

## **AGREEMENT FOR PROFESSIONAL SERVICES**

THIS AGREEMENT made and entered into as of the \_\_\_\_\_ day of March, 2002, by and between the Town of Carrboro, North Carolina, with its principal offices at 301 West Main Street, Carrboro, North Carolina, 27510 (hereinafter referred to as the TOWN) and The University of North Carolina at Chapel Hill Small Business Technology Development Center, with its offices at 608 Airport Road, Chapel Hill, North Carolina 27514, (hereinafter referred to as the CONSULTANT);

WITNESSETH, that whereas the TOWN operates and/or participates in certain Economic Development activities, one of these activities is a revolving loan program, and whereas the TOWN cannot conveniently and economically act as Loan originator for this program, and whereas the CONSULTANT has submitted to the TOWN a proposal pursuant to which the CONSULTANT would provide such services to the TOWN;

NOW, THEREFORE, the TOWN and the CONSULTANT, in consideration of their mutual covenants, herein agree in respect of the performance of professional analytical and loan packaging services by the CONSULTANT and the payment for those services.

### **SECTION 1 — BASIC SERVICES**

The scope of work is described in Attachment I. CONSULTANT will pre-screen loan applicants, gather such documentation as is necessary for the TOWN to determine whether applicants qualify for requested loans, and furnish the TOWN staff with loan underwriting packages and consult with them on the staff presentation to the TOWN Board.

### **SECTION 2 — THE TOWN'S RESPONSIBILITIES**

The TOWN shall close and service the Loans. The TOWN shall also have absolute control over the approval of the loans. The TOWN shall keep the CONSULTANT abreast of

proposed meeting dates and deadlines and the TOWN shall market the loan program. The Community Development Coordinator for the TOWN shall be the CONSULTANT's primary contact.

### **SECTION 3 — PERIOD OF SERVICE**

This contract is to run for a period of three (3) years, but may be canceled by either party upon 60 days advance written notice to the other.

### **SECTION 4 — PAYMENTS**

CONSULTANT is to be compensated for developing the Loan Package and underwriting criteria required by the Town, and for providing this information to the Town to assist the Town Board of Aldermen in making final decisions on Loan applications. The amount of the fee shall be 2% or the lesser of (i) the loan amount requested by the BORROWER or (ii) the amount of the loan approved by the TOWN (the "Origination Fee"). When a Loan is approved by the Town, the Origination Fee shall be paid to Consultant from the proceeds of the Loan upon funding.

In the event the loan is not extended, Consultant shall be entitled to a fee of \$300 to be paid by the Town if the loan is declined at any point in the approval process or if the BORROWER voluntarily discontinues their application.

The TOWN shall not be liable for the \$300 fee for disapproved loans if the reason for such disapproval is unavailability of funds in the TOWN'S revolving loan program or if the BORROWER cannot get financing for the complete project; provided that the Town shall from time to time, at the request of CONSULTANT, provide CONSULTANT with the amount of funds available for lending in such program and the CONSULTANT shall be entitled to rely upon such representations by the TOWN in taking and preparing applications for loans.

CONSULTANT shall help prepare and submit loan applications for all applicants the TOWN directs to the SBTDC for assistance with their loan package. TOWN shall direct applicants to identify themselves as loan candidates when they make contact with the SBTDC.

Expenses: CONSULTANT shall be responsible for all expenses, unless unusual expenses (such as Federal Express) are requested by the TOWN.

## **SECTION 5 — GENERAL CONSIDERATIONS**

Termination: This contract may be terminated at the pleasure of either party by service of written notice of termination either by certified mail - return receipt requested, by registered mail, or by personal service.

Personnel & Service: The CONSULTANT shall furnish qualified personnel to implement the program. The CONSULTANT shall maintain a local telephone number and shall respond to inquiries from potential borrowers within 48 hours, weekends and legal holidays excepted.

Successors and Assigns: Neither the TOWN nor the CONSULTANT will assign, sublet, or transfer their respective interests in this Agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body which may be party hereto, nor shall it be construed as giving rights of benefits hereunder to anyone other than the TOWN and the CONSULTANT.

## **SECTION 6 — SPECIAL PROVISIONS**

Minimum Documentation: For each proposed loan, the CONSULTANT shall deliver to the TOWN a loan application in the form provided by the Town stating the amount, rate and term of the loan sought by the Borrower, and such additional information as the Town may require using the guidelines of Attachments I, II, and III.

**Nondiscrimination Agreement:** The CONSULTANT agrees not to discriminate in any manner on the basis of age, handicap, sex, race, color, creed, or national origin, with reference to the subject matter of this AGREEMENT, no matter how remote.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement the day and year first written above.

TOWN OF CARRBORO:

By: \_\_\_\_\_  
Robert Morgan, Town Manager

ATTEST:

\_\_\_\_\_  
Town Clerk

(SEAL)

The University of North Carolina at Chapel Hill for it's  
North Carolina Small Business & Technology  
Development Center (SBTDC)

By: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

(SEAL)

This instrument has been pre-audited in the manner provided in the Local Government Budget and Fiscal Control Act.

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Carrboro Finance Director