

STATE OF NORTH CAROLINA

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**ATTACHMENT 2
PERFORMANCE AGREEMENT**

COUNTY OF ORANGE

This Performance Agreement, made and entered into by and between the Town of Chapel Hill, hereinafter referred to as "Town", and Pines Community Center, Incorporated, hereinafter referred to as "Center", in order to implement the Knolls Neighborhood Revitalization Program.

WITNESSETH

WHEREAS, it is desirable that a Performance Agreement with respect to the Housing Loan Trust Fund for the revitalization of the Knolls Neighborhood be established by and between the Town and the Center; and

WHEREAS the Center desires to develop homeownership opportunities for individuals and families with income levels at or below the area's median income level;

WHEREAS the Town of Chapel Hill has made commitments to the promotion of low and moderate income housing opportunities, in the form of statements in its Comprehensive Plan;

WHEREAS, the Town Council authorized by resolution 94-12-51R-6b the acquisition of property located off Park Road and Merritt Mill Road provided the Knolls Association met specific criteria; and directed the source of funds for the acquisition to be from the Town's Housing Loan Trust Fund; and

WHEREAS, it is understood and agreed that the purpose of this Agreement is to outline the responsibilities of the Town and the Center in implementing the acquisition of the property;

NOW THEREFORE, in consideration of the aforesaid, the parties do agree to perform the following outlined responsibilities and/or duties.

1. Town Support

By resolution 94-12-5/R-6b, the Town Council provided a commitment of \$115,000 from the Town's Housing Loan Trust Fund for the purpose of assisting the Center with the acquisition of Tax Map 90-A-6 and 90-A-6A. The Town does not obligate itself to provide any other support to the Center for this fiscal year or continued support in succeeding years.

2. Terms of the Loan

The Center shall provide a Promissory Note and Deed of Trust on the property to be acquired off of Park Road and Merritt Mill Road (Tax Map 90-A-6 and 90-A-6A) for the property as security for the Town's Housing Loan Trust Fund Loan, at the time of closing on the purchase of the property. The Promissory Note shall be for the property in the amount of \$115,000.00.

The Center may have the use of the loan for a period of up to one year from the date of this Performance Agreement. On February 7, 1996, the loan will be repaid to the Town of Chapel Hill.

This loan may be extended in whole or in part for additional periods for the purposes of implementing the homeownership program upon written request to the Town Manager. The Town Manager may approve the request if it conforms with the terms of an overall program for providing homeownership opportunities in the area; or , the Manager may refer the request to the Town Council, at his discretion.

There will be no interest charged on the loan.

It is the intent of the parties that this loan shall be paid off in increments as the Center completes and transfers title for these lots to individual homeowners who qualify to purchase houses completed by the Center and that this entire project will be completed to allow the loan to be fully paid back in a maximum of four years.

3. Payment and Documentation

The Town shall pay for actual costs of acquisition up to \$115,000.00. The funds for acquisition will be disbursed at the time of closing as contained in Section 2 of this Performance Agreement.

4. Financial Records and Quarterly Reports

The Center agrees to furnish the Town with quarterly financial and work progress reports on development of the property. In addition, the Center agrees to allow the Town to inspect its financial books and records upon reasonable notice during normal working hours.

5. Work Statement

The Center agrees to provide these services described in the Work Statement attached hereto and incorporated herein by reference to residents of Chapel Hill and to maintain a high level of professionalism in the provision of these services.

6. Insurance

The Center shall require that contractors provide and maintain at their expense liability insurance, naming the Town as a additional insured, covering activities undertaken in conjunction with the project.

7. Hold Harmless Provision

The Center hereby agrees to hold the Town harmless against any claims or actions from damage, injury, or death relating to or arising out of the Center's use of Town funds or due to acts of omissions of the Corporation's officers, employees, contractors or agents.

8. Termination for Cause

In the event that the Center shall cease to exist as an organization or shall enter bankruptcy proceedings, or be declared insolvent, or liquidate all or substantially all of its assets, or shall significantly reduce its services or accessibility to Chapel Hill residents during the term of this Agreement, or in the event that the Center shall fail to render a satisfactory accounting as provided herein, then in that event the Town may terminate this Agreement.

9. Compliance

The Center agrees to comply with all applicable Federal, state and local laws; regulations, and policies governing the funds provided under this contract.

IN WITNESS WHEREOF, the parties hereunto cause this Performance Agreement to be executed in their respective names.

This the 7th day of February, 1995.

TOWN OF CHAPEL HILL
A Municipal Corporation

PINES COMMUNITY CENTER, INC.

By: W. Cal
Town Manager

By: Marion Jones Brooks
President

Attest: [Signature]

Attest: Virginia Barbee



Approved as to form: Ralph D. Kampino
Town Attorney

This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

Roger S. Walden
Planning Director

James M. Baker
Town Finance Director

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WORK STATEMENT

- 1) Pines Community Center, Inc. will purchase approximately nine (9) acres of property located off of Park Road and Merritt Mill Road.
- 2) Pines Community Center, Inc. will secure permanent financing from a financial institution.
- 3) The Pines Community Center, Inc. will develop the property located off of Park Road and Merritt Mill Road for the purpose of providing homeownership opportunities to Chapel Hill families at or below 60% of the area the median income by household size. The Center will submit to the Town low-income verification for each potential homeowner.
- 4) Pines Community Center, Inc. will develop the property in conformance with the Development Proposal, revised and dated January 13, 1995. (attached)
- 5) Pines Community Center, Inc. will develop a revised site plan which does not show lots with access off Merritt Mill Road.