DEPARTMENT OF HOUSING
GOVERNMENT OF PUERTO RICO

AMENDMENT B

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR)
NON-FEDERAL MATCH PROGRAM (NFMP)

AMENDMENT B TO THE SUBRECIPIENT AGREEMENT
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND THE
STATE INSURANCE FUND CORPORATION
Contract No. 2023-DR0038
Amendment No. 2023-DR0038B

PRDOH
REGISTERED
NOV. 02, 2026
2023-DR0038B
CDBG-DR CONTRACT ADMINISTRATION

This **AMENDMENT B TO THE SUBRECIPIENT AGREEMENT** ("**AMENDMENT B**") is entered into this 30 day of October, 2026, 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 L.P.R.A. § 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, Luis Augusto Martínez Román, of legal age, attorney, single, and resident of San Juan, Puerto Rico; and the **STATE INSURANCE FUND CORPORATION** ("**Subrecipient**"), a public corporation of the Government of Puerto Rico, with principal offices at 300 Ave. José de Diego, Centro Gubernamental Roberto Sánchez Vilella, Torre Norte, piso 11, San Juan, Puerto Rico, represented herein by its Administrator, Enid Inalbis Ortiz Rodríguez, of legal age, single, and resident of Corozal, Puerto Rico; collectively the "**Parties**".

I. RECITALS AND GENERAL AWARD INFORMATION

WHEREAS, on October 24, 2022, the Parties executed a Subrecipient Agreement, Contract Number **2023-DR0038** ("**Agreement**"), for **EIGHT HUNDRED NINETY THOUSAND ONE HUNDRED FORTY DOLLARS AND NINETY-ONE CENTS** (**$890,140.91**) for the Subrecipient to undertake its activities under the **NON-FEDERAL MATCH PROGRAM** ("**Program**"). The Parties agreed on a performance period of **thirty-six** (**36**) **months** from the date of the execution of the Agreement, ending on **October 23, 2025**.

WHEREAS, on October 22, 2025, the Parties executed **Amendment A** to the Agreement, Contract Number **2023-DR0038A** ("**Amendment A**"). Via **Amendment A,** the Parties agreed to extend the **END DATE** to **October 31, 2026**. Modifications to the **GENERAL AWARD INFORMATION** table in **Section I** of the Agreement, **Section V. EFFECTIVE DATE AND TERM**, **Section VIII. NOTICES**, **Section XII. CDBG-DR POLICIES AND PROCEDURES**, **Section XIII. FORCE MAJEURE**, and **Section XVIII. CONSOLIDATIONS, MERGERS, CHANGE OF NAME, OR DISSOLUTIONS** were incorporated into the Agreement. Also, **Section XXXI. SYSTEM FOR AWARD MANAGEMENT (SAM) REGISTRATION**, and **Section XXXII. LIMITATIONS PENDING ENVIRONMENTAL CLEARANCE** were added. Moreover, updated versions of **Exhibit A** (Scope of Work), **Exhibit B** (Timelines and Performance Goals), **Exhibit E** (HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements), and **Exhibit F** (Special Conditions) were incorporated. Additionally, through this **AMENDMENT A**, **Exhibit C** (Budget) was amended to decrease the total

authorized budget from **EIGHT HUNDRED NINETY THOUSAND ONE HUNDRED FORTY DOLLARS AND NINETY-ONE CENTS** (**$890,140.91**) to **TWO HUNDRED SIXTY-SEVEN THOUSAND FORTY-TWO DOLLARS AND TWENTY-SEVEN CENTS** (**$267,042.27**). The total authorized budget was decreased by **SIX HUNDRED TWENTY-THREE THOUSAND NINETY-EIGHT DOLLARS AND SIXTY-FOUR CENTS** (**$623,098.64**). A modified Funds Certification, identified as **Exhibit D-1** (Funds Certification), as well as a new **Exhibit H** (Non-Conflict of Interest Certification) were incorporated by reference into the Agreement. Modifications to **Section II. ATTACHMENTS** were incorporated to address the introduction of the aforementioned new exhibits. Furthermore, modifications to **Section X. COMPLIANCE WITH FEDERAL STATUTES, REGULATIONS AND THE TERMS AND CONDITIONS OF THE FEDERAL AWARD AND ADDITIONAL PRDOH REQUIREMENTS** of the Agreement were incorporated to address the introduction of the new **Exhibit H** (Non-Conflict of Interest Certification) into the Agreement. All other provisions of the original Agreement remained unaltered.

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 B** 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 B**.

WHEREAS, in accordance with its enabling statute, Act No. 45, of April 18, 1935, as amended, 11 L.P.R.A. § 1 *et seq.*, known as "**Ley del Sistema de Compensaciones por Accidentes del Trabajo**"; and Resolution P-02-2025 of February 11, 2025 (*APROBACIÓN PARA EL NOMBRAMIENTO DE LA ADMINISTRADORA DE LA CORPORACIÓN DEL FONDO DEL SEGURO DEL ESTADO*), the Subrecipient has the legal power and authority to enter into this **AMENDMENT B** with the PRDOH; and by signing this **AMENDMENT B**, the Subrecipient assures PRDOH that it 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 B** subject to the following:

II. TERMS AND CONDITIONS

A. SAVINGS CLAUSE

The information included in this **AMENDMENT B** serves the purpose of modifying and amending certain terms and conditions under the Agreement, as established in the

following sections B and C of this **AMENDMENT B**. All other provisions of the original Agreement, including its exhibits, shall continue to be in full force and effect.

B. SCOPE OF THE AMENDMENT

The goal of the Program is to utilize CDBG-DR funds to provide the non-federal cost share match for eligible subrecipients under Federal grant program.

Through this **AMENDMENT B**, the **End Term** of the Agreement is being extended to **December 31, 2028**, to accomplish the goals, complete the administrative tasks and project activities that are included in the Agreement. Modifications to the **GENERAL AWARD INFORMATION** table in **Section I** of the Agreement and **Section V. EFFECTIVE DATE AND TERM** are being incorporated to accommodate, among other terms and conditions, the aforementioned term extension. Also, **Section VIII. NOTICES** of the Agreement is being updated. Additionally, **Section VI. BUDGET**, **B. Program Income**, **Section VII. PAYMENT**, **B. Requests for Reimbursements**, **Section XII. CDBG-DR POLICIES AND PROCEDURES**, **Section XXVII. RECAPTURE OF FUNDS**, and **Section XXXII. LIMITATIONS PENDING ENVIRONMENTAL CLEARANCE** are being amended via this **AMENDMENT B**.

Furthermore, through this **AMENDMENT B**, **Exhibit C** (Budget), and **Exhibit F** (Special Conditions) are being modified. Additionally, an updated version of **Exhibit G** (Subrogation and Assignment Provisions) is being incorporated by reference into the Agreement.

All other provisions of the original Agreement, including the **Total Authorized Budget**, remain unaltered.

C. 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:	B-18-DP-72-0001
CDBG-DR Grantee Federal Award Date:	February 21, 2020
CDBG-DR Grantee Unique Entity Identifier:	Unique Entity ID: FFNMUBT6WCM1
Federal Award project description:	See **Exhibit A** ("Scope of Work")
Subrecipient Contact Information:	Enid Inalbis Ortiz Rodríguez Administrator State Insurance Fund Corporation *P.O. Box 248* *San Juan, P.R. 00960-0248* *Tel.: 787-793-5959* E-mail: administradoracfse@cfse.pr.gov

Subrecipient Unique Identifier:	Unique Entity ID #: JBS2ELJ9RDU3
Subaward Period of Performance:	Start Date: Effective Date, as defined in **Section V** of the Agreement, as amended. End Date: ***December 31, 2028***
Funds Certification:	Dated: May 16, 2022 Authorized Amount: **$890,140.91** Funds Allocation: CDBG-DR "r02i21fem-doh-lm" CDBG-DR "r02i21fem-doh-un" Account Number: 6090-01-000 See **Exhibit D** ("Funds Certification") Dated: February 3, 2025 Authorized Amount: **-$623,098.64** Funds Allocation: CDBG-DR "r02i21fem-doh-lm" Account Number: 6090-01-000 See **Exhibit D-1** ("Funds Certification") **New Total Authorized Amount: $267,042.27**

b. **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, ending on ***December 31, 2028****.*

The End of Term shall be the later of: (i) ***December 31, 2028****; (ii) the date as of which the Parties agree in writing that all Close-Out Requirements[1] 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.*

The Subrecipient hereby acknowledges that this Agreement is subject to the grant agreement between the Government of Puerto Rico or the PRDOH, and HUD (the "Grant Agreement"); and

1 "Close-Out Requirements" means all requirements to be satisfied by each party in order to close-out this Agreement and the CDBG-DR funds provided herein in accordance with applicable Requirements of Law, including the execution and delivery by one or more of the Parties of all close-out agreements or other legal instruments and the taking of any actions by one or more of the Parties in connection with such close-out, in any case as required under applicable Requirements of Law.

the availability of the allocated CDBG-DR funds. The Subrecipient also acknowledges and agrees that any suspension, cancellation, termination or otherwise unavailability of the CDBG-DR allocation(s) shall result in the immediate suspension, cancellation, or termination of this Agreement, upon PRDOH's notice.

[...]

c. **Section VI. BUDGET** of the Agreement is being amended as follows:

[...]

B. Program Income

The Subrecipient shall abide by the dispositions that define and regulate the management, reporting, and use of program income, among them, 24 C.F.R. § 570.500, as well as the applicable HUD Notices and PRDOH policies.[2]

[....]

d. Section **VII. PAYMENT** of the Agreement is being amended as follows:

[...]

B. Requests for Reimbursements

According to the applicable Program Guidelines, different types of projects are expected to be implemented during the Program's life. For each scenario, a different path for invoice and payment processing may be established. PRDOH will work with the Subrecipients to make the payment and project processes as efficient as possible. The Program funding process is designed to ensure compliance with HUD's CDBG-DR regulations while also reducing administrative burdens for entities, who will have their match payments reimbursed directly by PRDOH's payment processing system. Payment processing will be managed directly between PRDOH and the Subrecipients, facilitating any necessary coordination. All payments will be issued for cost share corresponding to invoices with prior validation by FEMA. For further information, both the English and Spanish version of the Program Guidelines may be found at

[2] The CDBG-DR/MIT Program Income Policy and the CDBG-DR/MIT Program Financial Policy include provisions regarding program income management. Both policies are available in English and Spanish on the PRDOH website at https://recuperacion.pr.gov/en/resources/policies/general-policies/ and https://recuperacion.pr.gov/recursos/politicas/. Also, the CDBG-DR/MIT Program Financial Policy includes provisions regarding program income management.

https://recuperacion.pr.gov/en/download/non-federal-match-program/ and https://recuperacion.pr.gov/download/programa-de-pareo-de-partidas-no-federal/ respectively.

e. **Section VIII. NOTICES** of the Agreement is being amended as follows:

[...]

CDBG-DR Grantee:	*Luis Augusto Martínez Román, Esq.* Secretary Puerto Rico Department of Housing 606 Barbosa Avenue Juan C. Cordero Building Río Piedras, Puerto Rico 00918
Subrecipient:	Enid Inalbis Ortiz Rodríguez Administrator State Insurance Fund Corporation *P.O. Box 248* *San Juan, P.R. 00960-0248* *Tel.: 787-793-5959* E-mail: administradoracfse@cfse.pr.gov

f. **Section XII. CDBG-DR POLICIES AND PROCEDURES** of the Agreement is being amended as follows:

In addition to what is established in this Agreement, the Subrecipient shall comply with all CDBG-DR program-specific and general policies and procedures, as found in the CDBG-DR/MIT Website at https://recuperacion.pr.gov/en/resources/policies/ for the English version, or https://recuperacion.pr.gov/recursos/politicas/ for the Spanish version, which are herein included and made an integral part of this Agreement, as they may be updated from time to time.

g. **Section XXVII. RECAPTURE OF FUNDS** of the Agreement is being amended as follows:

PRDOH may recapture payments it makes to SUBRECIPIENT that (i) exceed the maximum allowable rates; (ii) are not allowed under applicable laws, rules, or regulations; or (iii) are otherwise inconsistent with this Agreement, including any unapproved expenditures. SUBRECIPIENT must refund such recaptured payments within the term specified by PRDOH via notification, as per CDBG-DR/MIT Program Recapture of Funds Policy which may

be found at https://recuperacion.pr.gov/en/download/recapture-of-funds-policy/ for the English version; or https://recuperacion.pr.gov/download/politica-de-recaptura-de-fondos/ for the Spanish version.

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

All CDBG-DR projects require an environmental review (ER). FEMA conducts an ER for each project prior to obligating funds and, for most permanent work projects, before the Subrecipient can begin work. For all match payments, PRDOH will adopt FEMA's Records of Environmental Consideration (REC). PRDOH will verify that the ER conducted by FEMA is still applicable to the project under consideration by PRDOH for cost share match. If it is still applicable, a Request for Release of Funds will be prepared; if not, a re-evaluation in accordance with 24 C.F.R. § 58 will be required, and PRDOH will ensure FEMA provides an updated environmental review. If a project has any scope changes beyond what was approved in the FEMA-eligible Project Worksheets (PWs), a HUD environmental review must be completed. If additional work is anticipated, the Subrecipient should seek guidance from PRDOH. The Subrecipient should not execute any change orders or additional contracts that may include work not listed in the approved and obligated PW if the intent is to request CDBG-DR funds as matching funds.

i. **Exhibit C** (Budget) of the Agreement is being replaced by a modified version hereto incorporated by reference into the Agreement (see **Attachment I**). The aforementioned exhibit incorporates the following modifications:

- **Exhibit C – Budget**
  - Budget remains unchanged.

Entity Name	Contract Number	Original Budget Amount	New Budget Amount
State Insurance Fund Corporation	2023-DR0038	$267,042.27	$267,042.27

- The PW table was removed, and the "Notes on Budget" were updated to clarify that the total allocation for each entity is not the sum of the non-federal and/or local match for each PW, but the amount the Program considers necessary to cover immediate needs. This allocation depends on budget availability, project readiness, and FEMA changes to project formulation, obligation, or de-obligation, and may be adjusted as these factors change. Exhibit was updated to remove obsolete data and improve the overall presentation. The formatting changes enhance legibility and align the document with organizational standards.

j. **Exhibit F** (Special Conditions) of the Agreement is being replaced by a modified version hereto incorporated by reference into the Agreement (see **Attachment II**). The aforementioned exhibit incorporates the following modifications:

- **Exhibit F – Special Conditions**

  - The exhibit was replaced to eliminate obsolete data, incorporate current subrecipient and program needs, and enhance the overall presentation. Formatting changes improve legibility and ensure alignment with organizational standards.

k. **Exhibit G** (Subrogation and Assignment Provisions) of the Agreement is being replaced by an updated version hereto incorporated by reference into the Agreement (see **Attachment III**).

III. SEVERABILITY

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

IV. SECTION HEADINGS ANDSUBHEADINGS

The section headings and subheadings contained in this **AMENDMENT B** 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 B**.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

V. COMPTROLLER REGISTRY

The PRDOH shall submit a copy of this **AMENDMENT B** to the Office of the Comptroller for registration within **fifteen** (**15**) **days** following the date of execution of this **AMENDMENT B** and any subsequent amendment thereto. The services object of this **AMENDMENT B** may not be invoiced or paid until this **AMENDMENT B** has been registered by the PRDOH at the Comptroller's Office, under Act No. 18 of October 30, 1975, as amended by Act No. 127 of May 31, 2004.

VI. 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 concerning the Agreement, as amended.

VII. 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.

VIII. NON-CONFLICT OF INTEREST CERTIFICATION

The Subrecipient reassures PRDOH of its willingness to comply with the applicable conflict of interest policies by signing the Non-Conflict of Interest Certification incorporated by reference into the Agreement via this **AMENDMENT B**. (**Attachment IV**).

IX. COMPLIANCE WITH INSURANCE REQUIREMENTS

PRDOH will execute this **AMENDMENT B** conditioned to the submission, by the Subrecipient, of any other required insurance policies, within thirty (**30**) calendar days of the signing of this **AMENDMENT B**. Failure to comply with the submission of the insurance policies may result in the withholding of disbursements or reimbursement, the recapture of funds, or the termination of the Agreement.

X. COMPLIANCE WITH ADMINISTRATIVE ORDER NO. OA-HD-25-03 OF PRDOH

On April 28, 2025, PRDOH issued Administrative Order No. OA-HD-25-03, to establish public policy regarding the use and management of electronic and digital signatures

within PRDOH. Additionally, to recognize electronic and digital signatures in the course of PRDOH's operations.

In compliance with OA-HD-25-03, PRDOH validates the consent of the electronic signatories through the incorporation of the following clause:

The Parties agree that this document may be signed by electronic means. They further acknowledge that, if signed in this manner, the document shall retain its legal validity and effect with respect to enforceability, consent, applicability, and admissibility.

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

PUERTO RICO DEPARTMENT OF HOUSING
CDBG-DR Grantee

By: _____
Name: **Luis Augusto Martínez Román**
Title: Secretary

STATE INSURANCE FUND CORPORATION
Subrecipient

By: _____
Name: **Enid Inalbis Ortiz Rodríguez**
Title: Administrator

ATTACHMENT I

EXHIBIT C

BUDGET

NON-FEDERAL MATCH PROGRAM

STATE INSURANCE FUND CORPORATION

DESCRIPTION OF SERVICES

The PRDOH Non-Federal Match Program (NFMP) will provide a budget of **TWO HUNDRED SIXTY-SEVEN THOUSAND FOURTY-TWO DOLLARS AND TWENTY-SEVEN CENTS ($267,042.27)** for activities in this Subrecipient Agreement, dedicated toward facilitating a drawdown of CDBG-DR funds to support a match payment for the FEMA Public Assistance (PA) Program currently obligated Project Worksheets (**PWs**).

The NFMP will utilize data provided by FEMA and COR3 for the PA Program to determine HUD eligibility, creating a project file with sufficient supporting documentation that will allow PRDOH to submit a request for CDBG-DR funds.

Activity Delivery Costs – No Activity Delivery costs are to be incurred by the Subrecipient under this Agreement.

Planning – No Planning Costs are provided for this program, as FEMA has obligated projects through the PA program via project worksheets (PWs) to each applicant. Also, the PRDOH only provides the match, or Non-Federal share reimbursement, for work that has been performed by eligible applicants, so planning-related activities have already occurred.

Project Costs – the Subrecipient and PRDOH have agreed that **TWO HUNDRED SIXTY-SEVEN THOUSAND FOURTY-TWO DOLLARS AND TWENTY-SEVEN CENTS ($267,042.27)** of the CDBG-DR funds requested for the NFMP will be directed toward Project Costs and

considered as the budget for this Agreement. Project Costs will be used as the local match for the project's current Non-Federal share.

Administrative Costs – No Administrative costs are to be incurred by the Subrecipient under this Agreement.

Outside of the Subrecipient's assistance to PRDOH through its scope of services in the form of additional documentation required, PRDOH will perform all eligibility reviews. PRDOH will also obtain and collect documentation from FEMA and COR3 data sources and as needed will contact the Subrecipient for additional documentation required in connection to the eligibility review. PRDOH also has the primary responsibility to engage with the Subrecipient in the Program and to provide Technical Assistance (**TA**).

Notes on budget:

(1) Total Budget allocated shall not be interpreted as the total sum of Non-Federal Share Required Amounts for each PW, but the total amount considered by the Program to be reasonable and necessary to cover the immediately required Non-Federal share. This allocation may be based on the Program's budget availability, Program or individual project needs, project readiness or any other parameter considered by the Program. Disbursement shall be based on the actual needs of each PW, which may be affected by changes in project formulation, modification, obligation or de-obligation made by FEMA.

ATTACHMENT II

EXHIBIT F

SPECIAL CONDITIONS

NON-FEDERAL MATCH PROGRAM

STATE INSURANCE FUND COPRORATION

1. **Attend Training Curriculum:**

   Within one hundred and twenty (120) days after this SRA is executed, Subrecipient's staff must participate in capacity building activities directed to the development and implementation of effective internal controls of federal awards to ensure that the entity is capable of managing federal awards in compliance with federal statutes and regulation. Subrecipient's staff must complete the Core Curriculum developed for CDBG-DR programs.

2. **Staffing and Training Plan:**

   Within one hundred and twenty (120) days after the SRA is executed, Subrecipient must develop a staffing and training plan that identifies specific personnel responsible for implementation and compliance of key requirements, including citizen complaints, financial management, payments, internal controls, procurement, monitoring and CDBG-DR specific requirements (e.g., national objective) and submit it to the Program POC and Subrecipient Management Team.

   The Subrecipient must develop and implement an organizational structure that clearly establishes the segregation of duties in the implementation and management of the CDBG-DR programs and activities, including the finance division, in compliance with the requirements in 2 C.F.R § 200.303 for internal controls and the Standards for Internal Controls in the Federal Government by GAO. A **final staffing capacity analysis** must be completed to cover the positions listed to perform the roles and responsibilities under the different areas where no names were added, as required for the implementation and management of the CDBG-DR federally funded program and submitted to the Program POC.

3. **Policies and Procedures:**

   Within one hundred and twenty (120) days after the SRA is executed, the Subrecipient must develop, update, and implement all policies and procedures in compliance with PRDOH CDBG-DR policies and, state and federal regulations. The Subrecipient must certify the compliance with this requirement through the Grant Compliance Portal (GCP) on the Self-Certification tab at its GCP Profile.

Compliance with the Policies and Procedures self-certification must be completed only once per Subrecipient regardless of how many SRAs they have with PRDOH. If the Subrecipient already correctly and fully complied with the requirement stated above, no further action is required on this matter.

END OF DOCUMENT

DEPARTMENT OF
HOUSING
GOVERNMENT OF PUERTO RICO

ATTACHMENT III

EXHIBIT G

SUBROGATION AND ASSIGNMENT PROVISIONS

NON-FEDERAL MATCH PROGRAM

STATE INSURANCE FUND CORPORATION

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 as **Exhibit G.**

b) Changes in the provisions of this Exhibit will require an amendment to the Subrecipient Agreement. Such amendment would result in the incorporation by reference of a modified **Exhibit G** to the Subrecipient Agreement.

2. Subrogation and Assignment Relating to Funds Received from the Puerto Rico Department of Housing – Non-Federal Match Program.

a) These provisions are incorporated into the Subrecipient Agreement in consideration of the commitment by PRDOH to evaluate the Subrecipient's application for the award of disaster assistance funds (the "**Application**") or the Subrecipient's receipt of CDBG-DR/MIT disaster recovery and mitigation 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 a disaster recovery need that is not fully met by insurance or other forms of disaster assistance. Subrecipient further acknowledges that

these provisions are intended to ensure that Subrecipient does not receive duplicate benefits available to the Subrecipient from another source, for the same purposes as the Grant Proceeds provided under the Program, and that, any assistance determined to be duplicative must be deducted from the Program's calculation of the Subrecipient's total need before awarding assistance.

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 "**Disaster Program**" and collectively, the "**Disaster 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 disaster recovery 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 infrastructureCDBG@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.

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 the suit to be brought in Subrecipient's name(s) and providing any additional documentation concerning 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 Disaster Assistance 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 Disaster Assistance Programs that are determined to be DOB Proceeds and/or any rights thereunder. The 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 determines that Subrecipient does not qualify to participate in the Program or the 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 Grant Proceeds paid to Subrecipient, PRDOH will reassign to Subrecipient any rights given to PRDOH under 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 provisions, and the rights and obligations of the parties shall be governed and construed by 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 is punishable under State and 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) The subrecipient acknowledges that they have been informed and understand the penalties for making a materially false or misleading statement to obtain CDBG-DR/MIT funds under the Program or any other of the PRDOH's Programs.

END OF DOCUMENT

DEPARTMENT OF
HOUSING
GOVERNMENT OF PUERTO RICO

ATTACHMENT IV

EXHIBIT H

NON-CONFLICT OF INTEREST CERTIFICATION

NON-FEDERAL MATCH PROGRAM

STATE INSURANCE FUND CORPORATION

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 to be 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."

Signature

Enid Inalbis Ortiz Rodríguez
Printed Name

Administrator
Position