

Minutes of a Community Development Meeting held by the Town Board of the Town of Riverhead at Town Hall, 200 Howell Avenue, Riverhead, New York, on Tuesday, May 22 2002 at 7:00 p.m.

Present:

Robert Kozakiewicz,	Chairman
Edward Densieski,	Member
James Lull,	Member
Barbara Blass,	Member
Rose Sanders,	Member

Also Present:

Andrea Lohneiss,	Director.
Barbara Grattan,	Town Clerk
Dawn Thomas, Esq.,	Town Attorney

Resolution #10

Andrea Lohneiss: "CD Resolution #10 authorizes the Chairman to execute contract with the New York State Affordable Housing Corporation for the administration of grant funds in the amount of \$150,000 with \$100,000 match from our CD program."

Chairman Kozakiewicz: "Thank you."

Member Densieski: "I'd like to move Resolution

Member Sanders: "And seconded."

Chairman Kozakiewicz: "Moved and seconded."

The Vote: "Sanders, yes; Blass, yes; Densieski, yes; Lull."

Member Lull: "One of the finest programs we do. Yes"

The Vote (Cont'd.): "Kozakiewicz, yes. The resolution is adopted."

Chairman Kozakiewicz: "Any other business?"

Andrea Lohneiss: "No."

Chairman Kozakiewicz: "CDA?"

Andrea Lohneiss: "Thank you."

Chairman Kozakiewicz: "Okay, thank you."

Member Densieski: "Thank you."

Meeting adjourned

Barbara Sutton
Town Clerk

5/22/02

Adopted

Town of Riverhead CDA

Resolution # 10

Authorizes Chairman to Execute Contract

COUNCILMAN DENYESKI

offered the following resolution,

which was seconded by **COUNCILWOMAN SANDERS**

WHEREAS, the Town of Riverhead has offered low interest loans and grants to homeowner occupants for more than 25 years; and

WHEREAS, the need for assistance among Riverhead's low income residents and particularly fixed-income senior citizens has increased, while federal HUD funding has decreased; and

WHEREAS, other sources of funds have become necessary to support this program; and

WHEREAS, the New York State Affordable Housing Corporation offers funding to provide for improvement of owner-occupied housing and the stabilization and preservation of neighborhoods and communities; and

WHEREAS, New York State AHC has approved the Town of Riverhead CDA application for \$150,000 in Home Improvement Project funds for townwide home improvement projects.

THEREFORE, BE IT RESOLVED that the CDA hereby authorizes the Chairman to execute the attached contract with New York State AHC.

THEREFORE, BE IT FURTHER RESOLVED, that the Town Clerk shall provide a certified copy of this resolution to Community Development Agency Director Andrea Lohneiss.

THE VOTE

Cardozo Yes No
 Blum Yes No
 Deneski Yes No
 Lull Yes No
 Kozakiewicz Yes No

THE RESOLUTION WAS WAS NOT
THEREUPON DULY ADOPTED

**NEW YORK STATE
AFFORDABLE HOUSING CORPORATION**

GRANT AGREEMENT

Town of Riverhead Community
Development Agency

AHC # 9BB07

Affordable Home Ownership Development
Program Home Improvement Project

Riverhead, New York

TABLE OF CONTENTS

<u>Article</u>	<u>Title</u>	<u>Page</u>
1.	General Provisions and Definitions	2
2.	Term	6
3.	Scope of Services	6
4.	Amount and Authorized uses of Grant Funds	6
5.	Third Party Contract Requirements	7
6.	Supporting Materials ¹⁰	
7.	Disbursement of Grant	12
8.	Program Income	16
9.	Representation, Warranties and Specific Obligations	16
10.	Regulatory Provisions	21
11.	Inspection and Review	22
12.	Defaults and Remedies	23
13.	Certifications by Grantee	24
14.	Project Close-Out	25
15.	Reports	26
16.	Equal Opportunity	28
17.	Conflict of Interest	28
18.	Miscellaneous	29

GRANT AGREEMENT

This Grant Agreement entered into as of this _____ day of May, 2002 by and between the NEW YORK STATE AFFORDABLE HOUSING CORPORATION, a public benefit corporation created and existing as a subsidiary of the New York State Housing Finance Agency pursuant to Section 45-b of the Private Housing Finance Law ("Corporation" or "AHC") having its principal place of business at 641 Lexington Avenue, New York, New York 10022 and the Town of Riverhead Community Development Agency having its offices at 200 Howell Avenue, Riverhead, New York, 11901("Grantee").

W I T N E S S E T H:

WHEREAS, pursuant to Section 1112 of the Private Housing Finance Law, the Corporation is authorized to enter into contracts with eligible applicants for the purpose of providing affordable homes for families and individuals for whom there are no other reasonable and affordable home ownership alternatives in the private market; and

WHEREAS, Grantee submitted an application ("Application") to the Corporation for a grant to finance the acquisition, construction, rehabilitation, or improvement of a certain project(s) located in a specified project area, all as more fully described in Exhibit A hereof ("Project"); and

WHEREAS, pursuant to the Application, the Corporation has awarded the Grantee a grant in the amount of \$150,000 for the Project ("Grant"), which the Grantee wishes to accept;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the Corporation hereby agrees to make the Grant and the Grantee agrees to take the Grant upon the following terms and conditions:

ARTICLE I

GENERAL PROVISIONS

1.1 Contents of Agreement. This agreement will consist of this Grant Agreement, the Application and the Regulations. The Application and Regulations are incorporated herein as if fully set forth.

1.2 Exhibits Incorporated. All exhibits ("Exhibit(s)") which are referred to in this Grant Agreement or are attached hereto are incorporated and made a part hereof.

1.3 General Definitions. Unless specifically provided otherwise or the context otherwise requires, when used in this Grant Agreement:

- (a) "Act" will mean Article 19 of the Private Housing Finance Law (Section 1110 et seq.) as the same may be amended from time to time;
- (b) "Affirmative Marketing Plan" will mean those portions of the Grantee's Marketing Plan set forth in Exhibit C that are designated as an Affirmative Marketing Plan, which will require or be deemed to require compliance with all applicable fair housing laws and will describe the Grantee's plans to promote fair access to Homes in the Project by eligible Home Buyers or Home Owners, including an explanation of any preference or priority system and any special marketing efforts to reach out to minority, disadvantaged, or other groups; the Affirmative Marketing Plan will state the rationale for such plans and discuss the likely impact of such efforts within the context of the Grantee's overall housing efforts or any applicable municipal community development plan.
- (c) "Application" will mean the application submitted by the Grantee pursuant to the Corporation's request for proposals;
- (d) "Contractor" will mean builder, developer, or general contractor, other than Grantee, that is a Participating Party under this Grant Agreement;
- (e) "Corporation" will mean the Affordable Housing Corporation created by Section 45-b of the Private Housing Finance Law and its successors or assigns;
- (f) "Eligible Costs" will mean costs related to the acquisition, construction, rehabilitation, or

improvement of one to four family dwellings, including cooperatives and condominiums, which are or will be owner occupied and specifically excluding all of the following: (i) administrative costs incurred by the Grantee and any costs which are not directly related to the acquisition, construction, rehabilitation or improvement of Homes; (ii) in the event that Homes are to be located in a mixed use structure, then ineligible costs include any costs associated with the nonresidential uses;

- (g) "Exhibit(s)" shall mean any exhibit which is referred to in this Grant Agreement or attached hereto; the Exhibits are incorporated herein and made a part hereof.
- (h) "Grant" will mean those funds to be provided by the Corporation to the Grantee pursuant to the terms of this Grant Agreement, as specified in Exhibit B in which the Financial Plan for the Project is set forth;
- (i) "Grantee" will mean the party named as the Grantee in the first paragraph of the preamble hereto (the preamble appears on the first page of the text of this Grant Agreement);
- (j) "Grantee Activities" will mean those activities of the Project to be carried out by the Grantee, or an agent or agency of the Grantee, which activities are described in the Management Plan set forth in Exhibit C of this Grant Agreement;
- (k) "Home" will mean a one to four family dwelling which has at least one owner occupant or an owner occupied unit in a cooperative or a condominium, as described in the Exhibits;
- (l) "Home Buyer(s)" will mean individuals or households for whom there are no other reasonable and affordable home ownership, alternatives, in the private market, as determined by the Grantee pursuant hereto, and who will occupy Homes assisted under the Act as their principal place of residence;
- (m) "Home Improvement" will mean the improvement of a Home in which the owner is in residence at or prior to the time of the commencement of such improvement;

- (n) "Home Improvement Contract(s)" will mean the written agreements entered into between a Home Owners and a Contractors for the improvement of Homes;
- (o) "Home Owner" will mean an individual or family residing in a Home needing work to prolong its useful life, to correct basic structural defects or to repair basic building systems which threaten or, if not corrected or repaired, could threaten the health and safety of the residents;
- (p) "Management Plan" will mean the plans, procedures, and efforts to be employed by the Grantee and Participating Parties with respect to the Project's development and management, as outlined in Exhibit C.
- (q) "Marketing Plan" will mean the plans, procedures, and efforts to be employed by the Grantee and Participating Parties with respect to marketing the Homes, to do outreach, advertising, selection, and qualification of Home Buyers and Home Owners, as described in Section 3 of Exhibit C.
- (r) "Material" will have the meaning set forth in Section 5.1(b) of this Grant Agreement;
- (s) "Non-Grantee" or "Participating Party" Activities" will mean those activities of the Project to be carried out by Participating Parties, other than the Grantee or an agent or agency of the Grantee, which activities are outlined in Section 2 of Exhibit C of this Grant Agreement;
- (t) "Participating Party" will mean any person, firm, corporation or entity identified as such in Section 2 of Exhibit C or elsewhere in this Grant Agreement. Identification as a "Participating Party" signifies that the Corporation, in selecting the Grantee for the award of the Grant, relied in material part upon a representation that the party so identified will complete a specified portion of the Project or a specific activity necessary for the completion of the Project;
- (u) "Plans" will have the meanings set forth in Sections 7.1(a) and 7.2(a) of the Grant Agreement;
- (v) "Project" will mean the construction, rehabilitation, acquisition in conjunction with new construction or rehabilitation, or improvement of Homes, as more fully described in Exhibit A;

- (w) "Project Close-out" will have the meaning set forth in Article 14 of this Grant Agreement;
- (x) "Project Document(s)" will mean all the agreements, deeds, contracts, commitments, undertakings, by and among the Grantee and the Participating Parties, evidentiary materials, and other documentation necessary to carry out the Project as set forth in this Grant Agreement;
- (y) "Program" will mean the Affordable Home Ownership Development Program created by the Act;
- (z) "Program Income" will have the meaning set forth in Article 8 of this Grant Agreement;
- (aa) "Property" will mean the land or lands upon which the Project is to be located;
- (ab) "Recipient(s)" will mean any individuals, partnerships, corporations or other entities which receive Grant funds from the Grantee or a Participating Party;
- (ac) "Rehabilitation" will mean the substantial renovation or reconstruction of a building; and
- (ad) "Regulations" will mean the Program regulations adopted by the Corporation pursuant to Section 1113(1) of the Act, as the same may be amended from time to time.

ARTICLE II

TERM

The term of this Grant Agreement will commence on the date first set forth above, and, unless otherwise terminated in accordance with the terms contained in this Grant Agreement, will expire on the later of a) the date when the latest-expiring recapture period specified in a grant enforcement mortgage and note, executed by a Home Buyer or Home Owner under the Project as required by Section 10.4, has passed and its conditions for reduction of the recapture obligation to zero have been satisfied, b) the date when the last of the amounts, if any, due from Home Buyers or Home Owners have been recaptured by the Grantee and paid over to the Corporation, or c) the date when the Corporation has agreed in writing to accept the performance of the Grantee as satisfying its obligations under this Grant Agreement.

ARTICLE III

SCOPE OF SERVICES

The Grantee will have overall responsibility for the timely completion of the Project in accordance with the terms and conditions set forth in this Grant Agreement. In addition, the Grantee will have primary responsibility for the Grantee Activities listed in Exhibit C.

ARTICLE IV

AMOUNT AND AUTHORIZED USES OF GRANT FUNDS

4.1 In consideration of the various obligations undertaken by the Grantee pursuant to this Grant Agreement, and in consideration of the obligations to be undertaken by Participating Parties, as represented by the Grantee in the Application, the Corporation agrees, subject to the terms and conditions set forth herein, to provide the Grantee with the Grant in the amount specified in Exhibit B.

4.2 The Grantee will apply Grant funds exclusively to Eligible Costs of the Project as described in Exhibit A of this Grant Agreement and in the amounts budgeted in Exhibit B of this Grant Agreement.

4.3 The Grant has been awarded in reliance upon the Grantee's plan to produce Homes or Home Improvements affordable by individuals and families within the income limits by family size as specified in the Exhibits. Any change in the cost of the Project that would require higher income levels must have the prior written approval of the Corporation.

4.4 The amount of the Grant has been determined by the Corporation in reliance upon the cost estimates of the Grantee with respect to the activities set forth in the Application and the investment commitments and contractual undertakings of Participating Parties. The Corporation reserves the right to reduce the Grant: (a) if there is any revision proposed by the Grantee and approved by the Corporation with respect to the Exhibits of this Grant Agreement; (b) if the actual costs for activities are lower than those set forth in Exhibit B; (c) if the investment by Participating Parties is less than the amount(s) specified in the Exhibits and Project Documents; or (d) if the grant exceeds the lesser of: (1) \$20,000 or, in the case of a high cost project or a project which will receive a federal farmers home administration loan, \$25,000 per dwelling unit, or (2) sixty per cent of the cost of the work done in connection with the Project with respect to each Home.

4.5 With respect to the acquisition of the Property, the Grantee will not pay and the Corporation will not reimburse the Grantee for or disburse Grant funds in excess of the appraisal submitted pursuant to Section 7.1(f) of this Grant Agreement. If Property is acquired for a cost materially in excess of the appraisal submitted under circumstances that will increase the cost of homes to Home Buyers, the Corporation, in its discretion, may terminate this Grant Agreement.

ARTICLE V

THIRD PARTY CONTRACT REQUIREMENTS

5.1 The Grantee will incorporate, either directly or indirectly by side agreement, the provisions of this Article 5 in the appropriate contractual obligations of the relevant Participating Parties involving activities to be paid for with Grant funds or other uses of Grant funds, the following:

- (a) a provision establishing a stated price for the performance of Project work, requiring completion within a specified time period, and setting forth a specified, limited profit in accordance with the formula established by the Grantee and approved by the Corporation, except that in the case of Home Improvement Contracts, where an alternative method of limiting profit has been implemented, then a specified profit limit need not be stated;
- (b) a provision that during the term of this Grant Agreement, after a contract with a Participating Party has been submitted, approved or accepted by the Corporation, such contract will not be amended in any material respect without the prior written

approval of the Corporation. "Material" will be anything which cancels or reduces any developmental, construction, or financial obligation of any Participating Party by more than ten percent (10%), changes the sites or character of any development activity, increases any time for performance by a party by more than thirty (30) days or increases by more than ten percent (10%) the amount that may be paid for the goods or services of any Participating Party or increases the cost of any Home to a Home Buyer by any amount;

- (c) a provision that the Grantee and each Participating Party has obtained, or has reasonable assurance that it will obtain, on a timely basis all federal, state and local governmental approvals and reviews required by law to be obtained by the Grantee or Participating Party for the Project;
- (d) an acknowledgment by all Participating Parties, other than lenders, that the Corporation, in selecting the Grantee for the award of this Grant, has relied in material part upon the assured completion of the Project by the Participating Parties within the costs and times reflected in their contracts and in the Exhibits, and the Participating Parties assurance that their obligations shall be completed and that they will not permit or engage in any activities which would prevent the timely completion of the Project as provided herein;
- (e) a provision that any Program Income received by the Participating Party will be returned to the Grantee;
- (f) a provision requiring that each Participating Party: (1) keep and maintain books, records and other documents relating directly to the Project; and (2) agree that any duly authorized representative of the Corporation will, at all reasonable times, have access to and the right to inspect, copy and audit all such books, records and other documents of such Participating Party until the completion of Project Close-out and the final settlement and conclusion of all issues arising out of this Grant;
- (g) a requirement in all Rehabilitation or Home Improvement projects, that no Rehabilitation or Home Improvement will be financed with Grant proceeds unless more than fifty percent of the cost

of the Rehabilitation or Home Improvement will be used to perform work which prolongs the useful life of the Home or repairs basic building systems or corrects basic structural defects which threaten or if not corrected or repaired could threaten the health and safety of the dwelling's residents;

- (h) a provision that each Participating Party agrees that any duly authorized representative of the Corporation will, at all reasonable times, have access to any portion of the Project in which a Participating Party is involved until Project Close-out or until such other time as agreed to by the Corporation;
- (i) an acknowledgment and agreement by the Participating Party that no transfer of Grant funds by the Grantee to the Participating Party will be or be deemed to be an assignment of Grant funds, and that such Participating Party will neither succeed to any rights, benefits or advantages of the Grantee under this Grant Agreement, nor attain any rights, privileges, authorities or interests in or under this Grant Agreement;
- (j) an acknowledgment that nothing contained in this Grant Agreement, or in the contracts between the parties, nor any act of the Corporation, the Grantee, or any of the parties, will be deemed or construed by any of the parties, or by third persons, to create any relationship of third party beneficiary, principal and agency, limited or general partnership, or joint venture, or of any association or relationship involving the Corporation. Notwithstanding anything in the Grant Agreement and Project Documents to the contrary, to the extent of any conflict or inconsistency between the provisions of this Grant Agreement and the Project Documents, as such conflict or inconsistency may refer to the Grant, the provisions and intent of this Grant Agreement shall control. It is understood by the parties hereto that funding is provided by the Corporation in connection with the Project as a conditional subsidy pursuant to the provisions hereof and that such understanding will not effect the rights of any Participating Party with respect to funds or assistance provided thereby in connection with the Project. Notwithstanding anything herein to the contrary, the provisions of this subsection and of similar provisions in the Project Documents, as they relate to or affect the Grant, shall be for

the benefit of the mortgagors, and shall not be deemed to violate the provisions of this subsection regarding the creation of third party beneficiary relationships;

- (k) notwithstanding of the provisions of Section 5.1(j) hereof, an acknowledgment that the Grant will be furnished to the Grantee by the Corporation as funds held in trust to be used solely for Eligible Costs in the manner set forth in the Exhibits hereto;
- (l) acknowledgment that the Grantee will not be liable to any Participating Party, or to any party except the Corporation, for completion of, or the failure to complete, any activities which are a part of the Project, except those specified in the Exhibits and Project Documents;
- (m) conflicts of interest provisions consistent with Article 17 of this Grant Agreement; and
- (n) a project sign provision acceptable to the Corporation and such additional provisions regarding acknowledgment of and publicity for the Corporation's support for and contribution to the Project as the Corporation may reasonably require.

5.2 All Participating Parties will be subject to the approval of the Corporation.

ARTICLE VI

SUPPORTING MATERIALS

6.1 In selecting the Grantee for the award of this Grant, and in entering into this Grant Agreement, the Corporation has relied upon the representations of the Grantee that the Grantee and the Participating Parties identified in Exhibit C together: (a) have or will have control of the sites for the Project; (b) have, or will obtain, the financial capability to ensure the carrying out of the activities to their completion; (c) will undertake specified activities connected with the Project; and (d) will invest, or cause to be invested, a specified amount in money, goods or services in the Project; (e) will complete those activities in a timely and skillful manner, and (f) that the Project will be completed without material defect.

6.2 In support of these representations, the Grantee has submitted, except as provided in Section 6.3, to the Corporation the deeds, contracts, commitments and all other relevant documents necessary to complete the Project (the "Project Documents"), which

documents are attached to this Grant Agreement as Exhibit F. Supporting materials submitted for acceptance by the Corporation will include: (a) a complete index describing the materials submitted; (b) a legally binding and enforceable commitment of each Participating Party to undertake and complete specified activities connected with the Project and to expend on the Project a specified minimum amount of funds or other form of investment; (c) in the case of Contractors, binding commitments including the price to be paid for Homes to be constructed or rehabilitated and the time within which the work will be completed; and (d) evidence that the Participating Parties have on hand, or will have available to them, any finances or other resources necessary to carry out the activities contemplated in their commitments; and (e) an opinion of counsel to the Grantee in accordance with Section 6.5.

6.3 In the event that all the Project Documents necessary to demonstrate the obligations or financial capabilities specified in Section 6.2 are not obtainable prior to the execution of this Grant Agreement, the Project Documents not previously submitted and a further counsel's opinion without exceptions will be submitted for the approval of the Corporation prior to any requisition for the disbursement of Grant funds.

6.4 All submissions pursuant to this Article will be subject to Corporation approval as to form and content. All documentary evidence of commitments, contracts, site control or any other requirement to be submitted to the Corporation for its approval will be in the form of either (i) a duplicate original, or (ii) a photocopy of the fully executed original of the documents. Supporting materials which have been submitted to and approved by the Corporation will not be amended in any material respect without prior written approval of the Corporation.

6.5 The opinion of counsel to the Grantee referred to in Section 6.2 shall list the Project Documents and any other pertinent sources that counsel has examined, shall state that the Project Documents constitute all necessary undertakings and documentation needed to carry out the terms of this Grant Agreement and that the parties all validly exist and are empowered to engage in the transactions contemplated and shall give a description of any exceptions to be submitted in accordance with Section 6.3. The Grantee's counsel shall list and attach copies of the opinions of counsel to other parties on which Grantee's counsel has relied in reaching his opinion.

6.6 If, under the terms of a Project Document serving as a loan commitment, the making of the loan is contingent upon the happening of any condition precedent, then the approval of the commitment by the Corporation as satisfying the requirement for supporting materials may be conditioned by the Corporation upon the submittal and acceptance of further evidence that such

contingencies have been satisfied or removed or that the loan has closed.

ARTICLE VII

DISBURSEMENT OF GRANT

7.1 Prior to the disbursement of any Grant funds, the Grantee will submit the following for each Project except as provided in Section 7.2 with respect to Home Improvement:

- (a) A certification that the Grantee or a Participating Party will require the preparation of and work in accordance with final plans and specifications for the completion of the Project (the "Plans"), which will be certified by a registered architect or licensed engineer, to be retained by Grantee or a Participating Party;
- (b) A certification that the Grantee has executed all contracts with the Participating Parties that are necessary for it to effectuate the construction and completion of the Project in conformity with the Exhibits;
- (c) A certification by the Grantee that the Grantee and the Participating Parties have obtained (i) all worker's compensation, disability benefits and other insurance required by law; (ii) such other coverage as the Grantee or Participating Parties may require to insure the work to be performed under the Project which shall include comprehensive general liability insurance, with a minimum limit of liability of Five Hundred Thousand Dollars (\$500,000) for bodily injury and property damage and casualty and fire insurance in the minimum amount of ninety percent (90%) of replacement value of the Homes covered by each Participating Party's contract, which policy will provide "All Risk" builders risk insurance, including collapse coverage and flood insurance (if the subject property is located in a HUD designated flood hazard area), unless different coverage is specified in Exhibit G, Insurance;
- (d) With respect to Grantees other than municipalities, evidence of fidelity bonds covering the employees of the Grantee who will handle Grant funds in the minimum amount of the maximum anticipated disbursement to be requested by the Grantee;

- (e) Payment and performance bonds for the Project in such form as the Corporation may require or such other commitments or obligations to secure payment and performance as the Corporation has approved, provided, however, no payment and performance bonds will be required by the Corporation where Grant funds will be advanced to the Home Buyer or Contractor upon completion of work;
- (f) If the Corporation approves the use of any portion of the Grant funds for the acquisition of any Property, a copy of the contract for such acquisition, an appraisal, all other agreements relating thereto and any other documents or information that the Corporation may require;
- (g) In the case of all cooperative or condominium conversions of occupied buildings, a copy of the acceptance for filing by the Department of Law of the State of New York of the offering statement and a copy of any other relevant approvals or acceptances by the Department of Law, the Department of State and any other state agencies;
- (h) Evidence that the Project, upon completion, will be in compliance with all applicable laws including building codes and zoning ordinances;
- (i) Evidence of the establishment of a system for the maintenance, disbursement, and expenditure of Grant funds in a manner acceptable to the Corporation in its sole discretion;
- (j) Such arbitrage rebate compliance documentation and remission(s) of funds as may be required by the Corporation pursuant to a Rebate Compliance Agreement between the New York State Housing Finance Agency and the Corporation, among others ("Rebate Compliance Agreement"); and
- (k) Submission of all supporting materials required pursuant to Exhibit F, at least twenty days prior to the time for a disbursement where submission of any supporting materials prior to the execution of this Grant Agreement was waived by the Corporation.

7.2 In the case of Home Improvement, prior to the disbursement of any Grant funds, Grantee will submit the following items for each Project:

- (a) A certification that the Grantee will require work in accordance with plans for the Home Improvement

(the "Plans"), certified by a registered architect or licensed engineer when required by law, and which have been approved by each Home Owner for the completion of work on his Home;

- (b) A certification by the Grantee that the Grantee or the Participating Parties have obtained (i) all worker's compensation, disability benefits and other insurance required by law; (ii) such other coverage as the Grantee may require to insure the work to be performed under the Project which shall include comprehensive general liability insurance, with a minimum limit of liability of Three Hundred Thousand Dollars (\$300,000) for bodily injury and property damage unless different coverage is specified in Exhibit G, Insurance;
- (c) With respect to Grantees other than municipalities, evidence of fidelity bonds covering the employees of the Grantee who will handle Grant funds in the minimum amount of the maximum anticipated disbursement to be requested by the Grantee;
- (d) Payment and performance bonds for the Project in such form as the Corporation may require or such other commitments or obligations to secure payment and performance as the Corporation has approved, such as the retainage by the Grantee of a material portion of the contract price until the completion of the work has been approved by the Home Owner;
- (e) A certification that the Grantee will obtain assurance, prior to final payment of Grant funds to a Contractor, that the Project upon completion will be in compliance with all applicable laws including building codes and zoning ordinances; and;
- (f) Evidence of the establishment of an interest bearing Federal Deposit Insurance Corporation insured bank account to be used exclusively for the deposit and withdrawal of the Grant funds for the Projects under this Grant Agreement ("Project Account");
- (g) Such arbitrage rebate compliance documentation and remissions of funds as may be required pursuant to a Rebate Compliance Agreement between the New York State Housing Finance Agency and the Corporation among others;

7.3 The proceeds of the Grant will be applied only to costs for acquisition of Property for new construction or rehabilitation,

to work items shown in the Plans referred to in Section 7.1 (a) or 7.2 (a) or in Home Improvement Contracts or to the purchase of Homes by Home Buyers and only in accordance with Exhibit B.

7.4 Disbursement of Grant proceeds will be made on a periodic basis. Except as may be otherwise provided in Section 7.5 hereof pertaining to Home Improvement projects, or in the Exhibits and any appendix annexed hereto with respect to requisition documentation, the sequence and timing of drawdowns of the respective sources of acquisition, construction, rehabilitation, or improvement financing, or concerning retainage, or other requirements, such disbursements will be made upon requisitions of the Grantee certifying the Project work completed or the acquisition to be funded, and that 75% of all prior disbursements have been expended or committed to current payments to Contractors or to closings with Home Buyers, provided the cumulative ratio of other funds to Grant funds does not fall below 1 to 1.5, (i.e. 40% other funds to 60% Grant funds); provided, each such requisition must be accompanied by a current bank statement concerning the account established pursuant to this Grant Agreement.

7.5 With respect to Home Improvement projects, no greater than twenty-five percent of the Grant amount will be disbursed upon satisfaction of the requirements of Section 7.2 hereof and each additional disbursement will be in an amount no greater than twenty-five percent of the Grant funds (unless different percentages or provisions for disbursements are set forth in the Exhibits) and provided that, prior to the disbursement of additional Grant funds: (i) a minimum of seventy-five percent of all prior disbursements has been expended or committed pursuant to Home Improvement contracts and Plans, if such Plans are required by law; and (ii) the Grantee will provide a certification that either the Grantee or a participating Party has received: (a) evidence of site control and ownership of each unit of the Home improved or to be improved on the part of the respective Homeowner to be benefited by the Grant funds; and (b) a Home Improvement contract and Plans, if such Plans are required by law, for each unit improved or to be improved through such prior disbursement; and provided that each such requisition must be accompanied by a bank statement concerning the project account established pursuant to this Grant Agreement.

ARTICLE VIII

PROGRAM INCOME

Program Income will mean any Grant funds disbursed by the Corporation to the Grantee or Sub-grantee, payments of principal and interest on any deposits made by Grantee and any Sub-grantee with Grant funds, net proceeds allocable to the Grant and payable to the Grantee or Sub-grantee from the disposition of real property financed in whole or in part with Grant funds, investment income on

Grant funds and any funds recaptured or repaid in connection with Property of a Home Buyer or Home Owner who fails to comply with his/her obligations with respect to participation under the Program. All Program Income not offset against the disbursement of Grant funds for Eligible Costs will be returned to the Corporation by the Grantee.

ARTICLE IX

REPRESENTATIONS, WARRANTIES, AND SPECIFIC OBLIGATIONS

9.1 The Grantee has, through consultations among all appropriate members of the Grantee's governing body and its officers, examined into each of the following and by its execution of this Grant Agreement the Grantee does, upon information and belief, represent and warrant to the Corporation that:

- (a) The Grantee is duly organized and validly existing under the laws of the jurisdiction under which the Grantee was created, and has all requisite power and authority to enter into this Grant Agreement;
- (b) As identified in such certification all resolutions, motions, orders, ordinances or other necessary formalities necessary to authorize the execution and delivery of this Grant Agreement on behalf of the Grantee by the person executing this Grant Agreement have been, respectively, fully adopted, passed or enacted as an official act of the Grantee's governing body or chief executive officer;
- (c) This Grant Agreement has been executed and delivered by the Grantee in such manner and forms to comply with all applicable laws to make this Grant Agreement the valid and legally binding act and agreement of the Grantee;
- (d) There is no action, proceeding, or investigation now pending, nor any basis therefor, known or believed to exist by the Grantee, which (i) questions the validity of this Grant Agreement, or any action taken or to be taken under it, or (ii) is likely to result in any material adverse change in the authorities, properties, assets, liabilities, or conditions (financial or otherwise) of the Grantee which would materially and substantially impair the Grantee's ability to perform any of the obligations imposed upon the Grantee by this Grant Agreement;

- (e) The representations, statements, and other matters contained in the Application were true and complete in all material respects as of the date of filing. The Grantee is aware of no event which would require any amendments to the Application (other than an amendment which has been filed with and approved by the Corporation) in order to make such representations, statements, and other matters true, complete and current at the time of the execution of this Grant Agreement and not misleading in any material respect. The Grantee is aware of no event or other fact which should have been, and has not been reported in the Application as material information;
- (f) The Grantee has obtained, or has reasonable assurances that it will obtain on a timely basis, all federal, state and local government approvals and reviews required by law to be obtained by the Grantee for the Project; and all Participating Parties have obtained, or the Grantee has reasonable assurances that such Participating Parties will obtain, all such approvals and reviews required by law to be obtained by the Participating Parties for the Project;
- (g) Insofar as the capacity of the Grantee to carry out any obligation under this Grant Agreement is concerned, (i) the Grantee is not in material violation of its charter or certificate of incorporation, as the case may be, or any mortgage, indenture, agreement, instrument, judgment, decree, order, statute, rule or regulation and (ii) the execution and performance of this Grant Agreement will not result in any such violation;
- (h) The Project will be constructed in accordance with the Plans or Home Improvement Contracts, the Schedule of Activities in Exhibit D and the Financial Plan established for the Project in Exhibit B;
- (i) Contractors, as defined in Section 1.3(c), have executed or will enter into contracts for a stated price and providing for a limited profit in accordance with a formula established by the Grantee and approved by the Corporation, except that in the case of Home Improvement, if the Grantee establishes an alternative method to limit profit (which method will be described in the Exhibits), then the Grantee hereby warrants and represents that all Home Improvement Contracts will

be entered into in accordance with such alternative method;

- (j) In the case of Rehabilitation and Home Improvement, a majority of the assistance provided by the Grantee with respect to each Home will be used to perform work which prolongs the useful life of the Home or corrects basic structural defects or repairs basic building systems which threaten or if not corrected or repaired could threaten the health and safety of the dwelling's residents;
- (k) The Grantee acknowledges that nothing contained in this Grant Agreement, nor any act of the Corporation, the Grantee, or any of the parties, will be deemed or construed to create: (i) any of third party beneficiaries, or (ii) any principal and agency, partnership, or joint venture, or of any similar association or relationship involving the Corporation other than the obligation of the Grantee with respect to the grant enforcement notes and Mortgages set forth in Section 10.4. The above provisions of this Subsection 9.1(k) notwithstanding, the Grantee acknowledges that the Corporation is furnishing the Grant to the Grantee as funds held in trust to be used solely for Eligible Costs in the manner set forth herein. The Grant funds are understood not to be funds of the Grantee. Notwithstanding anything in the Grant Agreement and Project Documents to the contrary, to the extent of any conflict or inconsistency between the provisions of this Grant Agreement and the Project Documents, as such conflict or inconsistency may refer to the Grant, the provisions and intent of this Grant Agreement shall control. It is understood by the parties hereto that funding is provided by the Corporation in connection with the Project as a conditional subsidy pursuant to the provisions hereof and that such understanding will not effect the rights of any Participating Party with respect to funds or assistance provided thereby in connection with the Project. Notwithstanding anything herein to the contrary, the provisions of this subsection and of similar provisions in the Project Documents, as they related to or affect the Grant, shall be for the benefit of the mortgagors, and shall not be deemed to violate the provisions of this subsection regarding the creation of third party beneficiary relationships.
- (l) The Grantee will comply with the requirements of the Corporation with respect to arbitrage rebate

documentation and remission(s) of funds to be rebated, pursuant to the Rebate Compliance Agreement.

9.2 The Grantee will use its best efforts to ensure the completion of the Management Plan, including Grantee Activities and Non-Grantee Activities, described in Exhibit C of this Grant Agreement within the time periods specified in Exhibits D and E.

9.3 The Grantee will comply with the Regulations of the Corporation, including provision of any certifications required therein.

9.4 Promptly upon the discovery of any default, as defined in Section 12.1 of this Grant Agreement, involving any Participating Party, the Grantee will:

- (a) give prompt written notice to the Corporation;
- (b) vigorously pursue, to the fullest extent possible, all remedies available to Grantee to remove or cure such default, obtain redress therefor and minimize the effects of the default, including all efforts to obtain reimbursement for any Grant funds expended on the Project;
- (c) endeavor to inform Home Buyers and Home Owners of the provisions of warranties legally available to them and to enforce such warranties when such default involves a defect in the quality of design or workmanship; and
- (d) keep the Corporation fully informed as to the status of such actions.

9.5 The Grantee will comply with all applicable federal, state, and local fair housing laws and may not engage in any practice or foster any pattern of illegal discrimination including but not limited to discrimination based on race, religion, disability, marital status, or age. Exhibit C contains provisions describing the Marketing Plan, which includes the process of outreach, advertising, and selection of applicants to receive Grant funds hereunder, and includes an Affirmative Marketing Plan to ensure that each element of the selection process is open, fair, and equitable. The Affirmative Marketing Plan furnished to the Corporation in connection herewith is subject to the approval of the Corporation in its sole discretion and may not be modified or amended without its prior written consent. Any system of preference of priority with respect to the solicitation of applicants, selection, and qualification of Home Buyers, marketing of Homes, or allocation and distribution of Grant funds must be fully set forth and justified in the Affirmative Marketing Plan,

which will include an explanation of the need for and likely impact of such preference or priority on the disposition of the Homes in the Project within the context of the Grantee's affirmative marketing efforts and any applicable municipal community development plan. Any system of preference or priority must comply with federal and state fair housing laws and may not foster racial, religious, or other illegal form of discrimination.

9.6 Unless the Corporation approves another plan for owner occupancy monitoring, during the applicable period of required owner occupancy of the Homes subsidized hereunder, the Grantee will use its best efforts to verify compliance with owner occupancy requirements, including but not limited to employment of methods such as annually mailing a letter to each Home Buyer requesting verification that the respective Home is being occupied as the Home Buyer's primary residence. The envelope containing such requests must display the following endorsement: "ADDRESS CORRECTION REQUESTED/DO NOT FORWARD".

9.7 The Grantee will develop and include provisions in Paragraph G of Section 3 (Marketing Plan) of the Management Plan (Exhibit C), which will be subject to the Corporation's approval, for publicizing the Corporation's contribution to the Project. Such provisions will include a plan requiring the placement of a sign, in a format acceptable to the Corporation, at the Project site or sites, inclusion in marketing materials of appropriate acknowledgments of the Corporation's participation in financing the Project, and such additional or alternative methods of acknowledging and publicizing the Corporation's support for and contribution to the Project as may be deemed reasonable, necessary, and convenient.

ARTICLE X

REGULATORY PROVISIONS

10.1 In selecting Home Buyers, the Grantee will (a) adhere to the Marketing Plan in Exhibit C; and (b) ensure that the sale prices, carrying charges, and initial rents provided in the Exhibits and Project Documents are not exceeded.

10.2 In the case of Home Improvement, the Grantee will certify to the Corporation, in such manner as the Corporation may require, the dates of completion of each Home Improvement.

10.3 Grantee will comply with its temporary occupant relocation plan, if applicable; in the event that such a plan is applicable, it will be attached hereto as Exhibit I.

10.4 The Grantee will, without cost to the Corporation, (a) cause all Home Buyers or Home Owners to execute a grant enforcement note and mortgage in a form supplied by the Corporation, secured by

their respective Homes, which contains provisions acceptable to the Corporation to ensure that all units in the project are affordable, and under which the Home Buyer or Home Owner will agree to pay the amount required by the recapture provisions if the Home Buyer or Home Owner does not occupy his/her Home for the minimum period required pursuant to the Regulations and the Act and specified in the grant enforcement note and mortgage; (b) record such mortgages on behalf of the Corporation; (c) arrange for the return of the mortgage to the Corporation; and (d) cooperate with the Corporation with respect to enforcement of the recapture provisions in connection with such mortgages.

10.5 For any Project involving relocation of current occupants, a temporary occupant relocation plan will be attached as Exhibit I.

10.6 As required by the Act, the Grantee will establish a reasonable system satisfactory to the Corporation to monitor the requirement that the Home is occupied by the Home Buyer or Home Owner during the applicable recapture period required by the grant enforcement note and mortgage instruments or the Regulations and to notify the Corporation of any non-compliance. Notwithstanding any other provision contained in this Grant Agreement, this provision will survive the Project Close-Out of this Grant Agreement.

ARTICLE XI

INSPECTION AND REVIEW

11.1 The Grantee will, and the Grantee will cause Participating Parties to, keep and maintain such books, records and other documents as will be required under rules and regulations applicable to grants made under the Program, and as may be reasonably necessary to reflect and disclose fully the amount and disposition of the Grant funds, the total cost of the activities paid for, in whole or in part, with Grant funds, and the amount and nature of and earnings from all investments made with Grant funds.

11.2 All such books, records and other documents will be available for a minimum period of three years from the date of Project Close-out at the offices of the Grantee (except that books, records and other documents of a Participating Party which are subject to this Agreement may be maintained at the offices of such Participating Party) for inspection, copying and audit at all reasonable times by any duly authorized representative of the Corporation.

11.3 During the course of construction and until the sale of all Homes in the respective Project, any duly authorized representative of the Corporation will, at all reasonable times, have access to all portions of the Project.

ARTICLE XII

DEFAULTS AND REMEDIES

12.1 A default will consist of

- (a) any use of Grant funds for any purpose other than activities related to the Project as described in Exhibit A, the services to be performed by the Grantee and the Participating Parties, all as described in the Exhibits, and the costs and uses of funds as itemized in the Financial Plan set forth in Exhibit B;
- (b) any breach of any covenant, agreement, provision, representation, or warranty of (i) the Grantee made in this Grant Agreement, (ii) the Grantee made in any agreement entered into between the Grantee and any Participating Party relating to the Project, and (iii) any Participating Party made in any agreement specified in Exhibit F;
- (c) the failure to perform in accordance with the Schedule of Activities in Exhibit D of this Grant Agreement;
- (d) an assignment for the benefit of creditors or admission in writing of its inability to pay its debts generally as they become due, the appointment of a receiver, liquidator or trustee of the Grantee, or an adjudication of the Grantee a bankrupt or insolvent, or the filing of any petition for bankruptcy, reorganization or arrangement pursuant to the federal Bankruptcy Reform Act, or any similar Federal or state statute by or against the Grantee; or any proceeding for the dissolution, reorganization or liquidation of the Grantee is instituted; unless any such appointment, adjudication, petition, or proceeding is involuntary and not consented to by the Grantee and the same is discharged, stayed or dismissed within 60 days after it is instituted; and
- (e) a failure by the Grantee to commence, to the satisfaction of the Corporation, work under the Project within ninety days of the date first set forth in this Grant Agreement; and failure to progress with the work in accordance with the

schedules required hereby unless the Grantee can demonstrate, to the satisfaction of the Corporation, good cause why the time period should be extended so that such event will not be deemed a default.

12.2 Upon the occurrence of any default the Corporation may reduce or recapture the Grant, except for amounts already obligated, or take other appropriate action. For purposes of this section, "other appropriate action" means any remedial action legally available, including, without limitation, demanding in writing that the Grantee reimburse (and the Grantee will reimburse) the Corporation in the amount of any use of Grant funds for Ineligible Costs, bringing affirmative litigation, such as suits for declaratory judgment, specific performance, temporary or permanent injunctions and any other available remedies. In the event that the Corporation makes such a determination, then the Grantee will deliver to the Corporation all original documents relevant to the Project, including but not limited to, any construction agreements, loan documents and any other related documents that the Corporation may require.

12.3 In addition to any other rights or remedies, if a default consists of the Grantee's failure to submit the supporting materials described in Exhibit F of this Grant Agreement on a timely basis that would assure the Schedule of Activities in Exhibit D of this Grant Agreement will be met, the Corporation will have the right to terminate this Grant Agreement and the award of Grant funds to which this Grant Agreement relates by delivery of written notice to the Grantee. Upon such termination, all obligations of the Corporation pursuant to this Grant Agreement and such award will cease and the Grantee will neither have nor retain any rights whatsoever with respect to the Grant funds to have been provided under this Grant Agreement.

12.4 The obligations of the Grantee and the rights and remedies available to the Corporation in the event of a suspension or termination of this Grant Agreement will survive such suspension or termination.

ARTICLE XIII

CERTIFICATIONS BY GRANTEE

13.1 Execution by the Grantee of each request for a disbursement of Grant funds will constitute a certification that:

- (a) All of the representations and warranties of the Grantee as set forth in Section 9.1 of this Grant Agreement continue to be valid, true, and in full force and effect;

- (b) The Grantee is in compliance with all of the Grantee's obligations specified in this Grant Agreement which, by their terms or intent, are applicable at the time of the disbursement of Grant funds;
- (c) The Grant funds to be drawn will be used for Eligible Costs actually incurred or to be incurred in accordance with the Exhibits to this Grant Agreement; and
- (d) The payment requested does not duplicate a payment or reimbursement of costs and services received from any other source.

13.2 Within thirty (30) days after the completion of all Grantee Activities, the Grantee will submit to the Corporation a written certification, executed by the chief executive officer of the Grantee, stating that all Grantee Activities have been completed consistent with the terms of this Grant Agreement, and specifying the date of completion and the cost for each Grantee Activity.

13.3 Within thirty (30) days after the completion of all Non-Grantee Activities, the Grantee will submit to the Corporation a written certification, executed by the chief executive officer of the Grantee, stating that all Non-Grantee Activities have been completed consistent with the terms of this Grant Agreement, and specifying the date of completion and the cost for each Non-Grantee Activity. The certification will have attached to it a statement from each Participating Party that the information in the certification with respect to the Non-Grantee Activities carried out by that Participating Party is complete and correct.

ARTICLE XIV

PROJECT CLOSE-OUT

Project Close-out will occur when all costs to be paid with Grant funds have been incurred, all Homes in the Project have been sold to a Home Buyer, when the last progress report has been submitted, and no later than six months after the date for completion set forth in Exhibit D, or at such other time as the Corporation may establish. At such time, the Grantee must submit, in accordance with the Corporation's requirements, documentation of its Grant disbursements and records, a certification of completion and final cost. Any Grant funds advanced in excess of the requirements of Section 4.2 of this Grant Agreement must be refunded to the Corporation.

ARTICLE XV

REPORTS

15.1 Grantee will submit such reports related to its activities under the Program as the Corporation may reasonably require.

15.2 During the term of this Grant Agreement, Grantee must submit progress reports in such form and by such dates as the Corporation may require, on a quarterly or more frequent basis, which will include, but will not be limited to, information concerning the construction schedule, construction costs, project occupancy, data on occupants' income levels, problems, if any, encountered by Grantee in carrying out its Project(s) or program, and information concerning compliance with the Equal Employment Opportunity Agreement and the Minority and Women-owned Business Utilization Plan which are included in the Exhibits. Such progress reports may also be required by the Corporation to contain any information necessary under the Rebate Compliance Agreement.

15.3 Grantee will promptly notify the Corporation as to the existence of litigation which may affect the Grantee's Project(s) or program.

15.4 In addition to the reports required under Section 15.2 above, Grantee will submit by December 15 of each year during the term of this Grant Agreement, in such format as the Corporation may require, a summary report on the Grantee's Project(s) or program concerning each annual period of December 1 through November 30 indicating whether the construction, rehabilitation, or improvement has commenced and is underway or is completed. The initial report will cover the period from the date of this Grant Agreement through November 30 of the same calendar year in which this Grant Agreement was executed. Thereafter, each annual summary report will include both a statement of accomplishments during the annual period and a cumulative statement for the period from the date of the execution of this Grant Agreement to the reporting date.

15.5 The summary report will include:

- (a) The amount of each payment or grant made by Grantee and the identity of Recipients thereof;
- (b) The amount of outstanding payments or grants made by Grantee and the identity of Recipients thereof;

- (c) A narrative description of the specific activities performed by the Grantee and the results thereof expressed in number of housing units;
- (d) A narrative description of the specific activities performed by Participating Parties;
- (e) Location of Homes;
- (f) Number of units in each category of Homes completed during the year or in process and a cumulative statement of such information from the date of execution of this Grant Agreement to the reporting date;
- (g) A report of the Grantee's continued monitoring of construction progress and conditions for recapture of funds, and if applicable, for the limitation of the resale price of Homes;
- (h) A description of any problems encountered in advancing the project(s) or program, solutions developed to meet such problems, and whether any problems are currently outstanding;
- (i) If the Grantee is other than a municipality, an audited financial statement concerning the Grantee prepared by an independent, certified public accountant, relating to the Grantee's most recent fiscal year, if the Grantee's fiscal year coincides with the calendar year, notwithstanding the provisions of Section 15.4 requiring the submission by December 15, such statement must be submitted within 90 days after the close of the Grantee's fiscal year; and
- (j) A statement of costs (including expended and/or incurred costs) concerning the Project or program certified by the Grantee and relating to the period covered by the report.

ARTICLE XVI

EQUAL OPPORTUNITY

16.1 The Grantee will require all developers, builders and contractors performing work related to this Grant Agreement to enter into an Equal Employment Opportunity Agreement substantially in the form of the Exhibits attached hereto.

16.2 The Grantee will comply with the Minority and Women-owned Business Utilization Plan included in the Exhibits.

ARTICLE XVII

CONFLICTS OF INTEREST

17.1 The officers, directors and employees of each Grantee should pursue a course of conduct which will not raise the appearance of any impropriety or conflict of interest with respect to any funds awarded by the Corporation.

17.2 No person who is a member of the governing body of the Grantee, an officer, or an employee or the immediate family members of such a person, or any person or business entity having a direct or indirect financial relationship with such a person, will be eligible to participate or benefit financially from the Grantee's Project or program, except that, in the case of a municipality, this provision with respect to employees applies only to employees or the immediate family member of employees of the departments or agencies directly involved in the municipality's project(s) or program.

17.3 No individual who is an elected official at the State or local level, a paid staff person to such an official, a leader or chairman of a political party at any jurisdictional level, or an immediate family member of any such person will be eligible to participate or benefit financially from the Grantee's Project or program.

17.4 Upon a written showing of good cause by the Grantee, the Corporation may, in its discretion, grant a waiver of the prohibitions contained in Sections 17.2 and 17.3 of this Article, provided that the prohibited participation or benefit is not otherwise illegal. In the event the Corporation grants such a waiver, the fact and circumstances surrounding such participation or benefit shall be fully disclosed in the Exhibits and to such other persons or entities as the Corporation may require.

ARTICLE XVIII

MISCELLANEOUS

18.1 All amendments, notices, requests, objections, waivers, rejections, agreements, approvals, disclosures and consents of any kind made pursuant to this Grant Agreement will be in writing.

18.2 Any such communication will be deemed effective for all purposes as of the date such communication is mailed, postage prepaid, by registered or certified mail, return receipt requested,

to be delivered only to the office of the addressee, addressed as follows:

- (a) to the Corporation at its address first set forth above, marked - Attention: Director, Affordable Home Ownership Development Program, New York State Affordable Housing Corporation, with a copy to the Program Executive; and
- (b) to the Grantee at its address first set forth above, or such other address as may be furnished by the Grantee to the Corporation.

18.3 No right, benefit, or advantage inuring to the Grantee under this Grant Agreement and no burden imposed on the Grantee hereunder may be assigned without the prior written approval of the Corporation. An authorization by the Corporation for the transfer of Grant funds by Grantee to a Participating Party will not be deemed an authorization for an assignment, and such Participating Party will not succeed to any rights, benefits or advantages of the Grantee hereunder.

18.4 This Grant Agreement will bind, and the rights, benefits and advantages will inure to, the Grantee's successors.

18.5 No delay or omission of the Corporation in exercising any right or remedy available under this Grant Agreement will impair any such right or remedy, or constitute a waiver of any default, or an acquiescence therein.

18.6 All rights and remedies of the Corporation under this Grant Agreement will be cumulative.

18.7 The invalidity of any article, section, subsection, clause or provision of this Grant Agreement will not affect the validity of the remaining articles, sections, subsections, clauses or provisions hereof.

18.8 This Grant Agreement constitutes the entire agreement between the Corporation and the Grantee and supersedes all prior oral and written agreements between the parties hereto with respect to the Grant. Notwithstanding the provisions of Section 1.1 of this Grant Agreement, in the event of any inconsistency between the provisions of this Grant Agreement and anything contained in the Application, the provisions of this Grant Agreement will prevail.

18.9 This Grant Agreement may be executed in any number of counterparts. All such counterparts will be deemed to be originals and together will constitute but one and the same instrument.

18.10 The title of the Articles and any headings of the Sections set forth herein are not a part of this Grant Agreement and will not be deemed to affect the meaning or construction of any of its provisions.

18.11 This Grant Agreement, or any part hereof, may be amended from time to time hereafter only in writing executed by the Corporation and the Grantee.

18.12 This Grant Agreement as it may affect the rights, remedies, duties, and obligations of the Corporation will be governed by and construed in accordance with the laws of the State of New York.

18.13 The Corporation reserves and will have the exclusive right to waive, at the sole discretion of the Corporation, and to the extent permitted by law, any requirement or provision under this Grant Agreement. No act by or on behalf of the Corporation will be, or be deemed or construed to be, any waiver of any such requirement or provision, unless the same be in writing, signed by an authorized officer of the Corporation, and expressly stated to constitute such waiver.

IN WITNESS WHEREOF, the parties have caused this Grant Agreement to be duly executed by their respective, duly authorized representatives, as of the day and year first written above.

NEW YORK STATE AFFORDABLE
HOUSING CORPORATION

By:

Name: Wanda Graham

Title: Vice President

Town of Riverhead Community Development Agency

By:

Name:

Title:

(Print Name and Title)

ACKNOWLEDGMENT BY CORPORATE GRANTEE

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On the ____ day of _____ in the year 199_, before me, the undersigned, a notary public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose names(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

Notary Public

Commission expires:

ACKNOWLEDGMENT BY MUNICIPAL GRANTEE

STATE OF NEW YORK)
) ss.:
COUNTY OF _____)

On the ____ day of _____ in the year 200_, before me, the undersigned, a notary public in and for said state, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose names(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person on behalf of which the individual(s) acted, executed the instrument.

Notary Public

Commission expires:

ACKNOWLEDGMENT BY NEW YORK STATE
AFFORDABLE HOUSING CORPORATION

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the ____ day of _____ in the year 200_, before me, the undersigned,
a notary public in and for said state, personally appeared
_____ personally known to me or proved to me on the basis
of satisfactory evidence to be the individual(s) whose names(s) is (are)
subscribed to the within instrument and acknowledged to me that he/she/they
executed the same in his/her/their capacity(ies), and that by his/her/their
signature(s) on the instrument, the individual(s), or the person on behalf of
which the individual(s) acted, executed the instrument.

Notary Public

Commission expires _____