



Terms and Conditions Constituting Part II of the Annual Contributions Contract

Master Section 8 ACC Number: _____

2.1. Definitions.

- (a) With the exception of paragraphs (b) and (c), the applicable Section 8 regulations shall define the terms used in this ACC.
- (b) "Project Receipts" with respect to each Project means the Annual Contributions payable under this ACC and all other receipts under this ACC, if any, accruing to the PHA from, out of, or in connection with the Project.
- (c) "Project Expenditures" with respect to each Project means all costs allowable under Part I of this ACC, with respect to the Project.

2.2. Lower-Income Housing Use: Compliance with Act, Regulations, and HUD-Prescribed Forms.

The PHA shall use the Annual Contributions solely for the purpose of providing decent, safe and sanitary dwellings for Families in compliance with all applicable provisions of the Act and all related regulations issued from time to time. The PHA also agrees to use all HUD-prescribed forms including the Agreement and Contract.

2.3. Eligibility and Amount of Housing Assistance Payments.

- (a) The PHA shall comply with the Income Limits established by HUD and with the requirements of HUD pursuant to Section 8(c)(7) of the Act that at least 30 percent of the Families assisted in all its Projects under its Master Section 8 ACC shall be Very Low-Income Families.
- (b) The PHA shall comply or ensure compliance with the schedules and criteria established by HUD with respect to the amounts of housing assistance payments made on behalf of Families.
- (c) The PHA shall make or cause to be made periodic reexaminations of the income, composition, and extent of exceptional medical or other unusual expenses of Families for whom housing assistance payments are being made, for the purpose of confirming or adjusting, in accordance with the applicable schedules established by HUD, the amount of rent payable by the Family and the amount of housing assistance payment.
- (d) The PHA shall determine, as part of its annual inspection and at such other times as it deems appropriate, whether an adjustment is required in the Allowance for Utilities and Other Services applicable to the dwelling unit. If the PHA determines that an adjustment should be made, the PHA shall prescribe the amount of the adjustment and notify the Owner and Family accordingly, and the PHA shall cause the Owner to make a corresponding adjustment in the amount of rent to be paid by the affected Family, and change the amount of housing assistance payment.

- (e) Prior to the approval of eligibility of a Family by the PHA and thereafter on the date established for each reexamination of the status of the Family, the PHA shall review or cause to be reviewed a written application, signed by a responsible member of the Family. This application shall set forth all data and information necessary for a determination of the amount, if any, of housing assistance payment which can be made with respect to the Family.

2.4. Inspection.

- (a) The PHA shall require, as a condition for the making of housing assistance payments, that the Owner maintain the assisted dwelling units and related facilities in decent, safe, and sanitary condition.
- (b) The PHA shall inspect or cause to be inspected dwelling units and related facilities prior to commencement of occupancy by Families, and thereafter at least annually, to assure that decent, safe, and sanitary housing accommodations are being provided and that the agreed-to services are being furnished.

2.5. Nondiscrimination in Housing.

- (a) The PHA shall comply with all requirements imposed by Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d, et seq.; the HUD regulations issued thereunder, 24 CFR, Subtitle A, Part 1; the HUD requirements pursuant to these regulations; and Executive Order 11063, so that in accordance with that Act, the regulations and requirements of HUD, and Executive Order 11063, and implementing regulations, no person in the United States shall, on the ground of race, color, creed, religion, or national origin, be excluded from participation in, or be denied the benefits of, the Housing Assistance Payments Program, or be otherwise subjected to discrimination. The PHA shall, by contractual requirement, covenant, or other binding commitment, assure the same compliance on the part of any subgrantee, contractor, subcontractor, transferee, successor in interest, or other participant in the program or activity, such commitment to include the following clause:

"This provision is included pursuant to the regulations of HUD issued under Title VI of the Civil Rights Act of 1964, and Executive Order 11063 and the HUD requirements pursuant to the regulations. The obligation of the Owner to comply with these requirements inures to the benefit of the United States of America, HUD, and the PHA, any of which shall be entitled to invoke any remedies available by law to redress any breach thereof or to compel compliance therewith by the Owner."

- (b) The PHA shall comply with all requirements imposed by Title VIII of the Civil Rights Act of 1968, and any related rules and regulations.

(c) The PHA shall not, on account of creed or sex, discriminate in the sale, leasing, rental or other disposition of housing or related facilities (including land) included in any Project or in the use or occupancy of it, nor deny to any Family the opportunity to apply for such housing, nor deny any eligible applicant the opportunity to lease or rent any dwelling in any such housing suitable to its needs. No person shall automatically be excluded from participation in or be denied the benefits of the Housing Assistance Payments Program because of membership in a class such as unmarried mothers, recipients of public assistance, handicapped persons, etc.

(d) In accordance with any rules and regulations issued by HUD pursuant to Section 504 of the Rehabilitation Act of 1973, as amended, the PHA (1) shall not discriminate against any person on the basis of handicap and (2) shall cause to be incorporated into all contracts executed in connection with this Project a provision requiring compliance with rules and regulations issued pursuant to Section 504.

2.6. Equal Employment Opportunity.

(a) (1) The PHA shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, sex, handicap or national origin. The PHA shall take affirmative action to assure that applicants are employed, and that employees are treated during employment, without regard to race, color, creed, religion, sex, handicap, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

(2) The PHA agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by HUD setting forth the provisions of this nondiscrimination clause. The PHA will in all solicitations or advertisements for employees placed by or on behalf of the PHA state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, handicap or national origin. The PHA will incorporate the foregoing requirements of this paragraph in all of its contracts for project work, except contracts for standard commercial supplies or raw materials, and will require all of its contractors for such work to incorporate such requirements in all subcontracts for Project work.

(b) (See Note 1) (1) The PHA shall incorporate or cause to be incorporated into any contract for construction work, or modification thereof, as defined in the regulations of the Secretary of Labor at 41 CFR, Chapter 60, which is to be performed pursuant to this contract, the following Equal Opportunity clause:

"Equal Employment Opportunity"

"During the performance of this contract, the contractor agrees as follows:

(A) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, creed, sex, or national origin. The contractor will take affirmative

action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, creed, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the PHA setting forth the provisions of this nondiscrimination clause.

(B) The contractor will in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, creed, sex, or national origin.

(C) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representative of the contractor's commitments under this Section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(D) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(E) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by HUD and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(F) In the event of the contractor's noncompliance with the nondiscrimination clause of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part, and the contractor may be declared ineligible for further contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulations, or order of the Secretary of Labor or as otherwise provided by law.

(G) The contractor will include the portion of the sentence immediately preceding Paragraph (A) and the provisions of Paragraphs (A) through (G) in every subcontract or purchase order unless exempted by the rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontractor or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that in the event a contractor

Note 1: Only applicable to construction contracts more than \$10,000.

becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Government, the contractor may request the United States to enter into such litigation to protect the interests of the United States.”

(2) The PHA agrees that it will assist and cooperate actively with HUD and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the Equal Opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish HUD and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist HUD in the discharge of HUD’s primary responsibility for securing compliance.

(3) The PHA further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order No. 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and Federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the Equal Opportunity clause as may be imposed upon contractors and subcontractors by HUD or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order.

2.7. Training, Employment, and Contracting Opportunities for Businesses and Lower-Income Persons. (See Note 2)

(a) The project assisted under this ACC is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that, to the greatest extent feasible, opportunities for training and employment be given 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 area of the Project.

(b) Notwithstanding any other provision of this ACC, the PHA shall carry out the provisions of Section 3 and the regulations issued by HUD as set forth in 24 CFR, Part 135 and all applicable rules and orders issued thereunder prior to the execution of this ACC. The requirements of the regulations include, but are not limited to, development and implementation of an affirmative action plan for utilizing business concerns located within or owned in substantial part by persons residing in the area of the Project; the making of a good faith effort, as defined by the regulations, to provide training, employment, and business opportunities required by Section 3; and incorporation of the “Section 3 clause” specified by Section 135.20(b) of the regulations in all contracts for work in connection with the Project. The PHA certifies and agrees that it is under no contractual or other disability which would prevent it from complying with these requirements.

(c) Compliance with the provisions of paragraph (b) prior to approval by HUD of the application for this ACC shall be a condition of the Federal financial assistance provided to the Project, binding upon the PHA, its successors and assigns. Failure to fulfill these requirements shall subject the PHA, its

contractors and subcontractors, its successors, and assigns to the sanction specified by this ACC and to such sanctions as are specified by 24 CFR, Section 135.135 or any successor provisions.

(d) The PHA shall incorporate or cause to be incorporated into any contract pursuant to this contract such clause or clauses as are required by HUD for compliance with its regulations issued pursuant to the Housing and Urban Development Act, as amended. The PHA shall cooperate with HUD in the conducting of compliance reviews pursuant to said Acts and Regulations.

2.8. Cooperation in Equal Opportunity Compliance Reviews.

The PHA shall cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to applicable civil rights statutes, Executive Orders, and related rules and regulations.

2.9. Relocation, Clean Air Act and Federal Water Pollution Control Act, and Flood Disaster Protection Act.

(a) **Relocation.** In the case of a project involving acquisition of real property by a PHA or other federally assisted state agency as defined in the Uniform Relocation Assistance and Real Property Acquisition Policies Act (42 U.S.C. 4601), the PHA understands and agrees that the relocation of, and payments to, site occupants will be carried out in accordance with all regulations and requirements of HUD and in compliance with the requirements of the Uniform Act. The PHA warrants and agrees that such requirements will be complied with. The PHA hereby gives the assurances required by Section 210 of the Uniform Act.

(b) **Clean Air Act and Federal Water Pollution Control Act. (See Note 3)** The PHA shall incorporate or cause to be incorporated, into any contract for moderate rehabilitation, such clause or clauses as HUD requires for compliance with the regulations issued by the Environmental Protection Agency pursuant to the Clean Air Act, as amended, the Federal Water Pollution Control Act, as amended, and Executive Order 11738. The PHA shall cooperate with HUD in the conducting of compliance reviews pursuant to these Acts and regulations.

(c) **Flood Disaster Protection Act.** The PHA agrees to comply with HUD requirements under the Flood Disaster Protection Act of 1973.

2.10. Labor Standards.

The PHA shall incorporate or cause to be incorporated into any contract for moderate rehabilitation of nine or more assisted dwelling units, such clause or clauses as are required by HUD for compliance with its regulations issued pursuant to the Copeland Act, the Davis-Bacon Act, and the Contract Work Hours and Safety Standards Act. The PHA shall cooperate with HUD in the conducting of compliance reviews pursuant to these Acts and regulations.

2.11. Estimates of Required Annual Contribution.

The PHA shall from time to time submit to HUD estimates of required contribution at such times and in such form as HUD may require. All estimates and any revisions submitted under this Section are subject to HUD approval.

Note 2: Only applicable to work done under an Agreement or Contract if the Contract Rents under the Contract, over the maximum term of the Contract, are more than \$500,000.

Note 3: Only applicable if the Contract Rents, over the maximum term of the Contract, are more than \$100,000.

2.12. Insurance and Fidelity Bond Coverage.

For purposes of protection against hazards arising out of or in connection with the administrative activities of the PHA in carrying out the Project, the PHA shall carry adequate (a) fidelity bond coverage of its officers, agents, or employees handling cash or authorized to sign checks or certify vouchers and (b) insurance coverage to meet any requirements of State and local law.

2.13. Books of Account and Records: Reports.

(a) The PHA shall maintain complete and accurate books of account and records, as HUD may prescribe from time to time in connection with the Projects, including records which permit a speedy and effective audit, and will among other things fully disclose the amount and the disposition by the PHA of the Annual Contributions and other Project Receipts, if any.

(b) The PHA shall maintain its books of account and records for each Project as separate and distinct from all other Projects and undertakings of the PHA except as authorized or approved by HUD.

(c) The PHA shall furnish HUD such financial, operating, and statistical reports, records, statements, and documents at such times, in such form, and accompanied by such supporting data, all as HUD reasonably may require from time to time.

(d) HUD and the Comptroller General of the United States, or his duly authorized representatives, shall have full and free access to the Projects and to all the books, documents, papers, and records of the PHA that are pertinent to its operations with respect to financial assistance under the Act, including the right to audit, and to make excerpts and transcripts from the books and records.

(e) The PHA shall incorporate or cause to be incorporated in all Contracts the following clauses:

"PHA and HUD Access to Premises and Owner's Records"

"(1) The Owner shall furnish information and reports pertinent only to this Contract as the PHA reasonably may require from time to time.

(2) The Owner shall permit the PHA or HUD or any of their duly authorized representatives, to have access to the premises and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the Owner relevant to this Contract, including the verification of information pertinent to the housing assistance payments."

(f) The PHA shall be responsible for engaging and paying the auditor for the making of audits as required by HUD. HUD shall compensate the PHA under this ACC for the cost of these audits.

2.14. Depositary Agreement.

(a) (1) The PHA shall maintain one or more agreements, which are collectively called the "General Depositary Agreement," with a bank(s) selected as depositary by the PHA.

(2) The PHA may maintain one or more agreements, which are collectively called the "Savings Depositary Agreement," with a savings and loan institution(s) or credit union(s) selected as a depositary by the PHA for the investment of excess funds.

(3) All General Depositary Agreements and Savings Depositary Agreements are collectively called the "Depositary Agreement." All banks, savings and loan institutions, and credit unions are collectively called the "Depositary."

(4) The Depositary Agreement shall be in the form prescribed or approved by HUD for the particular type of Depositary. The Depositary shall be, and continue to be, a member of the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Share Insurance Fund, as the case may be.

(5) Immediately upon the execution of any Depositary Agreement, the PHA shall furnish to HUD such executed or conformed copies as HUD may require.

(6) No Depositary Agreement shall be terminated except after 30 days written notice to HUD.

(b) The PHA shall deposit promptly with the Depositary, under the terms of the Depositary Agreement, all Project Receipts pursuant to this ACC.

(c) The PHA may withdraw monies pursuant to the Depositary Agreement only for (1) payments pursuant to the Housing Assistance Payments Contract, and (2) other purposes specifically approved by HUD. No withdrawals shall be made except in accordance with a voucher or vouchers then on file in the office of the PHA stating in proper detail the purpose for which the withdrawal is made.

(d) If HUD makes a determination, after notice to the PHA giving it a reasonable opportunity to take corrective action, that the PHA is in Substantial Default or if HUD determines that the PHA has made any fraudulent or willful misrepresentation of any material fact in any of the documents or data submitted to HUD pursuant to this ACC or in any document or data submitted to HUD as a basis for this ACC or as an inducement to HUD to enter into this ACC, HUD shall have the right to (1) give notice of the determination to any Depositary which holds any monies pursuant to the Depositary Agreement and (2) require the Depositary, on the basis of such notice, to refuse to permit any withdrawals of such monies. However, upon the curing of such Default, HUD shall promptly rescind such notice and requirement.

2.15. Pooling of Funds Under Special Conditions and Revolving Fund. (See Note 4)

(a) The PHA may deposit under the terms of the General Depositary Agreement monies received or held by the PHA in connection with any other ACC or any administration contract or lease between the PHA and HUD.

(b) The PHA may also deposit under the terms of the General Depositary Agreement amounts necessary for current expenditures of any other project or enterprise of the PHA, including any project or enterprise in which HUD has no financial interest. However, such deposits shall be lump-sum transfers from the Depositaries of the other projects or enterprises, and shall in no event be deposits of the direct revenues or receipts of the other projects or enterprises.

Note 4: Use of this Section 2.15. is optional.

(c) If the PHA operates other projects or enterprises in which HUD has no financial interest, it may, from time to time, withdraw such amounts as HUD may approve from monies on deposit under the General Depositary Agreement for deposit in and disbursement from a revolving fund provided for the payment of items chargeable in part to the Projects and in part to other projects or enterprises of the PHA. However, all deposits in the revolving fund shall be lump-sum transfers from the Depositaries of the related projects or enterprises and shall in no event be deposits of the direct revenues or receipts.

(d) The PHA may establish petty cash or change funds in reasonable amounts from monies on deposit under the General Depositary Agreement.

(e) In no event shall the PHA withdraw from any of the funds or accounts authorized under this Section amounts for the Projects or for any other project or enterprise in excess of the amount then on deposit in respect to it.

2.16. Defaults by PHA and/or Owner.

(a) Rights of Owner if PHA Defaults Under Agreement or Contract. (The provisions of this Paragraph (a) apply only to Moderate Rehabilitation Projects.)

(1) If the PHA fails to comply with the Agreement with the Owner, or if the Agreement is held to be void, voidable or ultra vires, or if the power or right of the PHA to enter into the Agreement is drawn into question in any legal proceeding, or if the PHA asserts or claims that the Agreement is not binding upon the PHA for any reason, HUD may, after notice to the PHA giving it a reasonable opportunity to take corrective action, declare a Substantial Default under the ACC. Where HUD so determines, it may assume the PHA's rights and obligations under the Agreement and carry out the obligations of the PHA under the Agreement, including the obligation to enter into the Contract.

(2) If the PHA fails to comply with the Contract with the Owner, or if the Contract is held to be void, voidable or ultra vires, or if the power or right of the PHA to enter into the Contract is drawn into question in any legal proceeding, or if the PHA asserts or claims that the Contract is not binding upon the PHA for any reason, HUD may, after notice to the PHA giving it a reasonable opportunity to take corrective action, declare a Substantial Default under this ACC. Where HUD so determines, it shall have the right to assume the PHA's rights and obligations under the Contract, perform the obligations and enforce the rights of the PHA, and exercise such other powers as HUD may have to cure the Default. Whether or not HUD elects to proceed in this manner, HUD shall, if it determines that the Owner is not in default, continue for the duration of the Contract to pay Annual Contributions for the purpose of making housing assistance payments with respect to dwelling units under the Contract.

(3) All rights and obligations of the PHA assumed by HUD pursuant to this paragraph (a) will be returned as constituted at the time of such return (i) when HUD is satisfied that all defaults have been cured and that the Project will thereafter be administered in accordance with all applicable requirements, or (ii) when the Contract is at an end, whichever occurs sooner.

(4) The provisions of this paragraph (a) are made with, and/or for the benefit of, the Owner, the PHA (where it is the lender and then only in its capacity as lender), or the Owner's other assignees, if any, who will have been specifically approved by the PHA prior to the assignment. If the parties are not in default, they may, to enforce the performance of these provisions (i) demand that HUD, after notice to the PHA giving it a reasonable opportunity to take corrective action, make a determination whether a Substantial Default exists under paragraph (a)(1) or (a)(2) of this Section, (ii) if HUD determines that a Substantial Default exists, demand that HUD take action as authorized in paragraph (a)(1) or (a)(2), and (iii) proceed against HUD by suit at law or equity.

(b) Rights of HUD if the PHA Defaults Under ACC, Agreement, or Contract.

(1) If the PHA fails to comply with its obligations under any duly issued Certificate of Family Participation or Statement of Family Responsibility in accordance with its terms; defaults in the performance or observance of any term, covenant, or condition of this ACC or of any term, covenant, or condition of any Contract or Agreement; fails in the event of any default by the Owner, to enforce its rights under the Agreement or Contract by way of action to achieve compliance to the satisfaction of HUD or to terminate the Agreement or Contract in whole or in part, as directed by HUD, or fails to comply with the applicable provisions of the Act and the regulations issued pursuant thereto; HUD may, after notice to the PHA giving it a reasonable opportunity to take corrective action, determine that the occurrence of any of these events constitutes a Substantial Default under this ACC as to the Project. Upon the occurrence of a Substantial Default with respect to any Project, the PHA shall, if HUD so requires, assign to HUD all of its rights and interests under the Agreement or Contract, including any funds, and HUD shall continue to pay Annual Contributions with respect to dwelling units covered by Housing Assistance Payments Contracts in accordance with the terms of this ACC and of the Contracts until reassigned to the PHA.

(2) All rights and obligations of the PHA assumed by HUD pursuant to this paragraph (b) will be returned as constituted at the time of the return (i) when HUD is satisfied that all defaults have been cured and that the Project will thereafter be administered in accordance with all applicable requirements, or (ii) when the Housing Assistance Payments Contract is at an end, whichever occurs sooner.

(c) Rights of PHA and HUD if Owner Defaults Under Contract.

(1) A default by the Owner under the Contract shall result if:

a. The Owner has violated or failed to comply with any provision of, or obligation under, the Contract or of any Lease;

b. The Owner has asserted or demonstrated an intention not to perform some or all of his obligations under the Contract or under any Lease; or

c. For projects with mortgages insured by HUD, the Owner has violated or failed to comply with the regulations for

the applicable mortgage insurance program, or with the Regulatory Agreement; or the Owner has filed any false statement or misrepresentation with the Federal Housing Commissioner in connection with the mortgage insurance.

(2) Upon a determination by the PHA that a default has occurred, the PHA shall notify the Owner, with a copy to HUD of (1) the nature of the default, (2) the actions required to be taken and the remedies to be applied on account of the default (including actions by the Owner to cure the default, and, where appropriate, abatement of housing assistance payments in whole or in part and recovery of overpayments), and (3) the time within which the Owner shall respond with a showing that he has taken all the actions required of him. If the Owner fails to respond or take action to the satisfaction of the PHA and HUD, the PHA shall have the right to terminate the Contract in whole or in part or take other corrective action to achieve compliance, in its discretion or as directed by HUD.

(3) (The provisions of this paragraph c(3) shall apply only if the PHA is the lender). Notwithstanding any other provisions of this Contract, in the event HUD determines that the Owner is in default of his obligations under the Contract, HUD shall have the right, after notice to the Owner and the PHA giving them a reasonable opportunity to take corrective action, to abate or terminate housing assistance payments and recover overpayments in accordance with the terms of the Contract. In the event HUD takes any action under this Section, the Owner and the PHA hereby expressly agree to recognize the rights of HUD to the same extent as if the action were taken by the PHA. HUD shall not have the right to terminate the Contract except by proceeding in accordance with paragraph c(2) of this Section.

2.17. Remedies Not Exclusive and Non-Waiver of Remedies.

The availability of any remedy provided for in this ACC or in the Contract shall not preclude the exercise of any other remedy under this ACC or the Contract or under any provisions of law, nor shall any action taken in the exercise of any remedy be deemed a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

2.18. Interests of Members, Officers, or Employees of PHA, Members of Local Governing Body, or Other Public Officials.

(a) Neither the PHA nor any of its contractors or their subcontractors shall enter into any contract, subcontract, or arrangement, in connection with any Project in which any of the following classes of persons has an interest, direct or indirect, during tenure or for one year thereafter:

(1) any member or officer of the PHA except those members or officers who have an interest in the Section 8 Program by reason of their tenancy in a Section unit, or

(2) any employee of the PHA who formulates policy or who influences decisions with respect to the Section 8 Program; or

(3) any public official, member of a governing body, or State legislator who exercises functions or responsibilities with respect to the Section 8 Program.

(b) Any members of the classes described in paragraph (a), must disclose their interest or prospective interest to the PHA and HUD, and may, with appropriate justification, if consistent with State law, apply through the PHA to HUD for a waiver.

(c) No person to whom a waiver is granted shall be permitted (in the capacity as member of a class described in paragraph (a)) to exercise responsibilities or functions with respect to an Agreement or Contract executed, or to be executed, on his or her behalf, or with respect to an Agreement or a Contract to which this person is a party.

(d) Notwithstanding the provisions of paragraphs (a) through (c), a PHA responsible for the administration of the Contract may, with prior HUD approval and pursuant to a contract between the PHA and the Owner of existing housing or moderately rehabilitated units, exercise management and maintenance responsibilities with respect to the units covered by Contracts.

(e) The PHA and contractors and subcontractors shall insert in all contracts, subcontracts, and arrangements entered into in connection with any Existing Housing or Moderate Rehabilitation Project or any property included or planned to be included in any Project, and shall require its contractors to insert in each of its subcontracts, the provisions of paragraphs (a) through (e).

(f) The provisions of paragraphs (a) through (e) of this section shall not be applicable to the Depositary Agreement, or utility service for which the rates are fixed or controlled by a governmental agency.

2.19. Interest of Member of or Delegate to Congress.

No member of or delegate to the Congress of the United States of America or resident commissioner shall be admitted to any share or part of this ACC or to any benefits which may arise from it.