

**Avalon Housing, Inc.
AND
Ann Arbor Housing Commission**

This AGREEMENT is between **Avalon Housing Inc. (Avalon)**, located at 1327 Jones Drive, Suite 102, Ann Arbor, MI 48105 and the **Ann Arbor Housing Commission (AAHC)** located at 404 North Ashley, Ann Arbor, Michigan 48103.

The AAHC was approved by HUD to convert 275 units of public housing to project based vouchers under the Rental Assistance Demonstration (RAD) project. The AAHC must secure funding to redevelop the properties from private and public sources.

Avalon was selected as a consultant through a competitive process (Request for Proposal 836). Avalon will assist the AAHC to secure funding and develop a robust supportive housing program.

In consideration of the promises below, the parties mutually agree as follows:

ARTICLE I - SCOPE OF SERVICES

AVALON RESPONSIBILITIES:

1. Avalon Housing will take the lead role in preparing the following documents by February 15, 2013 for two Ann Arbor Housing Commission tax credit applications corresponding to the HUD-approved RAD conversions:
 - The following parts of Addendum I of the Low Income Housing Tax Credit Application
 - Affirmative Fair Housing Marketing Plan for Addendum I (with assistance, as needed, from AAHC and Developer)
 - Proximity to Transportation for Addendum I (with assistance, as needed, from AAHC)
 - Site Amenities/Central Cities for Addendum I (with assistance, as needed, from AAHC)
 - Addendum III of the Low Income Housing Tax Credit Application, including
 - Completing application and compiling documents
 - Preparing and submitting initial concept letter
 - Obtaining required letters of support
 - Compiling MOUs
 - Coordinate MSHDA Site Visit
 - Avalon may also provide some assistance in completing other parts of these tax credit applications.
2. Avalon will also prepare applications for Michigan Housing Community Development Fund for this project, due February 15, 2013.
3. Although Avalon will use its best efforts to ensure the AAHC achieves its objectives for this engagement, there is no representation or warranty, expressed or implied, that Avalon's efforts will produce specific outcomes for the AAHC.

4. AAHC understands that Avalon is a low income housing developer and nothing in this contract limits Avalon's ability to develop and submit funding applications (including but not limited to low income tax credit applications and applications for MCHD funding) on its own behalf or on behalf of other entities.

COMMISSION RESPONSIBILITIES

The Ann Arbor Housing Commission (AAHC) will:

1. Disclose fully and accurately all pertinent facts regarding the Properties and any matters which would bear on Avalon's ability to perform the services described above.
2. Cooperate with Avalon as Avalon performs its duties under this agreement, be available for meetings, conferences, telephone conversations, and other proceedings as appropriate, and take such other actions as may be needed to remove obstacles that might prevent Avalon from successfully providing its services.
3. Coordinate data collection and meetings with consultants, contractors and co-developer as needed.

ARTICLE II - COMPENSATION

The Ann Arbor Housing Commission will compensate Avalon in an amount not to exceed **\$32,400.00** (Thirty Two Thousand Four Hundred Dollars and Zero Cents) for services provided to the AAHC. The AAHC will be invoiced for actual hours worked at \$180/hour for an estimated 180 hours of work. Avalon will also be reimbursed for direct project-related expenses, such as copying and mailing costs. Avalon will obtain approval from the AAHC for any one-time expenditure exceeding \$500. E-mail authorization shall be deemed sufficient for this purpose. Avalon will provide invoices to the AAHC that include the date, hours worked and Avalon employee completing the work as well as receipts for project-related costs. Avalon may bill monthly. Ann Arbor Housing Commission will pay within 15 days of billing.

Avalon will promptly notify the Ann Arbor Housing Commission if Avalon determines that the hours needed to complete the work are likely to exceed 180 hours. In the event the AAHC determines it is not going to submit an application in the 2/15/13 tax credit round, Avalon will invoice the AAHC for time and materials to that point.

For work related to subsequent gap funding applications, such as Federal Home Loan Bank and Home Depot, Avalon will bill at the same hourly rate, with a not to exceed amount to be determined.

ARTICLE III - TERM

This contract begins on **January 4, 2013** and ends on **December 31, 2013**, unless terminated as follows. This contract may be extended by up to three additional one year renewals, with written notification from AAHC, and mutual consent from both parties. Contract term shall not exceed five total years.

ARTICLE IV- TERMINATION OF CONTRACT

Termination without cause. Either party may terminate this contract by giving thirty (30) days written notice to the other party.

ARTICLE V - EQUAL EMPLOYMENT OPPORTUNITY

The Ann Arbor Housing Commission and Avalon are committed to compliance with all applicable laws regarding non-discrimination. Furthermore, they shall strive to build a diverse community in which opportunity is equal for all persons regardless of race, sex, sexual orientation, color, religion, creed, national origin, or ancestry, age, marital status, handicap or Vietnam-era veteran status. They shall exert their leadership for the achievement of this goal, by all parties with which they transact business.

ARTICLE VI - EQUAL ACCESS

Avalon shall provide the services set forth in Article I without discrimination on the basis of race, color, religion, national origin, sex, sexual orientation, marital status, physical handicap, or age.

ARTICLE VII ASSIGNS AND SUCCESSORS

This contract is binding on Avalon and the AAHC, their successors and assigns. Neither party will assign or transfer its interest in this contract without the written consent of the other.

ARTICLE VIII- INDEMNIFICATION AGREEMENT

Avalon shall indemnify and hold the AAHC harmless from and against all actions, liabilities, demands, costs and expenses, including court costs and attorney fees, which may arise due to Avalon's negligent acts or omissions under this Agreement.

The Ann Arbor Housing Commission shall indemnify and hold Avalon harmless from and against all actions, liabilities, demands, costs and expenses, including court costs and attorney fees, which may arise due to the Ann Arbor Housing Commission's negligent acts or omissions under this Agreement. Neither party waives governmental immunity or any other defense provided by law.

ARTICLE IX - INSURANCE REQUIREMENTS

Each party agrees to maintain in a commercial or funded self-insurance program:

1. Comprehensive General Liability insurance, including contractual liability, with limits of not less than one million (\$1,000,000.00) dollars per occurrence and two million (\$2,000,000.00) dollars annual aggregate.
2. Parties providing medical care, treatment, advice, referrals or recommendations must carry medical professional liability with limits not less than two million (\$2,000,000.00) dollars per occurrence and five million (\$5,000,000.00) dollars annual aggregate.
3. Workers Compensation to statutory limits and Employers Liability with limits not less than five hundred thousand (\$500,000.00) dollars
4. Auto Liability for owned, non-owned, and hired vehicles with limits not less than one million (\$1,000,000.00) dollars per occurrence and two million (\$2,000,000.00) dollars annual aggregate.

If any of the above coverage are on a claims made basis, that party agrees to provide continuous coverage from contract inception to three years past the end date of this contract.

Each party further agrees to provide the other evidence of such insurance (upon request) and thirty (30) days prior written notice of any material changes in such insurance.

Each party also agrees to notify the other in the event of any loss or damage or potential loss or damage and to cooperate with the other in the investigation and/or settlement of same.

ARTICLE XI- CHANGES IN SCOPE OR SCHEDULE OF SERVICES

Changes mutually agreed upon by the Avalon and the AAHC will be incorporated into this contract by written amendments signed by both parties.

ARTICLE XI – NATURE OF RELATIONSHIP

The relationship between the AAHC and Avalon is that of client and contractor, and not employer and employee. No employee, agent, or subcontractor of Avalon shall be deemed to be an employee, agent, or subcontractor of the AAHC. Avalon shall have no authority to represent or bind the AAHC in any manner.

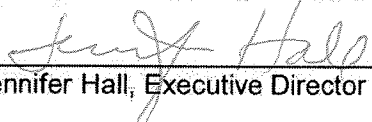
ARTICLE XII- CHOICE OF LAW AND FORUM

This contract is to be interpreted by the laws of Michigan. The parties agree that the proper forum for litigation arising out of this contract is in Washtenaw County, Michigan.

ARTICLE XIII- EXTENT OF CONTRACT

This contract represents the entire agreement between the parties and supersedes all prior representations, negotiations or agreements whether written or oral.

ANN ARBOR HOUSING COMMISSION



Jennifer Hall, Executive Director

1/9/13

Date

AVALON HOUSING, INC.



Carole McCabe, Executive Director

1/9/13

Date