reviewed the NOFA and related guidance from HUD;
 - ii. Have participated in the preparation of the Transformation Plan and the Application; and
 - iii. Have carefully committed to the goals and requirements of the NOFA, the Transformation Plan, the Application, and this Agreement and agree to take all actions necessary and reasonably under their control to effectuate the requirements of the Transformation Plan in accordance with HUD requirements.
- B. Commitment to Work Collaboratively. The Parties commit to work collaboratively throughout the entirety of the Grant. The Parties agree to collect, analyze, and share data related to Housing, Neighborhood, and People (including, but not limited to, name, address and demographic information) with each other, as needed to evaluate the effectiveness of CNI strategies and programs, and to generate thorough and accurate reports measured against CNI performance metrics for HUD on a quarterly and annual basis. Article VII, Section C herein provides greater detail on the process for implementation decision-making and settling disputes as required by the NOFA.
- C. Incorporation of NOFA and Grant Agreement Requirements. The Parties are entering into this Agreement in furtherance of the Application. The Parties intend that this Agreement shall conform to and satisfy all requirements of the NOFA. In the event of any inconsistency between any NOFA requirement and the provisions of this Agreement, or in the event of a failure to include a provision necessary to satisfy such NOFA requirements, then this Agreement shall be construed to incorporate a provision satisfying such NOFA requirements and (while not required) the Parties agree to amend this Agreement as necessary. In addition, the Parties agree to amend this Agreement to comply with provisions of the Choice Neighborhoods Grant Agreement (the "Grant Agreement") should a Grant be awarded.
- D. Subsequent Implementation Agreements. This Agreement is intended to provide an overall framework for a cooperative, public-private, highly coordinated approach to implementation of the Transformation Plan. The Parties to this Agreement acknowledge that the accomplishment of the Transformation Plan will require additional agreements among the Parties, among several of the Parties to this Agreement, and between separate Parties to this Agreement and third parties (collectively, "Subsequent Agreements"). The Parties each agree to work with each other in good faith to consummate such agreements in accordance with the Transformation Plan implementation schedule established pursuant to the Grant Agreement and further agree that all Subsequent Agreements shall require compliance with this Agreement, as it may be amended.
- E. Funding. The Parties agree that this Agreement does not cover specific funding commitments made to the Transformation Plan by each of the Parties and such funding commitments as well as any funding contingencies will be addressed in Subsequent Agreements. The Parties further agree that this Agreement does not require the payment or

transfer of money by any Party to any other Party to this Agreement, although Subsequent Agreements may involve the payment of money or transfer of funds, but such payments or transfers will be governed by the Subsequent Agreements. Each Party will fund its own participation under this Agreement, except as may be provided in Subsequent Agreements.

II. RESPONSIBILITIES OF THE CITY OF FAYETTEVILLE AS LEAD APPLICANT

- A. Lead Applicant. The City shall be the Lead Applicant for the Grant and will carry out all responsibilities required of the Lead Applicant as described in the NOFA and the Grant Agreement.
- B. Lead Coordinator. As provided in Article VII, Section B herein, The City will co-chair the Implementation Working Team (as defined in Article VII, Section A below) and maintain, with input from the Parties, the Transformation Plan implementation schedule. In addition, subject to the availability of all necessary funding and approvals, The City will be responsible for the following activities in connection with the Transformation Plan:
 - i. Working with the public and private community partners to increase the involvement of the surrounding neighborhood communities in the Transformation Plan;
 - ii. Assigning to specific individuals and/or teams, all activities and programs necessary to implement the Transformation Plan;
 - iii. Establishing appropriate performance measures and deadlines for each substantial activity or program; and
 - iv. Dedicating adequate staff time to monitoring the progress and performance of activities and programs included in the Transformation Plan.
- C. Supervision and Coordination of Principal Team Members. The City shall supervise the activities of the Principal Team Members as they relate to the requirements of the Choice Neighborhoods program and the Grant Agreement. The City may delegate elements of the implementation of the Transformation Plan to one or more Principal Teams Members but shall, in all events, remain responsible for the supervision and integration of the efforts of the Principal Team Members. The City understands and agrees that, if the City proposes to rely on a Principal Team Member for rating purposes under the NOFA, the City will be required to secure HUD's approval, if funded, prior to replacing any Principal Team Member or effecting any material change to the roles and responsibilities of the Principal Team Member.
- D. Program Finance. The City shall have sole access to the Choice Neighborhoods program funding through HUD's LOCCS and shall be responsible for administration of the funds disbursed from HUD under the Grant Agreement. All disbursements of Choice Neighborhoods program funding and program income derived from such binding shall be made in accordance with an approved budget or, if not in accordance with an approved budget, with the City's express written consent. The City shall comply with all the accounting, disbursement, and recordkeeping requirements set forth in the Grant Agreement and all applicable requirements. The City shall establish a mutually acceptable system for approving and tracking payments made from Choice Neighborhoods program funding. The City may conduct an audit of funds disbursed pursuant to this Agreement or in connection with this Agreement. Program income derived from Choice Neighborhoods program funds shall be used in a manner consistent with the Grant Agreement and all applicable requirements.
- E. Planning and Community Process. The City shall actively participate in the development and revision of the Transformation Plan and in efforts to gain resident and neighborhood involvement in planning for revitalization of the Target Neighborhood.
- F. Implementation of Programmatic Level Activities. Subject to the terms of the Grant Agreement and all applicable requirements, the City agrees to consider deploying, subject to funding availability and the appropriate approval processes, various regulatory and

financial resources to ensure the successful implementation of the Transformation Plan. Subject to funding availability and the appropriate approval process, the City shall coordinate any council approved investments associated with this Grant and activities in the Target Neighborhood in furtherance of the activities proposed under the Transformation Plan.

III. RESPONSIBILITIES OF FAYETTEVILLE METROPOLITAN HOUSING AUTHORITY AS CO-APPLICANT

- A. Co-Applicant. The FMHA shall be the Co-Applicant for the Grant and will carry out all responsibilities required of the Co-Applicant as described in the NOFA and the Grant Agreement. FMHA shall co-chair the Implementation Working Team with the City. In addition, subject to the availability of all necessary funding and approvals, FMHA will be responsible for the following activities in connection with the Transformation Plan:
- i. The relocation and rehousing of the residents of the Murchison Public Housing Development in accordance with the requirements in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and, if CDBG or HOME funds are utilized, section 104(d) of the Housing and Community Development Act of 1974, as applicable;
 - ii. Relocation of any person who moves permanently or temporarily from real property or moves personal property from real property directly because of acquisition, rehabilitation, or demolition undertaken as part of the Transformation Plan;
 - iii. Assisting with the involvement of the residents of Murchison Choice and Elliot Circle in the Transformation Plan;
 - iv. Providing lead support for the involvement of the current residents of the Project-Based Voucher Development in the implementation of the Transformation Plan;
 - v. Working with the public and private community partners to increase the involvement of the surrounding neighborhood communities in the Transformation Plan;
 - vi. Supporting the Developer to achieve one-for-one replacement of the public housing units in accordance with the requirements of the NOFA;
 - vii. Assigning to specific individuals and/or teams, all activities and programs necessary to implement the Transformation Plan; and
 - viii. Dedicating adequate staff time to monitoring the progress and performance of activities and programs included in the Transformation Plan.
- B. Planning and Community Process. The FMHA shall actively participate in the development and revision of the Transformation Plan and in efforts to gain resident and neighborhood involvement in planning for revitalization of the Target Neighborhood.
- C. Relations with the City of Fayetteville. The FMHA will coordinate closely with the City regarding the Transformation Plan and communications with HUD, and will forward to the City all relevant correspondence, directives, and other written material either to or from HUD with respect to this Agreement or the implementation of the Transformation Plan unless otherwise prohibited by the Grant Agreement or the applicable requirements.

IV. RESPONSIBILITIES OF THE DEVELOPER AND THE FAYETTEVILLE METROPOLITAN HOUSING AUTHORITY FOR THE HOUSING STRATEGY

- A. The Developer agrees to implement the Housing Strategy of the Transformation Plan, subject to the availability of all necessary funding and approvals. The Developer will be responsible for implementing day- to-day development and asset management activities associated with the Transformation Plan, as well as for conducting longitudinal data collection and analysis related to the measurable outcomes of the Housing Strategy.
- B. FMHA agrees to co-implement, with JBS, the Housing Strategy of the Transformation Plan, subject to the availability of all necessary funding and approvals. FMHA will be responsible

for securing or assisting JBS in securing the approval of HUD or other governmental authorities for activities related to the Development, preparing all demolition, disposition and acquisition applications that must be filed with HUD, and undertaking as a Development expense the relocation of residents necessitated by demolition of housing on sites.

- C. The Developer and FMHA, in partnership, will leverage Grant funds with additional public and private funding, including, but not limited to, tax credit equity and private permanent financing, to the Housing Strategy of the Transformation Plan. The Parties agree that this leveraging obligation will be further detailed in Subsequent Agreements.
- D. The Developer and FMHA specifically affirm their understanding that the Transformation Plan is intended to transform distressed public and assisted housing into energy efficient, mixed-income housing that is physically and financially viable over the long-term; and to be a catalyst for neighborhood revitalization and rebuilding the neighborhood housing market, creating a neighborhood of choice for households with a broad range of incomes. Accordingly, the Developer affirms its understanding of and commitment to the following Housing-related objectives of the Choice Neighborhood Initiative program:
 - i. Housing transformed with the assistance of Choice Neighborhoods should be:
 - a) Energy Efficient, Sustainable, Accessible, Healthy, and Free from Discrimination - Housing is well-designed, embraces not only the requirements of accessible design but also concepts of visitability and universal design, has low per unit energy consumption, and healthy indoor air quality, is built to be resistant to local disaster risk, and affordable broadband Internet access; and is free from all types of discrimination;
 - b) Mixed-Income - Housing affordable to families and individuals with a broad range of incomes including low-income, moderate income, and market rate or unrestricted; and
 - c) Well-Managed and Financially Viable - Developments that have budgeted appropriately for the rental income that can be generated from the project and meet or exceed industry standards for quality management and maintenance of the property. The Transformation Plan will demonstrate that current residents of the Targeted Housing who wish to return to the on-site replacement housing may return in accordance with the housing choice opportunities for residents in the NOFA. The Transformation Plan further includes, and the Developer will participate in, resident involvement in planning and implementation activities in accordance with the NOFA.
 - ii. The Transformation Plan's demolition and redevelopment activities will comply with the "one-for- one" replacement standards of the NOFA.
 - iii. Housing developed under the Transformation Plan will:
 - a) Be subject to HUD requirements to maintain affordability pursuant to a HUD-approved affordability use restriction for households earning up to 120 percent of the Area Median Income (AMI) for no fewer than 20 years contained in a legally enforceable document recorded in the appropriate recorder's office or registry of deeds and consistent with the long-term viability of the project as rental or homeownership housing; and
 - b) Be provided in conformity with civil rights laws and their implementing regulations, including, but not limited to, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and the Rehabilitation Act of 1973 and applicable site and neighborhood standards such as 24 CFR I .4(b)(3) and 24 CFR 94 1.202 (and all programs and activities related to the Grant including demolition or disposition, relocation, replacement, and re-occupancy of housing units shall be conducted in compliance with federal civil rights laws).
- E. The Developer and FMHA will carry out the redevelopment activities in full compliance

with applicable labor standards, and specifically agrees to create resident employment opportunities and contract with Section 3 (as defined in Article VIII, Section R below) business entities.

- V. RESPONSIBILITIES OF URBAN STRATEGIES, INC. FOR THE PEOPLE STRATEGY
- A. Subject to the availability of all necessary funding and approvals, USI agrees to implement the People Strategy, and conduct longitudinal data collection and analysis related to the measurable outcomes of the People Strategy.
 - B. USI specifically affirms its understanding of and commitment to the following People Strategy-related objectives of the Choice Neighborhood Initiative program:
 - i. Effective Education. A high level of resident access to high quality early learning programs and services so children enter kindergarten ready to learn; significant improvement in the quality of schools nearest to the target development that prepare students to graduate from high school college- and career-ready; and significant growth in existing individual resident educational outcomes over time relative to the state average; USI commits to working closely with education partners to ensure positive outcomes for children and families;
 - ii. Employment Opportunities. The income of neighborhood residents and residents of the target housing development, particularly wage income for non-elderly/non-disabled adult residents, increases over time;
 - iii. Quality Health Care. Residents have increased access to health services and have improved health over time; and
 - iv. Housing Location, Quality, and Affordability. Residents who, by their own choice, do not return to the development have housing and neighborhood opportunities as good as or better than the opportunities available to those who occupy the redeveloped site.
 - C. The Transformation Plan is designed to ensure that current residents of the existing developments benefit from transformation by providing each household with comprehensive case management services.
 - D. USI will expand and/or develop partnerships with the organizations identified in Exhibit A around employment, health, and community safety.
 - E. USI will continue to engage residents and community in the development of the People Strategy of the Transformation Plan.
 - F. USI will carry out its activities in full compliance with applicable labor standards, and specifically agrees to create resident employment opportunities and contract with Section 3 business entities.
- VI. RESPONSIBILITIES OF URBAN STRATEGIES, INC. FOR THE NEIGHBORHOOD STRATEGY
- A. Subject to the availability of all necessary funding and approvals, USI agrees to lead the implementation of the Neighborhood Strategy of the Transformation Plan. USI will be responsible for the facilitation of the implementation of the neighborhood transformation activities associated with the Transformation Plan, as well as collect longitudinal data related to the measurable outcomes of the Neighborhood Strategy.
 - i. The USI specifically affirms its understanding of and commitment to the Neighborhood Strategy of the Choice Neighborhood Initiative program. Although USI is unable to guarantee outcomes, USI affirms that the goals and objectives of the neighborhood component of the Transformation Plan are:
 - a) Private and Public Investment in the Neighborhood. The neighboring housing has a very low vacancy/abandonment rate, the housing inventory is of high quality, and the neighborhood is mixed income and maintains a mixture of incomes over time;
 - b) Amenities. The distance traveled from the neighborhood to basic services is equal

to or less than the distance traveled from the median neighborhood in the metropolitan area. Those basic services include grocery stores, recreation, banks, health clinics and doctors' offices, dentist offices, and high-quality early learning programs and services;

- c) Safety. Residents are living in a safer environment as evidenced by the revitalized neighborhood having significantly lower crime rates than the neighborhood had prior to redevelopment and maintaining a lower crime rate over time; and
- d) Parks and Recreation. The distance traveled by residents in the target neighborhood to travel to high quality park and recreational facilities in the neighborhood be equal to or less than for other neighborhoods in the jurisdiction and the region.

VII. RESPONSIBILITIES OF CUMBERLAND COUNTY SCHOOLS FOR EDUCATION STRATEGY

- A. CCS agrees to implement the Education Strategy of the Transformation Plan to help transform the neighborhood with a focus on developing high quality public schools, education programs, and high-quality early learning programs.
- B. CCS further agrees to focus on achieving a high level of resident access to quality early learning programs, significant improvements in the quality of schools nearest to the Target Neighborhood that prepare residents to graduate from high school, college and career ready, and to have a significant growth in existing individual resident educational outcomes over time relative to the state average.
- C. CCS will develop and offer high quality early learning programs and services so that children entering kindergarten will be ready to learn, resulting in significantly improved outcomes in physical well-being, motor development, social-emotional development, language and literacy development, cognition and general knowledge improvement including numeracy for children, and engaging families in meaningful ways.
- D. CCS will implement the following cradle to career continuum in partnership with the organizations identified in Exhibit A:
 - i. Evidence-based early childhood programs to ensure that children from birth through five years are prepared to succeed and are ready for kindergarten;
 - ii. Comprehensive programs to support academic performance and proficiency in core subjects from kindergarten through 12th grade;
 - iii. Necessary supports to ensure successful transitions from Elementary to Middle and Middle to High School;
 - iv. Improve on-time and increase high school graduation rates;
 - v. Ensure students are college and/or career ready at graduation;
 - vi. Fitness, recreational and sports activities, and nutritional assistance for all children and families;
 - vii. Increased safety so students feel safe in their schools;
 - viii. Comprehensive family support programs to promote life-long learning and reduce barriers to resiliency;
 - ix. Increased access to 21st Century learning tools and technology; and
 - x. Share de-identified aggregate data as needed with USI to track and evaluate the effectiveness of school strategies, and to generate quarterly and annual reports of CNI performance metrics for HUD.
- E. CCS is committed to building strong relationships among partnering school staff and community members, collaborators, children, and families.
- F. CCS is committed to enhancing the capacity of families to support the growth and development of family members.
- G. CCS is committed to serving the Target Neighborhood and the surrounding community and contributing to the community-building process.

- H. CCS is committed to developing a supportive network of caring adults who will support the growth and development of neighborhood children.
- I. CCS is committed to responding to emerging family and community needs based on input from the Principal Team Members regarding the Target Neighborhood and the surrounding community.
- J. CCS specifically affirms its understanding of and commitment to the following Education-related objectives of the Choice Neighborhood Initiative program:
 - i. A high level of resident access to high quality early learning programs and services so children enter kindergarten ready to learn;
 - ii. Significant improvement in the quality of schools nearest to the target development that prepares students to graduate from high school college- and career-ready; and
 - iii. Significant growth in existing individual resident educational outcomes over time relative to the state average.
- K. CCS intends to work cooperatively and collaboratively with several educational entities, including those identified in Exhibit A.

VIII. COLLABORATIVE IMPLEMENTATION

- A. Formation of Implementation Working Team to Implement Vision for Target Neighborhood Initiative. The Parties agree to formalize the creation of an implementation working team ("Implementation Working Team") to provide a collaborative forum for implementing the Transformation Plan. The Implementation Working Team will be responsible for day-to-day implementation of the Transformation Plan and will be accountable to the Management Team as further described at Article VIII, Section C herein for adherence to the Transformation Plan, as well as the schedule articulated therein. The Parties are committed to implementing the Transformation Plan in a collaborative, consensus-oriented manner.
- B. Composition of Implementation Working Team.
 - i. Implementation Working Team. The Implementation Working Team is comprised of the following, but may be expanded as appropriate to foster a collaborative implementation process:
 - a) City Representatives: City Manager or a designee, to include the Economic and Community Development Director and Assistant City Manager where appropriate;
 - b) FMHA Representatives: Executive Director or a designee;
 - c) USI Representative: Executive Vice-President or a designee;
 - d) CCS Representative: Superintendent or a designee; and
 - e) Developer Representatives: JBS's Owner or a designee.
 - ii. Regular Meetings of Implementation Working Team. The Implementation Working Team shall meet on a regular basis, at least every two weeks for the first 18 months of implementation, as appropriate. Committees of the Implementation Working Team shall be created to focus on specific tasks as appropriate and shall determine meeting frequency and times suitable to the assigned task. Meetings may be attended by telephone or video conference as determined appropriate by the chair.
 - iii. Conduct of Meetings. The City's representative shall chair the meetings with FMHA's representative as co-chair.
 - iv. Review of Progress on Implementation Schedule and Address any Identified Delays or Possible Obstacles to Progress. Each meeting of the Implementation Working Team shall include a review of the progress on the Transformation Plan implementation schedule and identify solutions to any delays or obstacles to progress that arise during implementation.
- C. Management Team, Decision-Making Process and Settlement of Disputes Regarding Course of Action. The Management Team will consist of equal representation from the City, FMHA, USI, CCS, and the Developer. The Management Team shall meet once a month to

review the progress of implementation (and more frequently should the Management Team determine appropriate), address any obstacles to timely implementation of the activities required under the Grant, and settle any disputes among the Implementation Working Team to keep the Transformation Plan on schedule. The Management Team will make the final determination on any difference of opinion among the Implementation Working Team members and among any Parties to this Agreement, provided however such determinations shall be consistent with the Transformation Plan, Grant Agreement, other applicable agreements, and applicable law.

IX. MISCELLANEOUS PROVISIONS

- A. Housing Strategy Feasibility. The Parties agree that certain matters are conditions precedent to the ability of the Developer to complete the Housing Strategy of the Transformation Plan and that Developer's ability to perform responsibilities hereunder is substantially contingent upon actions by third parties, as well as upon the continuation of economic and regulatory circumstances at least as favorable to housing development and marketing as currently exist ("Development Contingencies"). Such Development Contingencies, and the process for determining an event permitting withdrawal of the Developer, shall be itemized in a Subsequent Agreement between the Developer and FMHA.
- B. Term of Agreement. This Agreement shall have a term of the shorter of ten years or until closeout of the Grant; subject to termination rights described in Article IX, Sections K, T, U, and V below.
- C. Capitalization and Recitals. Capitalized terms not defined herein shall have the meaning provided in the NOFA. The recitals are incorporated as if fully set forth in this Agreement.
- D. Modification. Oral changes of this Agreement will have no effect. Any pilot information, discussions or agreements are merged herein and barred hereby. This Agreement may be modified or amended only in writing signed by all Parties.
- E. No Delegation. Nothing in this Agreement shall be read to or otherwise interpreted to delegate the legal authority of the any of the Parties to any other Party or Parties to this Agreement.
- F. Rules of Construction. The headings and captions of this Agreement are provided for convenience only and are not intended to have effect in the construction of this Agreement. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved in favor of or against any Party on the basis of which Party drafted the uncertain or ambiguous language. This Agreement has been reviewed by all Parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all Parties to this Agreement.
- G. Governing Law. The validity, interpretation, performance, and execution of this Agreement and all rights accruing under this Agreement are all governed by North Carolina law.
- H. Venue and Forum Selection. The Parties expressly agree that if litigation is brought in connection with this Agreement and (1) the litigation proceeds in the Courts of the State of North Carolina, the parties agree that the appropriate venue shall be in Cumberland County (Fourteenth Judicial District of North Carolina); or (2) the litigation proceeds in a federal court, the parties agree that the appropriate venue shall be the United States District Court for the Eastern District of North Carolina.
- I. Conflict of Interest. No member of the governing body of the City, FMHA, CCS, or other units of government and no other officer, employee, or agent of the City, FMHA, CCS, or other unit of government who exercises any functions or responsibilities in connection with the implementation of the Transformation Plan will have any personal interest, direct, or indirect, in this Agreement.
- J. Non-liability of Public Officials. No Party to this Agreement, nor any subcontractors are permitted to charge personally any official, employee or agent of the City, FMHA, or CCS,

with any liability or expenses of defense or hold any official, employee or agent of the City, FMHA, or CCS personally liable to such Party or its subcontractors, under any term or condition of this Agreement. This provision presumes that all such individuals are acting in good faith and within the course and scope of his/her employment.

- K. Morality Clause. If, in the sole opinion of the City, at any time the Parties or any of its owner(s) or employee(s) or agent(s) (collectively referenced as an “Actor”) engages in any one or more actions that bring disrepute, contempt, scandal, or public ridicule to the Actor or subject the Actor to prosecution or offend the community or public morals or decency or denigrate individuals or groups in the community served by the City or are scandalous or inconsistent with community standards or good citizenship or may adversely affect the City’s finances, public standing, image, or reputation or are embarrassing or offensive to the City or may reflect unfavorably on the City or are derogatory or offensive to one or more employee(s) or customer(s) of the City, the City may immediately upon written notice to the Parties terminate this Agreement, in addition to any other rights and remedies that the City may have hereunder or at law or in equity.
- L. Force Majeure. Neither of the Parties shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by an act of war, hostile foreign actions, adverse governmental actions, nuclear explosion, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.
- M. E-Verify. The Parties acknowledge that “E-Verify” is the federal E-Verify program operated by the US Department of Homeland Security and other federal agencies which is used to verify the work authorization of newly hired employees pursuant to federal law and in accordance with Article 2, Chapter 64 of the North Carolina General Statutes. Subrecipient further acknowledges that all employers, as defined by Article 2, Chapter 64 of the North Carolina General Statutes, must use E-Verify and after hiring an employee to work in the United States, shall verify the work authorization of the employee through E-Verify in accordance with NCGS §64-26(a). The Parties pledge, attest and warrant through execution of this contract that Parties comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes and further pledge, attest and warrant that any subcontractors currently employed by or subsequently hired by the Parties shall comply with any and all E-Verify requirements. Failure to comply with the above requirements shall be considered a breach of this contract.
- N. Assignment. The Parties may not assign their rights, duties or obligations under this Agreement to any other person or entity without the prior written consent of all Parties to this Agreement.
- O. Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the Parties hereto and their permitted successors and assigns.
- P. No Third-Party Beneficiaries. This Agreement is entered into for the exclusive benefit of the Parties and the Parties expressly disclaim any intent to benefit anyone not a party to this Agreement.
- Q. Severability. If any term or provision of this Agreement, or the application thereof to any person or circumstances shall be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the greatest extent permitted by law.
- R. Liability. Each of the Parties agrees to assume liability for their own risks associated with activities pursuant to this Agreement. Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating a legal partnership between any Parties to this Agreement. Nothing herein shall be construed to provide for rights to recovery of any damages, including but not limited to all general, special, pecuniary, consequential or

punitive damages as a result of this Agreement. Subsequent Agreements may include such rights, provided the Parties to such Subsequent Agreements determine appropriate.

- S. Indemnification. To the extent permitted by law, the Parties agree to indemnify and hold harmless the City, FMHA, or CCS and its elected officials, agents, successors, employees, and assigns from any and all liability and claims for any injury or damage caused by any act, omission, or negligence of the Parties, its agents, servants, employees, contractors, licensees or invitees. Indemnification of the City, FMHA, or CCS by the Parties does not constitute a waiver of the governmental immunity in any respect under North Carolina law or create any right of any Party to claim indemnification from the other Party pursuant to this Agreement. Subsequent Agreements may include indemnification provisions as appropriate
- T. Termination. This Agreement shall terminate upon the closeout of the Grant or sooner:
- i. In the event the City is not selected for a Grant for funding year 2023/2024, and any Party withdraws as a Principal Team Member by written notice to the other Parties, in which event this Agreement shall terminate sixty (60) days after receipt of such notice; or
 - ii. With the mutual consent of the Parties and HUD.
- U. Termination for Cause. In the event of substantial failure by one or more of the Parties to perform in accordance with the terms of this agreement, one or more of the Parties shall have the right to terminate this agreement upon ten calendar (10) days written notice in which event the Parties shall have neither the obligation nor the right to perform further services under this agreement nor shall the Parties be obligated to make any further payment for work that has not been performed. Failure to perform includes (but are not limited to) the following:
- i. Failure to comply with any of the rules, regulations or provisions referred to herein, or such statutes, regulations, executive orders, and HUD guidelines, policies or directives as may become applicable at any time;
 - ii. Failure, for any reason, of one or more of the Parties to fulfill in a timely and proper manner its obligations under this Agreement; or
 - iii. Ineffective or improper use of funds under this Agreement.
- V. Termination for Convenience. One or more of the Parties may without cause and without prejudice to any other right or remedy legally available to the Parties, terminate this Agreement for convenience at any time by giving sixty (60) days written notice to the other Parties, subject to applicable terms of Subsequent Agreements and in accordance with the federal cost principles outlined in 2 CFR Part 200.
- W. Notices. Any notices to be given by either party to the other under the terms of this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered by hand, with a written acknowledgment of receipt, or mailed by registered or certified mail to the other party at the following addresses or to such other addresses as either party hereafter from time to time designates in writing to the other party for the receipt of notice:
- i. **City of Fayetteville**
Douglas J. Hewett, City Manager (via)
Christopher Cauley, Director of Economic and Community Development
433 Hay Street
Fayetteville, NC 28301
910-433-1590
ChristopherCauley@Fayettevillenc.gov
 - ii. **Fayetteville Metropolitan Housing Authority**
Dawn Weeks, Executive Director
Address

City
Phone
Email

iii. JBS Developers, LLC

Name
Address
City
Phone
Email

iv. Cumberland County Schools

Melody Chalmers-McClain, Ed.D.
Associate Superintendent - Student Support Services
2465 Gillespie Street
Fayetteville, NC 28306
910-678-2423
melodychalmers@ccs.k12.nc.us

v. Urban Strategies, Inc.

Name
Address
City
Phone
Email

Such notice, if mailed, shall be deemed to have been received by the other party on the date contained in the receipt.

- X. Waiver. The Parties' failure to act with respect to a breach by the Parties does not waive its right to act with respect to subsequent or similar breaches. The failure of the Parties to exercise or enforce any right or provision shall not constitute a waiver of such right or provision.
- Y. Examination and Retention of Records. The Parties acknowledge and agree that HUD, or the Comptroller General of the United States, or any of their duly authorized representatives shall, until five years after close-out of the Grant, have access to and the right to examine any of any Party's books, documents, papers, or other records involving transactions related to this Agreement for the purpose of making audit, examination, excerpts, and transcriptions. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five-year period, whichever occurs later.
- Z. Opportunities for Low-Income and Very-Low Income People. The Parties are each committed to fully implementing the requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) ("Section 3") is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.
- AA. Opportunities for Minority Firms, Women's Business Enterprises and Labor Surplus Area Firms. The Parties are each committed to take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are involved in the Transformation Plan. Affirmative steps shall include:
- i. Placing qualified small and minority businesses and women's business enterprises on

- ii. Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources to perform services or provide supplies related to the Transformation Plan;
 - iii. Dividing total requirements, when economically feasible, into smaller tasks or quantities to per-unit maximum participation by small and minority business, and women's business enterprises;
 - iv. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises; and
 - v. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce to promote the involvement of minority firms, women's business enterprises, and labor surplus area firms.
- BB. Counterparts. This Agreement may be executed in counterparts and all such counterparts shall be deemed to be originals and together shall constitute but one and the same instrument.
- CC. Delay. Failure or delay on the part of any Party to exercise any right, remedy, power or privilege hereunder shall not operate as a waiver of any current or future default. Further, a waiver of one provision of this Agreement is not a waiver of all or any future provision(s) of this Agreement.
- DD. Divestment of Companies Boycotting Israel or Invest in Iran Certification. The Parties certify that:
- i. It is not identified on the Final Divestment List or any other list of prohibited investments created by the NC State Treasurer pursuant to N.C.G.S. 147-86.58;
 - ii. It has not been designated by the NC State Treasurer pursuant to N.C.G.S. 147-86.81 as a company engaged in the boycott of Israel ((i) and (ii) to be collectively referred to as "FD Lists"); and
 - iii. It will not take any action causing it to appear on the Treasurer's FD Lists created by the NC State Treasurer during the term of this Agreement.
- By signing this Agreement, the Parties further agree, as an independent obligation, separate and apart from this Agreement, to reimburse the City for any and all damages, costs and attorneys' fees incurred by the City in connection with any claim that this Agreement or any part thereof is void due to one or more parties appearing on the Treasurer's FD Lists at any time before or during the term of this Agreement.
- EE. Survival of Terms. All warranties, covenants, and representations contained within this contract and all applicable work authorizations, if any, shall continue in full force and effect for five (5) years after the execution and delivery of the final product, act, or service taken in furtherance of this contract. Survivability shall not be impacted, or otherwise shall not be rendered null or void, by the termination or natural expiration of this contract or other applicable work undertaken in furtherance of this contract.

IN WITNESS WHEREOF, the Parties have duly executed this Choice Neighborhoods Partnership Implementation Agreement, on or as of the date first written above.

ATTEST:

CITY OF FAYETTEVILLE

BY: _____
Pamela J. Megill
City Clerk

BY: _____
Douglas J. Hewett, ICMA-CM
City Manager

ATTEST:

FAYETTEVILLE METROPOLITAN HOUSING AUTHORITY

BY: _____
Name
Title

BY: _____
Dawn Weeks
Executive Director

ATTEST:

CUMBERLAND COUNTY SCHOOLS

BY: _____
Name
Title

BY: _____
Dr. Marvin Connelly, Jr.
Superintendent

ATTEST:

JBS DEVELOPERS, LLC

BY: _____
Name
Title

BY: _____
Name
Title

ATTEST:

URBAN STRATEGIES, INC.

BY: _____
Name
Title

BY: _____
Name
Title