

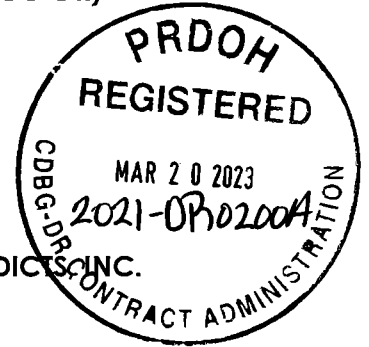


**COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR)
SOCIAL INTEREST HOUSING (SIH) PROGRAM**

**AMENDMENT A TO THE SUBRECIPIENT AGREEMENT
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND THE**

**PUERTO RICAN ORGANIZATION TO MOTIVATE, ENLIGHTEN AND SERVE ADDICTS, INC.
(PROMESA, INC.)**

Agreement No. 2021-DR0200
Amendment No. 2021-DR0200A



This **AMENDMENT A TO THE SUBRECIPIENT AGREEMENT** ("AMENDMENT A") is entered into this 17 day of March, 2023, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** ("PRDOH"), a public agency of the Government of Puerto Rico created under Act No. 97, of June 10, 1972, as amended, 3 LPRÁ § 441 *et seq.*, known as the "**Department of Housing Organic Act**" ("**Organic Act**"), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, Hon. William O. Rodríguez Rodríguez, of legal age, attorney, single, and resident of San Juan, Puerto Rico; and **PUERTO RICAN ORGANIZATION TO MOTIVATE, ENLIGHTEN AND SERVE ADDICTS, INC. (PROMESA, INC.)** ("**Subrecipient**"), with principal offices in New York, United States, represented herein by its Executive Vice President, Lymaris Albors, of legal age, single, and resident of New York, United States; collectively the "**Parties**".

I. RECITALS AND GENERAL AWARD INFORMATION

WHEREAS, on May 4, 2021, the Parties entered into a Subrecipient Agreement for the Social Interest Housing (SIH) Program for the amount of **THREE HUNDRED THOUSAND DOLLARS (\$300,000.00)**, registered as **Contract Number 2021-DR0200**. The Parties agreed on a performance period of **two (2)** years from the day of the execution of the Agreement, ending on **May 4, 2023**.

WHEREAS, as per Section IX (A) of the Agreement, the Agreement may be amended in writing and signed by a duly authorized representative of each party. Nonetheless, the amendment shall not invalidate the Agreement, nor release the Parties from their obligations under the Agreement.

WHEREAS, this **AMENDMENT A** does not constitute an extinctive novation of the obligations of the parties under the Agreement.

WHEREAS, the PRDOH has the legal power and authority, in accordance with its enabling statute, the Organic Act, the Federal laws and regulations creating and allocating funds to the CDBG-DR Program and the current Action Plan, to enter into this **AMENDMENT A**.

WHEREAS, the Subrecipient has duly adopted the Resolution dated March 1, 2023, certifying that on the Board of Directors meeting with date of September 30, 2021, the Board authorized Lymaris Albors to sign agreements on behalf of PROMESA, INC., and that said Resolution has not been revoked, altered nor amended. Therefore, by signing this **AMENDMENT A**, the Subrecipient shall comply with all the requirements described herein.

NOW THEREFORE, in consideration of the mutual promises and the terms and conditions set forth herein, the PRDOH and the Subrecipient agree to execute this **AMENDMENT A** subject to the following:

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TERMS AND CONDITIONS

II. SCOPE OF THE AMENDMENT

The Subrecipient explained the efforts and challenges they have encountered during the project delivery operation. Due to a variety of factors, the tasks have not been completed within the given time and an extension of the contract is needed. Consequently, the Subrecipient requested an extension of twelve (12) additional months to the performance period of the Agreement to complete all of the project-related closings in addition to the activities themselves.

After reviewing the request, the Program determined that a **twelve (12) month** time extension is needed to address all the project activities for the project and program closeout.

The **GENERAL AWARD INFORMATION** table in **Section I** of the Agreement is being modified to accommodate the aforementioned time extension. Moreover, **Section II. AMENDMENTS, Section V. EFFECTIVE DATE AND TERM, Section X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS, Section XI. CDBG-DR POLICIES AND PROCEDURES, and Section XII. FORCE MAJEURE** of the Agreement are being modified and updated. Furthermore, **Section XXXI. SYSTEM FOR AWARD MANAGEMENT (SAM) REGISTRATION and Section XXXII. LIMITATIONS PENDING ENVIRONMENTAL CLEARANCE** were added to the Agreement. Additionally, certain terms and conditions of the Agreement are being amended, including modifying **Exhibit B** (Timeline and Performance Goals) and **Exhibit H** (Subrogation and Assignment Provisions). The new **Exhibit J** (Non-Conflict of Interest Certification) is being incorporated by reference into the Agreement.

III. AMENDMENTS

a. The Parties wish to amend the **GENERAL AWARD INFORMATION** table in **Section I** of the Agreement as follows:

CDBG-DR Grantee Federal Award Identification Number:	Unique Entity ID #: FFMUBT6WCM1
CDBG-DR Grantee Federal Award Date:	September 20, 2018
Federal Award project description:	See Exhibit A ("Scope of Work")
Subrecipient Contact Information:	Lymari Albors Executive Vice President Puerto Rican Organization to Motivate, Enlighten and Serve Addicts, Inc. 300 E 175th St. Bronx, NY 10457-7239
Subrecipient Unique Identifier:	Unique Entity ID #: NTKPCPB2BEL9
Subaward Period of Performance:	Start Date: Effective Date, as defined in Section V of the Agreement. End Date: May 4, 2024
Funds Certification:	Date: April 26, 2021 Authorized Amount: \$300,000.00

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	Funds Allocation: CDBG-DR "R02HIIISIH-DOH-LM" Account Number: 6090-01-000 See Exhibit E ("Funds Certification")
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b. **Section II. ATTACHMENTS** of the Agreement is being amended as follows:

[...]

Exhibit A	Scope of Work
Exhibit B	Timelines and Performance Goals
Exhibit C	Key Personnel
Exhibit D	Budget
Exhibit E	Funds Certification
Exhibit F	HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements
Exhibit G	Special Conditions
Exhibit H	Subrogation and Assignment Provisions
Exhibit I	Insurance Requirements
Exhibit J	Non-Conflict of Interest Certification

c. **Section V. EFFECTIVE DATE AND TERM** of the Agreement is being amended as follows:

*This Agreement shall be in effect and enforceable between the parties from the date of its execution. The performance period of this Agreement extends from the date of its execution **May 4, 2024**.*

*The End of Term shall be the later of: (i) **May 4, 2024**. (ii) the date as of which the Parties agree in writing that all Close-Out Requirements have been satisfied or, where no Close-Out Requirements are applicable to this Agreement, the date as of which the parties agree in writing that no Close-Out Requirements are applicable hereto; or (iii) such later date as the Parties may agree to in a signed amendment to this agreement.*

[...]

d. The Parties agree to amend **Section X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AN THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS** as follows:

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Moreover, the **Exhibit J** ("Non-Conflict of Interest Certification"), attached herein and made an integral part of this Agreement, outlines several situations that may reasonably be considered as conflicts of interest. The Subrecipient shall disclose and certify that, to the best of its knowledge, none of the situations exist or may exist at the date of the execution of the Agreement. The aforementioned certification aids PRDOH, in its role as grantee, to identify, evaluate, disclose and manage apparent, potential, or actual conflicts of interest related to CDBG-MIT funded projects, activities, and/or operations.

- e. The Parties agree to amend **Section XI. CDBG-DR POLICIES AND PROCEDURES** as follows:

In addition to what is established in this SRA, the Subrecipient shall comply with all CDBG-DR program specific and general policies and procedures, which may include, but are not limited to, the Subrecipient Management Policy, OS&H Guideline, MWBE Policy, URA & ADP Guidelines, Cross Cutting Guidelines, AFWAM Policy, Section 3 Policy, Language Access Plan, Personally Identifiable Information, Confidentiality, and Nondisclosure Policy and Conflict of Interest and Standards of Conduct Policy, as found in the CDBG-DR Website (<https://cdbg-dr.pr.gov/en/resources/policies/>), which are herein included and made an integral part of this SRA, as they may be updated from time to time, Procurement policies and procedures in accordance with the federal procurement rules and regulations found in 2 C.F.R. § 200.318 through §200.327, and reporting requirements as established by the PRDOH.

- f. The Parties agree to amend **Section XII. FORCE MAJEURE** as follows:

In the event of a fire, flood, earthquake, natural disaster, hurricane, riot, act of governmental authority in its sovereign capacity, pandemic officially declared by the Government of Puerto Rico, strike, labor dispute or unrest, embargo, war, insurrection or civil unrest, any Force Majeure including inclement weather, herein collectively referred to as Force Majeure during the term of this Agreement, neither the PRDOH nor the Contractor or Subrecipient shall be liable to the other party for nonperformance during the conditions created by such event. The party claiming Force Majeure shall exercise due diligence to prevent, eliminate, or overcome such Force Majeure event where it is possible to do so and shall resume performance at the earliest possible date.

The Contractor or Subrecipient shall notify the PRDOH in writing as soon as possible, but in any event within ten (10) business days of the occurrence of the Force Majeure event and describe in reasonable detail the nature of the Force Majeure event, how the non-performance or delay relates to or arises from the Force Majeure event, its anticipated duration and any action taken to minimize its effect. The Contractor or Subrecipient may be entitled to reasonable adjustments in schedule, among other measures, in the foregoing circumstances. If non-performance continues for more than thirty (30) days, without reasonable justification, the PRDOH

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may terminate this Agreement immediately upon written notification to the Contractor or Subrecipient.

- g. The Parties agree to add **Section XXXI. SYSTEM FOR AWARD MANAGEMENT (SAM) REGISTRATION** as follows:

The Subrecipient must be registered in the System for Award Management (SAM) and shall maintain its registration active during contract performance and through final payment. The Subrecipient is responsible during performance and through final payment for the accuracy and completeness of the data within SAM. Failure to maintain registration in SAM can impact obligations and payments under this Agreement.

- h. The Parties agree to add **Section XXXII. LIMITATIONS PENDING ENVIRONMENTAL CLEARANCE** as follows:

*The Subrecipient does not have a legal claim to any amount of CDBG funds to be used for the specific project or site until the environmental review process is satisfactorily completed. As such, the Subrecipient acknowledges that it has no legal claim to any amount of CDBG funds for any projects or site acquisition under this Agreement, until the environmental review process is completed under PRDOH's satisfaction. The Subrecipient acknowledges that it will not begin any actions related to the project or site until the environmental review process is completed and has written acceptance and a **Notice to Proceed** from PRDOH.*

- i. **Exhibit B** (Timeline and Performance Goals) of the Agreement is being replaced by an updated version of the **Exhibit B** (Timeline and Performance Goals) hereto incorporated by reference into the Agreement (See **Attachment I**). Specifically, **Exhibit B** (Timeline and Performance Goals) is amending the following:

- As per Program Guidelines Version 03, a note was added in Section 2. Terms, Design Build, to provide for the Subrecipient to issue either separate or combined procurement process to seek qualified Design-Build, Architectural & Engineering (A&E) Services or and Construction Services.
- NGO may choose to perform separate procurement processes which may include but is not limited to equipment, additional purchases of goods or services to achieve SRA Goals, as long the processes comply with the regulation of the 2 C.F.R. § 200.318 - 2 C.F.R. § 200.327.
 - Section 2, Terms, definition was added:
 - Projects -Refers to the construction or rehabilitation of a housing solution as proposed by the NGO in the Notice of Funds Availability (NOFA) response.
 - Section 3, TIMELINES & PERFORMANCE GOALS
 - TABLE: Adjust the Key Activity I, I Project Design Development is completed and delivered, to modify the INDICATORS, SOURCE OF

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VERIFICATION, TARGET GOALS, TIMELINE to modify the activities to the actual services required by PROMESA, project related activities and time extension,

- o TABLE: Adjust the Key Activity 1,2 Project Delivery & Closeout, to modify INDICATORS, SOURCE OF VERIFICATION, TARGET GOALS, TIMELINE to modify the activities to the actual services required by PROMESA, project related activities and time extension.
- o TABLE: Modify the Key Activity 1,3 Affordability Period, to modify the INDICATORS, SOURCE OF VERIFICATION, TARGET GOALS, TIMELINE to modify the activities to the actual services required by PROMESA, project related activities and time extension, to rectify the affordability period from twenty (20) year period to fifteen (15) for new construction projects.
- DESCRIPTION: Page 5, KEY ACTIVITY I, 1 PROJECT DESIGN DEVELOPMENT IS COMPLETED AND DELIVERED note was added in the Design Build, to provide for the Subrecipient to issue either separate or combined procurement process to seek qualified Design-Build, Architectural & Engineering (A&E) Services or and Construction Services.
- DESCRIPTION: Page 6 KEY ACTIVITY 1,3: AFFORDABILITY PERIOD Added clarification language from the Program Guidelines.

- j. **Exhibit H** (Subrogation and Assignment Provisions) of the Agreement is being replaced by an updated version of the **Exhibit H** (Subrogation and Assignment Provisions), hereto incorporated by reference into the Agreement (See **Attachment II**).
- k. A new Exhibit, **Exhibit J** (Non-Conflict of Interest Certification) is incorporated by reference into the Agreement (See **Attachment III**).

IV. SEVERABILITY

If any provision of this **AMENDMENT A** is held invalid, the remainder of the **AMENDMENT A** shall not be affected thereby, and all other parts of this **AMENDMENT A** shall nevertheless be in full force and effect.

V. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this **AMENDMENT A** are included for convenience only and shall not limit or otherwise affect the terms of the Agreement, and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this **AMENDMENT A**.

VI. COMPTROLLER REGISTRY

The PRDOH shall remit a copy of this **AMENDMENT A** to the Office of the Comptroller for registration within **fifteen (15) days** following the date of execution of this **AMENDMENT A** and any subsequent amendment hereto. The services object of this **AMENDMENT A** may

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not be invoiced or paid until this **AMENDMENT A** has been registered by the PRDOH at the Comptroller's Office, pursuant to Act No. 18 of October 30, 1975, as amended by Act No. 127 of May 31, 2004.

VII. ENTIRE AGREEMENT

The Agreement, as amended, constitutes the entire agreement among the Parties for the use of funds received under the Agreement, as amended, and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written among the Parties with respect to the Agreement, as amended.

VIII. FEDERAL FUNDING

The fulfillment of the Agreement, as amended, is based on those funds being made available to the PRDOH as the lead administrative agency for Recovery. All expenditures under the Agreement, as amended, must be made in accordance with the Agreement, as amended, the policies and procedures promulgated under the CDBG-DR Program, and any other applicable laws. Further, the Subrecipient acknowledges that all funds are subject to recapture and repayment for non-compliance.

IN WITNESS THEREOF, the Parties hereto execute this **AMENDMENT A** in the place and on the date first above written.

**PUERTO RICO DEPARTMENT OF HOUSING
CDBG-DR Grantee**

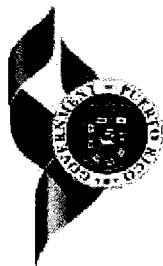
William O. Rodríguez Rodríguez
By: William O. Rodríguez Rodríguez (Mar 17, 2023 18:34 EDT)
Name: William O. Rodríguez Rodríguez
Title: Secretary

**PUERTO RICAN ORGANIZATION TO MOTIVATE,
ENLIGHTEN AND SERVE ADDICTS, INC.
Subrecipient**

Lymaris Albors
By: Lymaris Albors (Mar 16, 2023 15:33 EDT)
Name: Lymaris Albors
Title: Executive Vice President

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GOVERNMENT OF PUERTO RICO
DEPARTMENT OF HOUSING

EXHIBIT B

TIMELINES AND PERFORMANCE GOALS

SOCIAL INTEREST HOUSING PROGRAM

PUERTO RICAN ORGANIZATION TO MOTIVATE, ENLIGHTEN & SERVE ADDICTS, INC. (PROMESA, INC.)

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1. PROGRAM OBJECTIVE:

The Program aims to provide funding to applicants who are committed to providing Social Interest Housing and to expand existing housing to increase the number of vulnerable persons served and/or bring existing housing to decent, safe, and sanitary conditions and meet compliance with construction codes. The Program provides funding to NGOs who aim to increase housing opportunities for vulnerable individuals while also improving existing housing conditions to meet decent, safe, resilient, and sanitary standards in disaster impacted areas.

The National Objective of this Program is to benefit Low- and Moderate-Income (**LMI**) persons (below eighty percent (80%) Area Median Family Income (**AMFI**) according to the HUD Modified Income Limits for CDBG-DR Puerto Rico), through the Limited Clientele (**LC**) LMI sub-category.

2. TERMS:

- **Design Build** – A method of project delivery in which architects, engineers, and contractors are a single business entity and provide their services, (from initial design concept through construction completion). The Design Build firm will enter into a single contract, offering their combined services as one business entity. (**Note:** NGO may choose to perform separate procurement processes which may include but is not limited to equipment, additional purchases of goods or services to achieve SRA Goals, as long the processes comply with the regulation of the 2 C.F.R. § 200.318 - 2 C.F.R. § 200.327.)
- **Key Objective** – The major objective the Program wants to achieve.
- **Key Activity** – The activities necessary to carry out the Objective.

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- **Indicator** – The quantitative method used to demonstrate that the Key Activities have been performed.
- **Photovoltaic (PV) System** – A system that is composed of one or more solar panels and electrical hardware, designed to consume energy from the Sun using photovoltaics, to generate electricity.
- **Source of Verification** – The documentation used to verify that the Indicators have been met, and thus the activities are complete.
- **Target** – The goal for each of the Indicators.
- **Projects** – Refers to the construction or rehabilitation of a housing solution as proposed by the NGO in the Notice of Funds Availability (**NOFA**) response.

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3. TIMELINES & PERFORMANCE GOALS

KEY OBJECTIVE #1	KEY ACTIVITY	INDICATORS	SOURCE OF VERIFICATION	TARGET GOALS	TIMELINE
	1.1 Project Design & Development is completed and delivered	# of Organizational Structure Charts approved	Approved Organizational Structure Charts	1 Organizational Chart submitted	Within ten (10) business days of the Subrecipient Agreement Execution.
		(#) of acquired property	Title of Property obtained & Final Appraisal	1 Land Acquisition has been Completed	Q2 2023
		(#) of procurement conducted	Procurement Process Completed	1 procurement process for Design Services – Parking Lot	Q2 2023
				1 procurement process completed for Hurricane Shutters	Q1 2023
				1 procurement process for Mechanical Installations	Q1 2023
			1 procurement process completed for Photovoltaic (PV) System	Q1 2023	

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		(#) of projects that receive 30% design approval, Project Design Development & Environmental Review & Permits are Initiated	Submission of Project Design Development at 30% design threshold, initiating Environmental Review & Permits, and complete land acquisition	1 Project submitted for 30% of the Project Design Development and receive Environmental Review (ER); Preliminary drawings are submitted for permitting, land is acquired for parking lot development.	Q2 2023
		(#) of projects that receive 60% approval of Project Design Development	Submission of Project Design Development at 60% threshold	1 Project Design Development submitted at 60% threshold and complete ER requirements	Q3 2023
		(#) of projects that receive 90% approval of Project Design Development	Submission of Project Design Development at 90% threshold	1 Project Design Development submitted at 90% threshold	Q3 2023
		(#) of projects that submit the 100% Project Design Development to PRDOH and to the Government's Permit Management Office	Submission of Project Design Development at 100% threshold and Construction Permit	1 Project Design Development submitted at 100% threshold for Parking Lot Construction and Permits	Q4 2023

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		(#) of Projects and Constructions that reach completion, Permits Closeout is reached	Project and Construction reached 100% completion and permitting closeout	100% of Parking Lot Construction has been completed. Mechanical Installations, Hurricane Shutters Installation, and Photovoltaic (PV) System are finalized.	Q1 2024
	1.2 Project Delivery & Closeout. Proper documentation is provided to ensure that construction was complete to standard	(#) projects that achieve project completion	Closeout Binder-delivered and includes Final Completion Report	1 Project Complete Closeout process and submit complete required documentation as per Exhibit A	Q2 2024
	1.3 Affordability Period	(#) affordable units provided	Annual Reports	103* units	Q2 2038
		(#) of individuals served	Annual Reports	individuals served	*Annually until 2038*
		% of units that remain affordable	Annual Reports	100% units remain affordable	*Annually until 2038*

**PROMESA's Palacio Dorado is an existing construction, already completed that will receive eligible activities under CDBG-DR. However, annual affordability reports will still be applicable due to CDBG-DR requirements imposed to meet one of the national objectives and SIH Program Guidelines.*

KEY ACTIVITY 1.1 PROJECT DESIGN DEVELOPMENT IS COMPLETED AND DELIVERED

The PV Systems Designer will be awarded the Small Purchase after the project has undergone the Environmental Review commencing PV System Acquisition and Installation Services. In the initial phase a critical role task must be carried in identifying the Project's load capacities and establishing the Scope of Services agreed upon by the Subrecipient and PV System Designer. If applicable, a structural analysis will be conducted to ensure the roof's capacity to support the equipment load, should the PV System be roof-mounted. Exhibit B establishes the requirements of the PV System process within a Design Build workflow, which deploys a single contract to procure both design and construction services simultaneously. Should the project require extensive construction services, using a Design Build workflow maximizes the collaborative and communicative efforts between parties, ultimately streamlining the Project timeline.

The Subrecipient must conduct procurement following the applicable federal procurement rules and regulations.

As established on PRDOH Administrative Order issued Non-profit, Non-governmental Organizations will be excluded from compliance with the PRDOH Procurement Manual and allows them to conduct their procurement procedures using the dispositions of 2 CFR § 200.318 through 2 CFR § 200.327 in their acquisition procedures related to the CDBG-DR Program.

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- Property Acquisition

In order to commence the Project's parking lot development, the Subrecipient must provide documentation verifying ownership and acquisition of the required property with a Title of Property, which will also include an appraisal process. The Appraiser must be duly licensed and qualified to conduct real estate property appraisals in Puerto Rico and will consist of the following:

- A detailed description of the property appraised;
- general market data and comparable properties;
- separate valuation for structure and land;
- supporting information for valuation conclusions; and
- certification of the appraisal, noted by the appraiser's signature.

The appraisal will be conducted concurrently with the Duplication of Benefits review, when possible.

- Design Build

After being awarded the RFP Bid, a Design Build firm will enter into a single contract, offering their combined services as one business entity. Since a Design Build firm would enter into a single contractual agreement with PROMESA, Inc., the "design to construction" process is streamlined, allowing for a *fast-track* approach. This streamlined form of practice and communication is ideal for all project types especially ones that are using existing conditions, where oftentimes unforeseen construction circumstances may occur, (New Construction¹, Rehabilitation², and Renovation³ projects). The design process is also streamlined, usually resulting in a shortened design development phase that is combined with construction documentation. Lastly, Design Build workflows eliminate the need to procure separate construction services. (**Note:** NGO may choose to perform separate procurement processes which may include but is not limited to equipment, additional purchases of goods or services to achieve SRA Goals, as long the processes comply with the regulation of the 2 C.F.R. § 200.318 - 2 C.F.R. § 200.327.)

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- PV Acquisition and Installation Services

After being awarded the Bid, a PV Installation and Design firm will enter into contract with the Subrecipient, offering their complete services which will include a pre-installation assessment to establish the design criteria for the Subrecipient's capacity needs and consequently the PV System, the design of the PV System, the installation of said designed system, as well as the commission testing of the design system.

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¹ New Construction refers to site preparation for, and construction of, entirely new structures and/or significant extensions or the way that something is put together. Homes or structures considered as new construction usually are built within the past year and a half.

² Rehabilitation refers to returning a structure exterior or interior to a useful state by means of repair, modification, or alteration and additions while preserving/retaining those portions or features which convey its historical, cultural, or architectural values

³ Renovation refers to the process of returning existing old structures, typically damaged, defective or out of code compliance, up to a modern, improved state, meeting new code requirements regulated by federal or local law. Typically, major elements of the structure are added, relocated or reconfigured for functional, efficiency or marketability reasons.

KEY ACTIVITY 1.2 PROJECT DELIVERY & CLOSEOUT

For the Project(s) to be considered "complete," milestones must be delivered to ensure the safety of the Project's user(s). The Project's completion is not marked solely upon the completion of the Project's Construction Phase but is also marked by the approval of the project closeout binder.

KEY ACTIVITY 1.3: AFFORDABILITY PERIOD

It is essential to provide continued satisfaction to the Project's user and ensure that the Project(s) has a continued ability to provide shelter and community to its targeted population. A method to consider when maintaining the Project's continued success is to evaluate the Project on an annual basis. This allows the proper parties involved to be updated regularly on any developments and ensure that the cost of living does not rise

Annual Reports can summarize changes in a timely manner, which can help the proper parties mitigate concerns more quickly and efficiently. In the long term, Post Construction Annual Reports -for the established period of fifteen **years (15)** for funded projects the LMI National Objective ensure the lasting quality and resilience of the community.

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EXHIBIT H
SUBROGATION AND ASSIGNMENT PROVISIONS
SOCIAL INTEREST HOUSING PROGRAM
Puerto Rican Organization to Motivate, Enlighten and Serve
Addicts, Inc (PROMESA, INC.)

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1. **General Provisions.**
 - a) The Parties acknowledge that the following provisions of this Exhibit are hereto incorporated by reference and made an integral part of the aforementioned Subrecipient Agreement (SRA) as **Exhibit G**.
 - b) Changes in the provisions of this Exhibit will require an amendment to the SRA. Such amendment would result in the incorporation by reference of a modified **Exhibit G** to the SRA.
2. **Subrogation and Assignment Relating to Funds Received from the Puerto Rico Department of Housing – SOCIAL INTEREST HOUSING PROGRAM.**
 - a) These provisions are incorporated into the SRA in consideration of the commitment by PRDOH to evaluate Subrecipient's application for the award of mitigation assistance funds (the "**Application**") or the Subrecipient's receipt of CDBG-DR funds (the "**Grant Proceeds**") under the Program being administered by PRDOH.
 - b) Subrecipient understands and acknowledges that the Program is subject to the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended, 42 U.S.C. §§ 5121-5207 (the "**Act**") and that, under such Act, the Subrecipient may only receive assistance to the extent that the Subrecipient has an unmet need that is not fully met by insurance or other forms of mitigation assistance. Subrecipient further acknowledges that these provisions are intended to ensure that Subrecipient does not receive assistance from the Program that is duplicative of other benefits available to the Subrecipient from another source, for the same purposes as the Grant Proceeds provided under the Program, and that any assistance amount determined to be duplicative must be deducted from the Grant Proceeds awarded, or to be awarded, by the Program.
 - c) Subrecipient hereby subrogates and assigns to PRDOH any and all of Subrecipient's future rights to, and any interest Subrecipient may have in, any reimbursement and all payments received or subsequently received from any grant, loan, insurance policy or policies of any type (each individually, a "**Policy**" and collectively, the "**Policies**"), or under any subsidy, reimbursement or relief program related to or administered by the Federal Emergency Management Agency ("**FEMA**"), insurance payments, or any other federal, state or local government agency (each, individually, a "**Mitigation Program**" and collectively, the "**Mitigation Programs**") to the extent of all Grant Proceeds paid or to be paid under the Program and that are determined, in the sole discretion of PRDOH or its designated agent, to be a duplication of benefits ("**DOB**"). Any payments referred to in this paragraph, whether they are from Policies, FEMA, or any other source, and whether or not such amounts are a DOB, shall be referred to herein as "**Proceeds**"; any Proceeds that are determined to be a DOB shall be referred to herein as "**DOB Proceeds**."

- d) Subrecipient agrees that, in the event that Subrecipient receives additional Proceeds related to mitigation that are not listed on the duplication of benefits certification submitted in connection with the Application, Subrecipient will notify the PRDOH within **ten (10) working days** of receipt of the funds by sending a written notification to sih-cdbg@vivienda.pr.gov. PRDOH will, in turn determine, in its sole discretion, if such Proceeds constitute DOB Proceeds. If any of the Proceeds are determined to be DOB Proceeds, the Subrecipient shall pay PRDOH the DOB Proceeds, to be disbursed as provided in Section 3 of this Agreement.

3. Cooperation and Further Documentation.

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- a) If PRDOH elects to pursue any of the claims Subrecipient has or may have under any Policies, Subrecipient agrees to assist and cooperate with PRDOH. Subrecipient's assistance and cooperation shall include, but shall not be limited to, allowing suit to be brought in Subrecipient's name(s) and providing any additional documentation with respect to such consent, giving depositions, providing documents, producing records and other evidence, testifying at trial, and any other form of assistance and cooperation reasonably requested by the PRDOH. Subrecipient also agrees to assist and cooperate in the attainment and collection of any DOB Proceeds that the Subrecipient would be entitled to under any applicable Mitigation Program.
- b) If requested by PRDOH, Subrecipient agrees to execute such further and additional documents and instruments as may be requested to further and better subrogate and assign to PRDOH (to the extent of the Grant Proceeds paid to Subrecipient under the Program) the Policies, any amounts received under the Mitigation Assistance Programs that are determined to be DOB Proceeds and/or any rights thereunder. Subrecipient further agrees to take, or cause to be taken, all actions and to do, or cause to be done, all things requested by the PRDOH to consummate and make effective the purposes of these provisions.
- c) Subrecipient expressly allows and authorizes PRDOH to request information from any company with which Subrecipient holds or held any insurance policy or policies of any type, any other company or entity -public or private- from which the Subrecipient has applied for or is receiving assistance (such as FEMA, or others), or any non-public or confidential information determined by PRDOH, in its sole discretion, to be reasonably necessary to monitor/enforce its interest in the rights subrogated and assigned to it under this Agreement, and grant consent to such company or entity to release said information to the PRDOH.

4. Agreement to Turn Over Proceeds; Future Reassignment.

- a) If Subrecipient (or, to the extent permitted by superior loan documents, any lender to which DOB Proceeds are payable) hereafter receives any DOB Proceeds, Subrecipient agrees to promptly pay such amounts to PRDOH, if Subrecipient received Grant Proceeds under the Program in an amount greater than the amount Subrecipient would have received if such DOB Proceeds had been considered in the calculation of Subrecipient's award.
- b) In the event that Subrecipient receives or is scheduled to receive any Proceeds not listed on its Duplication of Benefits Certification ("**Subsequent Proceeds**"), Subrecipient shall pay such Subsequent Proceeds directly to the PRDOH, and PRDOH will determine the amount, if any, of such Subsequent Proceeds that are DOB Proceeds ("**Subsequent DOB Proceeds**"). Subsequent Proceeds shall be disbursed as follows:
- (i) If Subrecipient has received full payment of the Grant Proceeds, Subrecipient shall remit any Subsequent DOB Proceeds to PRDOH. PRDOH

shall return to the Subrecipient any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.

- (ii) If Subrecipient has received no payment of the Grant Proceeds, PRDOH shall reduce the payment of the Grant Proceeds to Subrecipient by the amount of the Subsequent DOB Proceeds and shall return all Subsequent Proceeds in excess of the Subsequent DOB Proceeds to Subrecipient.
- (iii) If Subrecipient has received a portion of the Grant Proceeds, the following shall occur: (A) PRDOH shall reduce the remaining payments of the Grant Proceeds and return Subsequent DOB Proceeds in such amount to the Subrecipient; and (B) Subrecipient shall remit any remaining Subsequent DOB Proceeds to PRDOH. PRDOH shall also return to the Subrecipient any Subsequent Proceeds in excess of the Subsequent DOB Proceeds.
- (iv) If the PRDOH makes the determination that Subrecipient does not qualify to participate in the Program or Subrecipient decides not to participate in the Program, PRDOH shall return the Subsequent Proceeds to Subrecipient, and the Agreement shall terminate.

- c) Once PRDOH has recovered an amount equal to the duplicative Grant Proceeds paid to Subrecipient, PRDOH will reassign to Subrecipient any rights given to PRDOH pursuant to these provisions.

5. Miscellaneous.

- a) Subrecipient hereby represents that all statements and representations made by Subrecipient regarding any Proceeds are true and correct, as of the date of the issuance of the Grant Proceeds.
- b) In any proceeding to enforce these provisions, PRDOH shall be entitled to recover all costs of enforcement, including PRDOH's attorney fees.
- c) The parties hereto each waive the right to have any judicial proceeding concerning any of the provisions hereof tried by a jury.
- d) Neither these provisions, nor any portion or provisions hereof may be changed, waived, or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing, signed by all parties hereto and approved by PRDOH.
- e) These Subrogation and the rights and obligations of the parties shall be governed and construed in accordance with federal law and the laws of the Government of Puerto Rico without giving effect to conflict of law provisions. Any action arising out of or related to this Subrogation and Assignment provisions shall be brought within the Government of Puerto Rico.
- f) The captions of the various sections of this Subrogation and Assignment provisions have been inserted only for the purpose of convenience; such captions are not a part of the Agreement and shall not be deemed in any manner to modify, explain, enlarge or restrict any provisions of this Subrogation.
- g) Subrecipient acknowledges that making a false, fictitious, or fraudulent statement or representation in this agreement may be subject to civil or criminal penalties under Federal law (18 U.S.C. §§ 287, 1001 and 31 U.S.C. § 3729), and shall constitute a separate criminal offense each time a public benefit is fraudulently received.
- h) Subrecipient acknowledges that they have been informed and understand the penalties for making a materially false or misleading statement to obtain CDBG-DR funds under the Program or any other of the PRDOH's Programs.

END OF DOCUMENT

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EXHIBIT J
NON-CONFLICT OF INTEREST CERTIFICATION
SOCIAL INTEREST HOUSING PROGRAM (SIH) PUERTO RICAN
ORGANIZATION TO MOTIVATE, ENLIGHTEN AND SERVICE ADDICTS,
INC. (PROMESA, INC.)

The Subrecipient certifies that to the best of its knowledge:

1. No public servant of this executive agency has a pecuniary interest in this agreement, contract, purchase, or commercial transaction.
2. No public servant of this executive agency has requested me or accepted from me, directly or indirectly, for him (her), for any member of his family unit or for any person, gifts, bonuses, favors, services, donations, loans or anything else of monetary value.
3. No public servant (s) requested or accepted any good of economic value, linked to this transaction, from any person of my entity as payment for performing the duties and responsibilities of their employment.
4. No public servant has requested from me, directly or indirectly, for him (her), for any member of his or her family unit, or for any other person, business, or entity, something of economic value, including gifts, loans, promises, favors or services in exchange for the performance of said public servant is influenced in my favor or of my entity.
5. I have no kinship relationship, within the fourth degree of consanguinity and second of affinity, with any public servant who has the power to influence and participate in the institutional decisions of this executive agency.

"I hereby certify under penalty of perjury that the foregoing is complete, true, and correct."

Lymarís Albors
Signature

2/17/23
Date

Lymarís Albors
Printed Name

Executive Vice President
Position

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PROMESA-SIH-AMENDMENT A

Final Audit Report

2023-03-17

Created:	2023-03-16
By:	Radames Comas Segarra (rcomas@vivienda.pr.gov)
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