PROJECT AGREEMENT No.
H-PAHD-VIHA- DONOE REDEVELOPMENT LMI

Project Name: Estate Donoe Redevelopment Project
November 19, 2020

An Agreement, by and between the **VIRGIN ISLANDS HOUSING FINANCE AUTHORITY** ("VIHFA" or "Grantee"), a body corporate and politic constituting a public corporation and autonomous governmental instrumentality of the Government of the Virgin Islands, at 3202 Demarara Plaza, Suite 200, St. Thomas 00802, the **VIRGIN ISLANDS HOUSING AUTHORITY** ("VIHA"), a body corporate and politic of the Government of the Virgin Islands, at 9900 Oswald Harris Court, St. Thomas, USVI 00802, and herein jointly referred to as the "Parties" or "Virgin Islands Entities." This Agreement is conditioned upon, and subject to, VIHA adherence to the requirement found in the Community Development Block Grant Disaster Recover 2017 Funds Subrecipient Agreement No. SA-CDBGDR-HA-001-2019 between VIHA and VIHFA (the "Action Plan").

IT IS MUTUALLY AGREED AS FOLLOWS:

SECTION 1: SCOPE OF SERVICES

The Estate Donoe Redevelopment Project (Estate Tutu Phase I) is a proposed 84-unit new affordable rental community in St. Thomas, USVI (the "Project"). The Project is the first launch of the total development effort, providing eighty (84) units of replacement rental housing for residents of the Estate Tutu Hi Rise Apartments public housing development. Sixty (60) of these eighty-four (84) replacement housing will be set aside of households earning up to 30% AMI and the remaining twenty-four (24) units of the project will be affordable to households earning up to 60% of Area Median Income. Therefore, 100% of the Project's units will be affordable to low- or very low-income individuals and families. The Project will comply with all federal accessibility requirements.. There will be a separate non-residential community building with a community multi-purpose room and exercise facilities, and the management/ leasing offices.

SECTION 2: PROJECT SUMMARY

The site is vacant land owned by the Virgin Islands Housing Authority. This site was densely populated with 300 units almost 20 years ago and will be redeveloped with only 84 units and about half of the site will be used as a nature trail. The Project will be owned by Donoe Redevelopment Partners, LLC (the "Project Owner").

The proposed project entails New Construction through excavation and new earthwork for redeveloping the vacant and former Estate Donoe Apartments public housing site, new roads, foundations, utility systems, 1, 2- & 3-bedroom apartments with connection to photovoltaic panels with battery back-up and micro-turbine generators. The units will be supplied with electric appliances, along with the option for cable, internet, air conditioning and telephone access.

Additionally, part of the site work will include the partial removal of thousands of cubic yards of crushed concrete and rebars that has remained on this vacant property since its demolition in 2002.

The buildings will be constructed as hardened and resilient buildings with reinforced concrete walls at the exterior with impact-resistance glass windows and sliding glass doors. The roof will also be constructed to withstand Category 5 hurricane winds, through the use of engineered truss systems and elastomeric coated roofs. The project is also designed on a property with a sloped grade and it is located outside of the tsunami zone. Vehicular and pedestrian access to the site will be designed along the existing roadways which remained from the development that previously existed at the same location.

The Project Owner has secured Low Income Housing Tax Credits, Energy Credits, Seller's Note FEMA and Developer's Equity for the construction of the Project. VIHA intends to loan to the Project the Community Development Block Grant Disaster Recovery ("CDBG-DR") Funds for re-development expenses, construction cost and staff salaries for the management of the Project, subject to the terms of this Agreement (the "CDBG-DR Loan")

The CDBG-DR Loan will be evidenced by the following documents: the CDBG-DR Program Loan Agreement between VIHA and Project Owner; the CDBG-DR Note, the Leasehold Mortgage (Construction Security Interest); Assignment of Leases and Rents, and Security Agreement between VIHA and Project Owner (the "Mortgage"); the Performance and Completion Guaranty by Pennrose, LLC ("Guarantor") in favor of VIHA; the Guaranty of Payment of Recourse Liabilities by Guarantor in favor of VIHA; and the Subordination Agreement (the "Loan Documents").

SECTION 3: NATIONAL OBJECTIVE

Activities Benefiting Low /Moderate Income Persons.

Housing activities. The Project is an eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate-income households.

SECTION 4: TERM OF AGREEMENT

The term of this Agreement is November 19, 2020 to October 1, 2023 but may be extended pursuant to a written amendment to this Agreement as authorized in VIHA Subrecipient Agreement SA-DR-(HA)-001-2019. In any event, this Agreement shall cover the period that the Grantee has control over CDBG-DR funds.

SECTION 5: PROJECT BUDGET

Subject to the terms and conditions of this Agreement, VIHFA, as Grantee and administrator of the CDBG-DR Program, shall make available to VIHA CDBG-DR funds up to the maximum amount of Ten Million Dollars ($10,000,000.00) (the "Grant Funds") for the purpose of funding activities under the Action Plan, as amended from time to time, related to the stated Donoe Redevelopment projects. The funds allocated for VIHA are intended for use only on implementation of New Construction activities.

The Grant Funds must be expended by VIHA within two and a half years of the receipt of the Authority to Use Grant funds which was received on November 19, 2020, unless an extension is hereinafter granted in writing by HUD or as approved by VIHFA.

The VIHFA is required to ensure all contracts with VIHA, units of local government and Contractors clearly stipulate the period of performance or the date of completion. Virgin Islands Housing Authority will provide to VIHFA a performance narrative report, to be updated on a periodic basis as defined by VIHFA.

The total authorized budget of Ten Million Dollars ($10, 000,000.00)is broken down in two categories, predevelopment and construction cost and activity delivery cost:

Budget Summary - Pre-Development and Construction Cost:

Activity/Task	Maximum Amount
Architectural Design	[redacted]
Civil Engineering	[redacted]
Geotechnical	[redacted]
Survey	[redacted]
Environmental	[redacted]
Zoning/Permits	[redacted]
Energy Consultant-HERS/LEED	
Consulting Fees	[redacted]
Market Study	[redacted]
Tax Credit Allocation Fees	[redacted]
Tax Credit Application Fees	[redacted]
Lender Fees	[redacted]

Insurance		[redacted]
Hydrology Survey		
General Development Costs		
Construction Costs		
TOTAL		

Activity Delivery Cost

Grantee will, upon receipt of acceptable documentation from the VIHA, reimburse actual reasonable Activity Delivery Costs related to the housing recovery activities up to a maximum of $549,691.20.

Request for reimbursement must be accompanied by certified timesheets documenting the hours that VIHA staff are charging to the project for the implementation.

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JOB TITLE	STATUS	Annual Salary w Benefits	Percentage	3 YEAR SALARY & BENEFITS Time Allocation
Director of Housing Choice Voucher Program	FT	[redacted]	[redacted]	[redacted]
Director of Asset Management	FT	[redacted]	[redacted]	[redacted]
Interim Director of Modernization & Development	FT	[redacted]	[redacted]	[redacted]
Executive Director	FT	[redacted]	[redacted]	[redacted]
Procurement Manager	FT	[redacted]	[redacted]	[redacted]
Construction Manager	FT	[redacted]	[redacted]	[redacted]
Inspector (Modernization)	FT	[redacted]	[redacted]	[redacted]
Chief Financial Officer	FT	[redacted]	[redacted]	[redacted]
Administrative Assistant	FT	[redacted]	[redacted]	[redacted]
Deputy Executive Director	FT	[redacted]	[redacted]	[redacted]
Total				
3 Years not to exceed				[redacted]

The Parties may agree, in writing, to a revision of the Budget or a reallocation of funds between categories within the Budget without the need to amend this Agreement; provided however, that in no case shall any revisions or reallocations exceed the total allocation of the Grant Funds under this Agreement without prior written consent of the Grantor. Any requested changes to the budget, must be submitted in writing by the Grantee, prior to consideration of any draw request.

A. **Time of Payment**: Payment shall be made upon receipt of reimbursement/payment request voucher sent to VIHFA along with required supporting documentation.

B. **Disbursement of Payment**: The Grantee shall apply the funds under this Project Agreement in accordance with the Budget Summary. Any request for a line-item expense change shall be submitted in writing and shall specifically state the reasons for the requested increase and a justification for the corresponding decrease in other line-item(s). All requests for budget revisions and/or amendments will be reviewed and approved or denied based on the Budget Summary.

C. CDBG-DR Regulatory Agreement.

(a) As a condition to disbursement of proceeds, VIHA will be required to execute and deliver to VIHFA the CDBG-DR Regulatory Agreement which shall be recorded in the Lt Governor's Office and shall be subordinate only to those liens and encumbrances agreed to by VIHFA, in its sole discretion. The CDBG-DR Regulatory Agreement shall have a stated forty (40) year duration, subject to termination in the event of foreclosure as provided under the CDBG-DR Regulatory Agreement.

Duplication of Benefits

CDBG-DR funding is considered as the "funding of last resort." As such, VIHA is required to exhaust all other potential funding sources prior to using CDBG-DR funding This includes funding potentially made available by FEMA. Documentation of a refusal by FEMA to provide funding for this project will be required prior to any change or consideration of additional funding from CDBG-DR.

In addition, VIHFA requires that VIHA, as a condition for receiving cost reimbursement, repay to VIHFA any funding VIHA has or later receives from any other disaster assistance funding source for the activities for which it will be receiving CDBG-DR funds. VIHA agrees, as a condition of funding, to repay the funding if it later receives other disaster assistance funding for the same purposes herein. Additionally, funds may be used as a matching requirement, share, or contribution for any other Federal program when used to carry out an eligible CDBG-DR activity if there is no duplication of benefits of federal funds. This includes programs or activities administered by, but not limited to, the Federal Emergency Management Agency (FEMA), the U.S. Environmental Protection Agency (EPA), or the U.S. Army Corps of Engineers (USACE).

Program Income

Grantor agrees to permit VIHA to retain program income. VIHA agrees to collect and record Program Income generated by activities assisted under this Agreement. Program Income, as defined in 24 CFR

570.,500(a) and further defined by Federal Register notice (FR–6066–N–01), means any gross income received by VIHA that was directly generated by the use of grant funds. This includes but is not limited to principal and interest payments on any loans made to the Project by VIHA, as well as income earned on Program Income pending disposition of the income. Program Income generated after the closeout of the grant, must be returned to VIHFA.

VIHFA will establish a Program Income account specifically for VIHA in DRGR Grant system administered by CDBG-DR and shall record as part of the financial transaction the receipt and expenditure of Program income by VIHA. VIHA shall submit a quarterly report to the Grantor detailing the receipts and uses of Program Income.

SECTION 6: DOCUMENTATION OF PROJECT COSTS AND OTHER FINANCIAL REPORTING

All payment requests will be made based on the submitted budget and shall be supported by source documentation, including, but not limited to, purchase orders, invoices, cancelled checks, evidence of electronic payments, certified payroll and timesheets Such documentation shall be submitted to VIHFA for review. All construction draws shall be subject to a 10% retainage.,

Prior to subsequent reimbursement requests, VIHA must reconcile their financial records, identify any unspent funds or excess cash on hand; .Any earned interest from the unspent funds or excess cash on hand must be remitted to VIHFA. These reconciliations must be available to VIHFA for review upon request.

SECTION 7: PERFORMANCE MEASURES / PROJECT MILESTONES CONDITIONS:

VIHA must submit to VIHFA all CDBG-DR procurements for review and approval prior to solicitation following which, the solicitation uploaded and advertised on VIHFA's website. All existing contracts or procurements must be provided prior to the disbursement of any funds.

Construction must be completed by October 2023 in accordance with the submitted construction schedule. The first payment request will be processed after the authorization to Use Grant Funds for the Donoe Redevelopment Project is received in accordance with the approved budget and construction schedule attached as Exhibit A.

Program Income

The VIHA shall report quarterly on all program income (as defined at 24 CFR 570.500(a)) generated by activities carried out with CDBG-DR funds made available under this grant. The

use of program income by the VIHA shall comply with the requirements set forth at 24 CFR 570.504. By way of further limitations, the VIHA must use such income during the Grant period for activities permitted under this Grant and shall reduce requests for additional funds by the amount of any such program income balances on hand. All unexpended program income shall be returned to the Grantee at the end of the contract period.

Payment Procedures

The Grantee will pay to the VIHA funds available under this Agreement based upon information submitted by the VIHA and consistent with any approved budget and Grantee policy concerning payments. With the exception of certain advances, payments will be made for eligible expenses actually incurred by the VIHA, and not to exceed actual cash requirements. Payments will be adjusted by the Grantee in accordance with program income balances available in VIHA accounts. In addition, the Grantee reserves the right to liquidate funds available under this Agreement for costs incurred by the Grantor on behalf of the VIHA

Conditions to be Met Prior to the Disbursement of the Initial Draw. Prior to the disbursement of any draws, the following conditions must be satisfied in the sole and absolute discretion of VIHFA:

(a) VIHFA shall have received executed originals of all of this Agreement and all Loan Documents (including a disbursement statement), in form and substance acceptable to VIHFA.

(b) Schedule for the commencement of construction of the Project upon completion of the Closing.

(c) VIHFA shall have received the financial statements of all Guarantors.

(d) VIHFA shall have received from the VIHA a copy of the construction budget and line item breakdown of Total Development Costs, including hard and soft costs, approved by the Investor, along with a sources and uses of funds in the amount of the Total Development Costs, a draw schedule and estimated development timing assumptions.

(e) VIHFA shall have received a copy of the certificates of insurance as to Builder's Risk and Hazard Insurance in completed value form with extended coverage in the amount of the full value of the Project, as completed, unless any of such requirements is waived by VIHFA. The policy shall also provide that such policy will not be canceled without thirty (30) days' notice to VIHA.

(f) VIHFA shall have received a copy of the payment and performance bonds from a U.S. Treasury approved surety in the full amount of the general contractor's contract price which lists VIHA as a dual oblige.

(g) VIHFA shall have received a copy of the general contractor's contract, the architect's contract, the development agreement, the management agreement and management plan, the plans and specifications, the site plan and floor plans, an appraisal and market study,

utility availability letters, and such other documentation as VIHFA may reasonably require.

(h) VIHFA shall have received a copy of the building permit(s) (or written confirmation from the relevant government authorities that the building permits are ready to be obtained subject only to payment of fees) authorizing construction of the Project together with a certificate from the public official issuing the building permit(s) that the Project will conform to existing zoning laws and specified variances, if any; and all other authorizations, permits or approvals, if any, required by any governmental authorities for the construction and operation of the Project, which are presently procurable.

(i) VIHFA shall have received a copy of the ground lease between VIHA and the Project Owner and a copy of VIHA's mortgagee's policy of title insurance, insuring VIHA's mortgage lien on the Project.

(j) VIHFA shall have received an ALTA Survey of the current condition of the Land, certified to VIHFA, showing any buildings or other improvements located thereon and platting building setback lines, servitudes, roads, encroachments, any plattable exceptions that are acceptable to VIHFA in its sole discretion and any other locatable or visible survey or title-related issues affecting the Land together with a statement as to the flood elevation and zoning for the Land and such other requirements and certification as VIHFA may reasonably require.

(k) VIHFA shall have received Project Owner's tax identification number, and evidence that the Project Owner has been awarded Tax Credits for the Project from the VIHFA in the amount stated in the reservation as well as confirmation that the Project Owner has received a commitment from an investor to purchase the tax credits pursuant to the Project Owner's Organizational Documents.

(l) VIHFA shall have received and reviewed federal System of Awards Management (SAMs) verification of good standing on all contractors.

1.1 **Conditions to be Met for All Draws.** The following are conditions for all draws and must be satisfied in the sole and reasonable discretion of VIHFA (it being understood and agreed that subject to the provisions contained in Section 5 of this Agreement, VIHFA may withhold from disbursement any amounts required to fund any reserve required by the terms of the Loan Documents):

(a) VIHA shall supply VIHFA with a copy of the Draw Request from VIHA (the "Draw Request") in the form provided by VIHFA requesting disbursement of funds for reimbursement of Eligible Expenses. Each Draw Request shall set forth the amount requested and shall be accompanied by partial releases of liens from the general contractor and all major subcontractors to the effect that such amount has been paid for labor and materials supplied to the Project for the immediately preceding draw period and that general contractor and the major subcontractors claim no lien on the Project, and such other evidence as may be required by this

Agreement or by VIHFA. . VIHFA shall have received for its approval the Draw Request for such disbursement, and any other certifications provided for herein or as requested by VIHFA in its reasonable discretion. For all draw requests submitted for payment of any contractor or supplier with an Identity of Interest relationship with VIHA, VIHA's Architect shall submit a certification of cost reasonableness, establishing that such costs are reasonable.

(b) All conditions precedent to the funding of the Construction Loan shall have been satisfied to the construction lender's satisfaction and there shall be no defaults or events with which the passage of time could serve as the basis for a default under the Construction Loan.

(c) There shall be at all times undisbursed Grant funds, which, when combined with any equity amounts to be funded by the Investor, are sufficient to complete the construction of the Project. Each Draw Request shall be deemed to be a certification by VIHA to the VIHFA that, taking into account any retainage, there will be sufficient funds to complete the Project. VIHFA shall have received from the Inspector (as such term is defined in the Loan Documents) or from VIHA a copy of the Inspector's report prior to the date of such Draw Request and such report shall be satisfactory to VIHFA in its sole discretion.

(d) VIHA shall have received an endorsement to the title insurance policy using standard construction loan disbursement endorsements updating the status of title to the date of the current Draw Request and increasing the insurance coverage to an amount equal to the sum of all prior Draw Requests and the current Draw Request, without additional exceptions or objections, except those specifically approved in writing by VIHA.

(e) VIHFA shall have received evidence that all certificates of insurance as to Builder's Risk and Hazard Insurance remain in effect.

(f) VIHFA shall have received a certificate of VIHA included with each Draw Request stating that VIHA has satisfied and is in compliance with all of the terms, covenants and conditions of this Agreement, the Program, and all laws, rules, regulations, ordinances and codes applicable to the Project, including without limitation CDBG regulations, to the extent not waived in writing. Such certificate shall state that all of VIHA's representations, warranties and covenants contained in the Application and the Grant Documents are true and correct in all material respects as of the Disbursement Date, and VIHA has performed all of its obligations under the Grant Documents, and no Default, or circumstance or event which with notice or the passage of time, or both would constitute a Default under the Grant Documents shall exist as of the Disbursement Date.

(g) If requested by VIHFA, VIHA shall furnish copies, certified by VIHA to be true and correct, of all subcontracts and purchase orders for the provision of labor and materials for the

construction of the Improvements and statements from each subcontractor and supplier: stating the amount of its contract and the amount paid to date; and acknowledging full payment (less retainage) of all sums due and payable for all work done and materials supplied.

(h) If requested by VIHFA, VIHA shall furnish to VIHFA evidence reasonably satisfactory to VIHFA that Project Owner and general contractor have obtained or can obtain all necessary materials as and when required for the completion of the Project in accordance with the Plans and Specifications.

1.2 Conditions to be Met Prior to the Disbursement of the Final Draw. When the Project has been completed, VIHA shall supply VIHFA with the following documents and satisfy the following terms and conditions as well as satisfying all of the conditions and supplying all of the information required under the Grant Documents, prior to final disbursement of the Grant proceeds (including any retainage withheld).

(a) Certificates of occupancy for each building and unit in the Project, or its equivalent from the applicable governmental authorities for the Territory. Certificate from the Project Owner's architect or engineering firm that the Project has been completed in substantial compliance with the Plans and Specifications for the Project, and with the Architectural Barriers Act of 1968 (42 U.S.C. §§4151-4157); the Uniform Federal Accessibility Standards, as set forth in 24 CFR Section 570.614; the Americans with Disabilities Act of 1990; for existing properties build prior to 1978, the Lead-Based Paint Poisoning Protection Act (42 U.S.C. §4831(b)) and the Residential Lead based Paint Hazard Reduction Act of 1992 (42 U.S.C. §§4851-4856) and implementing regulations at 24 CFR Part 35; and Section 504 of the Rehabilitation Act of 1973.

(b) VIHFA shall be in receipt of Authorization to Use Grant Funds. Which is the HUD approval of the environmental review. No funds can be disbursed prior to receipt of this approval. Certificate from the Inspector that the Project has been completed in accordance with the Plans and Specifications in a good and workmanlike manner (the "**Certificate of Completion**").

(c) A copy of the ALTA "As Built" Survey, certified to VIHA, showing the buildings and improvements comprising the Project to be within lot lines and building setback lines, all easements, roads, rights of way and matters affecting title, and any other information required by VIHFA.

(d) A copy of the endorsement to the title insurance policy updating VIHA's title insurance policy to the completion date, increasing the insurance coverage to the full amount of the Loan, containing no additional exceptions not previously approved by VIHA, and evidencing the subordination of any Senior mortgage or lien to the terms and conditions of the CDBG Regulatory Agreement.

(e) A complete set of signed and sealed "as built" Plans and Specifications.

(f) Satisfaction and compliance with all of the terms, covenants and conditions contained in the Application, the Program Description, this Agreement and the other Loan Documents.

(g) Compliance with all laws, rules, regulations, ordinances and codes applicable to the Project, including without limitation CDBG regulations, to the extent not waived in writing, applicable to the Project.

(h) VIHFA shall have approved the Cost Certification Audit (as defined in the Note) from VIHA and shall have completed the final subsidy layering review of the Project costs.

(i) VIHFA shall have received copies of (a) current certificates of insurance as required by this Agreement; (b) reserved; (c) an estoppel certificate from any other lenders providing financing for the Project stating that no defaults have occurred and that its loan terms are being complied with; (d) updated financial information from Project Owner and each Guarantor, including copies of the most recent year's tax returns and audited financial statement, and such other information as VIHFA deems necessary; (e) a certificate of Project Owner evidencing compliance with all Davis-Bacon requirements; (f) a certificate of Project Owner summarizing all actions taken to comply with the Housing and Urban Project Act of 1969 (Section 3); and (f) a warranty from the construction contractor, acceptable to VIHFA in its sole discretion, providing a full guarantee for all workmanship and materials, without regard to whether such work or materials was paid by VIHFA or other funding sources, for a period of not less than twelve (12) months from the date of the Certificate of Completion.

(j) Copies of current good standing certificates and certified copies of the Organizational Documents for the Project Owner, its general partner(s)/managing member(s), Guarantor(s) and such other parties as required by VIHFA.

(k) Evidence that the Low-Income Housing Tax Credits initially awarded to Project Owner are still available and committed to Project Owner for the Project and evidence of an initial contribution from Investor showing an intent to purchase the tax credits.

(l) Lien-free completion of the Project (as evidenced by final lien waivers in form and substance satisfactory to VIHFA and its counsel from the general contractor and all major subcontractors, which may be conditioned on receipt of payments from the final disbursement of Grant proceeds hereunder), and expiration of the lien periods provided by applicable Virgin Islands law, with no liens being filed against the Project.

(m) Any approval required by any governmental authority to the extent that any such approval is a condition to the lawful use and occupancy of the Project.

(n) A complete list of any contractor(s) or subcontractor(s) who have performed work on, or furnished materials for, the Project.

a. **Payment of Draw Requests**. If all conditions precedent to VIHFA's obligations hereunder and to the Draw Request have been performed to the reasonable satisfaction of VIHFA, VIHFA will make the Draw Request, in accordance with this Agreement, payable to VIHA and VIHFA shall make each Draw Request in the amount justified by the applications, affidavits, and certificates. The proceeds of each Draw Request hereunder shall be applied solely and exclusively to payment, or to reimbursement of VIHA for payment of the Total Development Costs and soft costs approved by VIHFA. VIHA agrees at any time and from time to time, upon request of VIHFA, to provide to VIHFA receipts, vouchers, statements, bills of sale or other evidence satisfactory to VIHFA, of actual payment(s) of such Total Development Costs approved by VIHFA. Notwithstanding the foregoing, VIHFA may apply any amounts due VIHA hereunder toward satisfaction of any of the terms or conditions of this Agreement, and amounts so applied shall be part of the Loan and shall be secured by the lien of the Mortgage, and all disbursements from any "contingency" categories shall be made at VIHFA's sole and absolute discretion.

SECTION 8: CLOSE-OUT

VIHA's obligations under this Agreement shall not end until all close-out requirements as set forth in 24 CFR 570.509 are completed. The terms of this Agreement shall remain in effect during any period that VIHFA is exercising any supervision or control over CDBG-DR funds, including Program Income.

VIHA shall submit within thirty (30) days after the lease up of the project, income and household demographic information on all of the tenants. Following verification of this information, the project will be deemed to have met a national objective. The compliance period for this agreement shall be governed by the Regulatory Agreement, but in no event will be less than 20 years. VIHA agrees to continue to provide all required financial reports, performance reports, and tenant information for the duration of the compliance period. Further, VIHA agrees to cooperate in any project audit.

Closeout of funds will not occur unless all requirements of 24 CFR 92.507 and any outstanding issues with a contractor / vendor and or subcontractor have been resolved to the satisfaction of VIHFA.

Records. VIHA shall comply with 24 CFR Section 570.506 and 2 CFR Part 200 regarding records that must be maintained for the Project. VIHA shall maintain all Project financial records, including source documentation to support how CDBG-DR funds loaned to VIHA hereunder were expended, which includes, but is not limited to, invoices, schedules containing comparisons

of budgeted amounts and actual expenditures, and other documentation as may be required by VIHFA or HUD to support the expenditures for this Project. All supporting documents shall be maintained in accordance with the requirements of 2 CFR Part 200 or for such other period required by VIHFA or HUD. The records shall be made available to VIHFA, HUD, and/or any of their authorized representatives, who shall have access to and the right to examine any of the Project records during such period. All record keeping requirements set forth in this Agreement or any record keeping requirements mandated by CDBG-DR regulations shall survive termination of this Agreement.

1.3 **Monitoring.** VIHA will allow on-site monitoring of the Project by VIHFA or an agent on its behalf, at such times as VIHFA or HUD deems necessary or required, and VIHFA and/or HUD shall have the right, but shall be under no obligation, to conduct any reasonable monitoring to determine compliance with the CDBG-DR Regulatory Agreement and this Agreement, including but not limited to the right to enter the Project (upon 48 hours prior written notice to the VIHA) to inspect the Project and to inspect the books and records kept regarding the Project, and the right to inquire and receive responses from VIHA regarding the Project and its operation at any time that may be required by VIHFA or HUD.
Program Income:

SECTION 9: INTEGRATED DOCUMENT

This Agreement, along with Subrecipient Agreement No. SA-DR-HA-001-2019, and any attachments, constitutes the entire agreement between the parties and both parties acknowledge that there are no other agreements, written or oral, that have not been fully set forth in the text of this Agreement.

SECTION 10: SEVERABILITY

The terms and provisions of this Agreement are severable. Unless the primary purpose of this Agreement would be frustrated, the invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other term or provision of this Agreement. The Parties intend and request that any judicial or administrative authority that may deem any provision invalid, reform the provision, if possible, consistent with the intent and purposes of this Agreement, and if such a provision cannot be reformed, enforce this Agreement as set forth herein in the absence of such provision.

[INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Grantee has caused this instrument to be executed as of the day and year first above written.

WITNESSES:
Signed and sealed in the presence of:

[redacted]

Virgin Islands Housing Finance Authority

By: _____
Daryl Griffith, Executive Director

ACKNOWLEDGMENT

TERRITORY OF THE VIRGIN ISLANDS)
) SS:
DIVISION OF ST. CROIX)

On this 19th day of November, 2020, before me the undersigned personally appeared **DARYL GRIFFITH, Executive Director** of the **VIRGIN ISLANDS HOUSING FINANCE AUTHORITY,** being duly authorized to so act and he acknowledged the foregoing on behalf of the said Authority.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

SEAL

_____
Notary Public
My commission expires:_____

NOTARY PUBLIC
Flavia E. Logie, Esq.
Commission Exp. October 19, 2022
LNP-38-18

WITNESSES:

Signed and sealed in the presence of:

[redacted]

SUBRECIPIENT:

Virgin Islands Housing Authority

By: _____
Lydia Pelle, Chief Operating Officer

ACKNOWLEDGMENT

TERRITORY OF THE VIRGIN ISLANDS)
) SS:
DIVSION OF ST. THOMAS-ST. JOHN)

On this 20th day of November, 2020, before me the undersigned personally appeared **LYDIA PELLE, Chief Operating Officer** of the **VIRGIN ISLANDS HOUSING AUTHORITY,** being duly authorized to so act and he acknowledged the foregoing _____ on behalf of the said Authority.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

_____
Notary Public
My Commission Expires:_____

Glenice M. Parris
Government Notary - GNP-08-15
Exp: At the Pleasure of the Lieutenant Governor
District of Croix