

**DOWNSTREET HOUSING & COMMUNITY DEVELOPMENT
VERMONT HOUSING IMPROVEMENT PROGRAM 2.0**

DATE

GRANT AWARD AGREEMENT

Between

DOWNSTREET HOUSING & COMMUNITY DEVELOPMENT

And

_____, **Owner(s)**

I. Grant Award Agreement

- A. This Grant Award Agreement (“Award”) is made and entered into by and between **DOWNSTREET HOUSING & COMMUNITY DEVELOPMENT**, 22 KEITH AVE., STE. 100, BARRE, VT 05641, aka Homeownership Center (“HOC”) and _____, (“Owner”), effective as of the date set forth above. If Owner is an entity (a limited liability company or a corporation) it has provided proof acceptable to HOC that it is in existence and has authorized the acceptance of this Award and the execution of the accompanying Vermont Housing Improvement Program 2.0 (“VHIP”) Rent Stabilization Covenant.
- B. This Award is comprised of State of Vermont General funds. The funds were granted by the Vermont Department of Housing and Community Development (“DHCD”) to HOC to implement VHIP.
- C. This Award Agreement will remain in effect until the Owner completes the five (5) year Compliance Period after the Project is completed.

II. Definitions

As used in this document, the words and phrases set forth below shall have the following meanings:

- A. **“Agreement”** means this Vermont Housing Improvement Program 2.0 Grant Award Agreement, and the Rent Stabilization Covenant incorporated herein.
- B. **“Award”** means the Vermont Housing Improvement Program Grant Award Agreement, and the funds awarded to the property Owner to develop a VHIP Project.
- C. **“Compliance Period”** means the period of five (5) years beginning on the date that the Property and/or Unit(s) are placed in service, in accordance with the Vermont Housing Improvement Program enacted in 10 V.S.A. §699, and as amended. The “placed in service” date is the effective lease date.

- D. **“Contractor”** means any person or entity directly hired by Owner or Property Manager to work on the Project.
- E. **“DHCD” aka “State of Vermont”** means the State of Vermont Department of Housing and Community Development, as organized under the Agency of Commerce and Community Development.
- F. **“FLA” and “Note”** means a Forgivable Loan Agreement and Promissory Note to be completed by the Owner and recorded in the Land Records of the Town in which the Project is located **if the Grant is converted to a Forgivable Loan**. The FLA and Note detail the terms of the forgivable loan, including the forgiveness schedule, repayment options, remedies for default, and other terms. The FLA and Note are incorporated herein.
- G. **“Grant” and “Grant Award”** means this document and the funds awarded to the Owner to complete the project.
- H. **“HUD”** means the U.S. Department of Housing and Urban Development.
- I. **“HOC”** means the specific regional Homeownership Center making this award: **DOWNSTREET HOUSING & COMMUNITY DEVELOPMENT**. There are five regional Homeownership Centers across Vermont enacting VHIP.
- J. **“Owner”** means the responsible Property Owner(s) receiving VHIP 2.0 funds. Every Owner listed on the deed for the property must sign this agreement and associated documents, or provide a Power of Attorney which specifically allows the designee to encumber the real property of the Owner(s).
- K. **“Project”** means the specific property and unit being assisted with VHIP funds as described in the Agreement, and more specifically described in Schedule A hereto.
- L. **“Project Completion Date”** means the date at which the construction on the Project is completed and the Unit(s) are operable and lease(s) are signed.
- M. **“Property Manager”** means the local representative designated by the Owner if the Owner is out-of-state or otherwise unable to consistently communicate with the HOC and DHCD. If the Owner designates a Property Manager, Owner agrees that the Property Manager may act on their behalf to complete the VHIP Project. Owner will remain responsible for signing all legal documents and attestations. VHIP Projects must either have an in-state owner, or an assigned Property Manager for the duration of the Compliance Period.
- N. **“Rent Stabilization Covenant” aka “Covenant”** means the legal instrument recorded in the land records of the town or city in which the Project is located and encumbers the real property. The Covenant contains the requirements the Owner must follow for the duration of the Compliance Period once the Unit is put into service. The Covenant will be signed along with this Agreement and is incorporated herein and may only be discharged upon completion of the Compliance Period, conversion of the Grant to a Forgivable Loan, or repayment of the entire Grant Award.

- O. **“Subcontractor”** means a person or entity that a Contractor on the Project hires to work on the Project.
- P. **“Unit(s)”** means the specific and identifiable apartments, ADUs or other discrete living areas constructed or repaired with VHIP funds. For the purposes of the Covenant, the Unit includes any common areas, supporting structures and necessary appurtenances to support the Unit physically or functionally.
- Q. **“VHIP” and “VHIP 2.0”** means the Vermont Housing Improvement Program as described in 10 V.S.A. § 699, and any amendments thereto.

III. Award

- A. In consideration of and subject to Owner's satisfactory compliance with the terms and conditions of this Agreement, HOC shall provide the Owner with a **Grant** in the amount of _____ **Dollars (\$)** for the Work in the housing units located at _____, _____, **Vermont** (the "Property"), more specifically described in the Deed(s) for the property, attached as **Schedule A of the Covenant**, and in reliance on the terms and conditions set forth in this Agreement. If, upon completion to the project and prior to the start of the Compliance Period, the actual amount of the grant differs from the amount listed above, Owner and HOC shall execute a “VHIP Final Award Amount Amendment” form as provided by DHCD to amend the total award amount. HOC and Owner agree to record the amendment in the land records of the Town in which the property is located, and provide a recorded copy to DHCD.
- B. The grant funds will be held in escrow by HOC and disbursed upon written approval of HOC. Payment shall be made only for items included in the work approved by HOC unless a proposed change is approved in advance by HOC.
- C. The mandatory matching contribution of 20% of the total award will be used in the first round of funding and must be documented via canceled checks issued to the contractor. In-kind services used to meet the matching requirement must be proposed to HOC and approved. In-kind services may be documented via receipts for materials costs and a log of Owner labor hours charged at a reasonable fee to be agreed upon between Owner and HOC. Costs incurred before agreements are signed may not be applied to the 20% match. The 20% matching contribution cannot be waived in whole or in part.
- D. Funds will be disbursed on a reimbursement basis. Owner must provide receipts and invoices for costs incurred to requisition funds. **VHIP will only pay for work completed after this agreement and all associated documents are signed by Owner.** Disbursements will be made on the following schedule:
 - i. Up to 35% may be distributed for initial incurred costs.
 - ii. 25% may be distributed at the half-way point of the project and is subject to Owner returning the fully executed and notarized original Subsidy Covenant to HOC to record in the applicable land records.
 - iii. 25% may be distributed upon satisfactory final inspection of the project's Scope of Work as agreed upon with HOC.
 - iv. 15% may be distributed once final receipts and invoices have been shared with HOC, all

code and occupancy inspections have been completed, and a lease for the apartment has been signed.

- E. A 5-year Grant may be converted under Vermont Housing Improvement Program 2.0 to a 10-year forgivable loan, upon written approval of DHCD provided certain requirements are met. Upon this conversion, the unit would need to comply with the 10-year forgivable loan program requirements.
 - i. To convert a grant to a forgivable loan the landlord must send a letter to DHCD requesting conversion and the reason(s) for the request. DHCD will review and reach out with clarifying questions. If approved, DHCD will pro-rate the forgiveness of the loan for years already in service, at 10% for every year the unit was in compliance with the Grant requirements.
- F. Division of Authority Between HOC and DHCD:
 - i. HOC shall be responsible for enforcement of this Award Agreement until project completion, which occurs when a lease is effective for the unit that meets the program requirements and the final payment is made. This is the date the Compliance Period begins. Owner shall interface with HOC during the construction of the unit(s) and until the Compliance Period begins. If enforcement is required prior to the start of the Compliance Period, HOC shall consult with DHCD prior to enforcement actions as detailed in this agreement.
 - ii. DHCD shall be responsible for enforcement of this Award Agreement during the Compliance Period. Owner shall interface with DHCD once the Compliance Period begins.

IV. Status of Owner and Contractors: Indemnification

- A. The parties agree that in connection with the Work funded with this Award, the Owner and all agents, employees and contractors of the Owner shall be acting as independent contractors and not as agents or employees of HOC, DHCD or the State of Vermont.
- B. Owner shall indemnify, defend, and hold harmless, HOC, DHCD or the State of Vermont, their respective board members, officers, employees, and agents of any kind from any and all liability, claims, suits, judgments, and damages arising directly or indirectly in connection with or as a result of performance or nonperformance, under this Agreement by the Owner or any agents, employees or contractors of the Owner.
- C. The Owner hereby release and forever discharge HOC, DHCD or the State of Vermont, their agents, employees, successors and assigns, of and from all liabilities, expenses, claims, actions, covenants, contracts, and demands whatsoever, in law or in equity, which Owner, their successors or assigns may have had, now have, or may in the future have against HOC, DHCD and the State of Vermont, its agents, officers, directors, employees, successors and assigns, by reason of any matter, cause or thing whatsoever occurring prior to execution of this Agreement.
- D. Without limiting the generality of the foregoing Owner hereby release and forever discharge the said HOC, DHCD and the State of Vermont, its agents, officers, directors, employees, successors and assigns, from all liabilities, expenses, claims, actions, covenants, contracts, and demands whatsoever, in law or in equity arising out of performance or non-performance of the Work.

V. Obligations of Owner

For a period beginning with the execution of this Agreement and continuing for at least **five (5) years** after the completion of the Work and renting of the unit, Owner agrees to comply with each of the following:

- A. Owner agrees to comply with all provisions of this Agreement, shall at all times comply with the Vermont Lead Program requirements, and other applicable federal and state statutes and regulations, Executive Orders, and all future revisions and amendments to same.
- B. Owner shall provide, upon reasonable notice, access to the exterior and interior of all properties covered by this Agreement for visual inspections of repairs by representatives or agents of HOC and DHCD.
- C. Owner agrees to work with the Coordinated Entry Lead Organizations to attempt to find suitable renters at unit turnover for the duration of the five (5) year compliance period. Owner shall lease the unit to a household that is exiting homelessness or actively working with an immigrant or refugee resettlement program, or is recommended via another applicable program as identified by DHCD. A waiver may be provided for a property owner to seek tenants outside of the CE referrals if the CE Lead fails to provide suitable tenant option within four (4) weeks of project completion (property owners are strongly encouraged to begin communication with CE Lead prior to project completion) or three (3) weeks after the unit has been vacated during the five (5) year compliance period.
 - i. If a waiver is granted, Owner agrees to abide by the remaining required selection criteria:
 - a. Owner will not require tenants to have a credit score greater than 500;
 - b. Owner is limited to charging no more than one month's rent for a deposit, regardless of whether it is called a security deposit, a damage deposit or a pet deposit, last month's rent, or any other name.
 - c. Owner agrees cover the cost of running background checks on potential tenants;
 - d. Owner agrees to accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities;
 - e. Owner agrees to accept paper applications for tenants with limited internet access.
- D. Owner will obtain any required State or local permits and comply with all applicable development requirements.
- E. Fair Housing Education: For applications to be accepted VHIP 2.0 participants must watch short interactive videos on Fair Housing and Landlord-Tenant Mediation ([click here to take the training](#)).
- F. Out-of-State Owners: If Owner resides in another state, Owner agrees to identify a property manager located within 50 miles of the unit(s) to ensure a local, responsible party is managing the property in the absence of the property owner. Owner shall provide the property manager's contact information, including phone number and email to HOC.
- G. Owner agrees to maintain the premises in compliance with all applicable NFPA Life Safety Code Standards and applicable Certificate of Occupancy requirements.

- H. Owner agrees to provide data on tenants and rents, to include contact information and lease copies annually and Vermont Department of Tax Landlord Certificate (LRC-140, or LRC-147 as applicable) and any other compliance forms as supplied by HOC or DHCD.
- I. Owner agrees and acknowledges if Owner defaults under their obligations set forth in this Award Agreement and the Covenant that Owner may be required to repay some or all of the funds.

VI. Contractors and Subcontractors

- A. Owner, its agents and contractors and subcontractors are prohibited from employing, awarding contracts, or funding any contractors or subcontractors that have been debarred, suspended, proposed for debarment or declared ineligible by the United States or State of Vermont.

VII. Conflict of Interest

- A. The Owner shall comply with all applicable federal and state conflict of interest rules.
- B. The Owner shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors or potential contractors.

VIII. Program Deadline

- A. All units must be done with construction, (with a Certificate of Occupancy or other similar certification, if applicable) and all invoices submitted to HOC no later than 18 months after this agreement is executed. Extensions to the deadline must be requested at least 30 days in advance. Extensions will only be granted for good-cause, such as supply-chain disruptions or other unpreventable delays supported by documentation.
- B. By missing this deadline, you will assume responsibility for the remaining payments due to the contractor and/or supplier. If the units are not completed, HOC and/or DHCD may pursue repayment of any and all funds paid under this agreement, or any other such remedy as available under the Covenant and Vermont law.

IX. Owner Representations

- A. VERMONT BUSINESS: Owner certifies that, as of the date of execution of this Agreement, Owner has provided to HOC a copy of a currently effective certificate of authority to do business in the State of Vermont if Owner is incorporated as a business.
- B. OTHER RESOURCES: Owner hereby certifies that Owner has provided to HOC documentation of firm commitments of the other resources necessary to complete the Project, including the purpose for which they are to be used and any conditions attached to their expenditure.
- C. CERTIFICATIONS: Owner hereby makes the following additional certifications, in form satisfactory to HOC, that, as of the date of execution of this Agreement:
 - i. Owner is in good standing with respect to any and all federal, state and local taxes, to the extent Owner is subject to taxation;

- ii. Owner is current on, or is in full compliance with a plan to pay, any and all financial obligations;
 - iii. There are no liens, judgments or other financial encumbrances on the Property involved in the Project, other than those of record, or disclosed to the Agency prior to the execution of this Agreement; and
 - iv. Owner's representations with respect to the financial and operational aspects of the business in the written documents previously provided to the HOC remain accurate and not misleading.
- D. **STATUTORY OBJECTIVE:** Owner commits to achieve the statutory objective of this project as identified in 10 V.S.A. §699 and maintaining documentation as may be required by HOC and DHCD and otherwise necessary to clearly demonstrate that Owner has achieved the program objective.
- E. **INSURANCE:** For a period beginning with the execution of this Grant Agreement and continuing for at least five (5) years after the Project Completion Date, Owner shall take out, pay for and keep in full force, insurance on the Project Property against such risks, in such amounts, with such insurance carrier, and with such loss payable clause as shall be satisfactory to HOC, and shall furnish HOC and to DHCD upon request with the satisfactory evidence of such insurance.
- F. **ENVIRONMENTAL REVIEW:** Owner shall comply with all federal, state, and local environmental and historical review requirements.
- G. **PERMITS:** Owner shall secure all federal, state, and local permits that are necessary, and shall comply with any conditions related to the disbursement of funds imposed by agencies requiring them. Owner has identified all permits necessary for the project, and has secured those necessary to commence activities.
- H. **REPORTS:** Owner shall submit financial and operational reports to HOC as HOC may reasonably request, and HOC and DHCD shall have access to the records of the Owner during normal business hours or as arranged in advance. Owner's failure to provide such information as requested, and/or the provision of information that appears to be inaccurate or incomplete, unless remedied within 15 days, shall constitute an event of default.
- I. **OTHER LIENS AND ENCUMBRANCES:** Owner shall use no proceeds of this Award to discharge any lien or other encumbrance.
- J. **REFINANCING:** Owner shall not use the Award as collateral for any other debt without the prior written approval of HOC before the Project Completion Date or approval of DHCD during the Compliance Period. VHIP funds shall not be used to restructure debt in any way, except where the project involves the use of VHIP funds to convert temporary bridge or construction financing to permanent financing for this VHIP Project. Owner may not refinance the Property unless Owner has sufficient equity equal to the amount of this Award, subject to the discretion of DHCD.
- K. **DUPLICATION OF BENEFITS:** Owner shall disclose all other federal and state awards or funds for which Owner has applied that may be applicable towards the project. Owner shall

avoid a duplication of benefits and shall not use multiple sources of federal or state funds to cover the same expenses of the project.

- L. PASS THROUGH PROVISIONS. In addition to binding Owner, the following provisions shall be included in all contracts between Owner and any other contractor related to the project and shall bind all such other contractors.

X. Miscellaneous Provisions

- A. RETENTION OF AND ACCESS TO RECORDS: Owner shall retain and give access to the following records:
 - i. Financial records, supporting documents, statistical records, and all other records pertinent to the construction of this project shall be retained for a period of 5 years after the end of the Project Completion Date. Records of compliance with the terms of the Grant shall be retained for a period of 5 years after the end date of the Compliance Period.
- B. Authorized representatives of the Secretary of the Agency of Commerce and Community Development, the Inspector General of the United States, or the U.S. General Accounting Office shall have access to all books, accounts, records, reports, files, papers, things, or property belonging to, or in use by, the HOC, Owner or any Subrecipient pertaining to the receipt and administration of Program funds, as may be necessary to make audits, examinations, excerpts, and transcripts.
- C. The provisions of this Agreement shall be binding upon the heirs, successors and assigns of the Owner.
- D. No changes, modifications, or amendments in the terms and conditions of this Agreement shall be effective unless reduced to writing and signed by duly authorized agents of HOC and the Owner.
- E. No changes, modifications, or amendments in the terms and conditions of the Covenant shall be effective unless reduced to writing and signed by duly authorized agents of DHCD and the Owner.
- F. If HOC and/or DHCD ever have to obtain legal assistance to enforce the terms of this Grant Agreement, Owner shall be liable to HOC and/or DHCD for any reasonable attorney's fees incurred.
- G. CONSIDERATION AND INCORPORATION OF AGENCY GRANT AGREEMENT. HOC makes this grant to Owner pursuant to, and as consideration for, HOC's activities as set forth in the Grant Agreement with the Agency, which is incorporated herein by reference, and a copy of which HOC and DHCD shall maintain in their respective files. The DHCD to HOC Grant Agreement allows the HOC to carry out the program, including executing the Covenant on behalf of DHCD.
- H. SURVIVAL OF THIS AGREEMENT. All obligations pursuant to this Agreement shall continue until HOC and/or the Agency have determined that the requirements of the VHIP 2.0 program have been completed.

- I. **PURPOSE OF THE AWARD.** The purpose of this grant shall be to grant funds to support the Project and the achievement of VHIP 2.0, as described in the Grant Agreement. The proceeds of this grant shall be used solely for Owner's specific activities in connection with the Grant.
- J. The Owner stands in the shoes of HOC with respect to responsibilities under the grant agreement between the HOC and DHCD. All requirements of federal and state laws, regulations, and procedures that apply to HOC also may apply to Owner. Owner may request a copy of the grant agreement between HOC and DHCD at any time.
- K. **SECURITY.** HOC requires Owner to provide security for this Grant in order to be able to recover some or all of the funds, in the event that the Agency or HOC determines that Owner has failed to achieve the Statutory Objective, or if Owner defaults on any of its obligations.
 - i. Owner hereby grants to HOC and Agency as security for this Grant:
 - a. A Rent Stabilization Covenant of approximately even date herewith encumbering the real property;
 - b. The personal guarantee of the Owner.
- L. **INTERPRETATION:** This Agreement shall be governed by and construed in accordance with the laws of the State of Vermont and the laws of the United States of America, where applicable.
- M. **REVISIONS AND AMENDMENTS:** All amendments to this Grant Agreement shall be reduced to writing and shall be executed by all parties to the document.

XI. Passthrough provisions

Owner is subject to the following provisions passed down via State of Vermont Standard provisions for Contracts and Grants, Clause 19:

- A. **Whistleblower Protections:** The Party shall not discriminate or retaliate against one of its employees or agents for disclosing information concerning a violation of law, fraud, waste, abuse of authority, or acts threatening health or safety, including but not limited to allegations concerning the False Claims Act. Further, the Party shall not require such employees or agents to forego monetary awards as a result of such disclosures, nor should they be required to report misconduct to the Party or its agents prior to reporting to any governmental entity and/or the public.
- B. **Location of State Data:** No State data received, obtained, or generated by the Party in connection with performance under this Agreement shall be processed, transmitted, stored, or transferred by any means outside the continental United States, except with the express written permission of the State.
- C. **Fair Employment Practices and Americans with Disabilities Act:** Party agrees to comply with the requirement of 21 V.S.A. Chapter 5, Subchapter 6, relating to fair employment practices, to the full extent applicable. Party shall also ensure, to the full extent required by the Americans with Disabilities Act of 1990, as amended, that qualified individuals with disabilities receive equitable access to the services, programs, and activities provided by the Party under this Agreement.

D. Taxes Due to the State:

- i. Party understands and acknowledges responsibility, if applicable, for compliance with State tax laws, including income tax withholding for employees performing services within the State, payment of use tax on property used within the State, corporate and/or personal income tax on income earned within the State.
- ii. Party certifies under the pains and penalties of perjury that, as of the date this Agreement is signed, the Party is in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due the State of Vermont.
- iii. Party understands that final payment under this Agreement may be withheld if the Commissioner of Taxes determines that the Party is not in good standing with respect to, or in full compliance with, a plan to pay any and all taxes due to the State of Vermont.
- iv. Party also understands the State may set off taxes (and related penalties, interest and fees) due to the State of Vermont, but only if the Party has failed to make an appeal within the time allowed by law, or an appeal has been taken and finally determined and the Party has no further legal recourse to contest the amounts due.

E. Child Support: (Only applicable if the Party is a natural person, not a corporation or partnership.) Party states that, as of the date this Agreement is signed, he/she:

- i. is not under any obligation to pay child support; or
- ii. is under such an obligation and is in good standing with respect to that obligation; or
- iii. has agreed to a payment plan with the Vermont Office of Child Support Services and is in full compliance with that plan.
- iv. Party makes this statement with regard to support owed to any and all children residing in Vermont. In addition, if the Party is a resident of Vermont, Party makes this statement with regard to support owed to any and all children residing in any other state or territory of the United States.

F. No Gifts or Gratuities: Party shall not give title or possession of anything of substantial value (including property, currency, travel, and/or education programs) to any officer or employee of the State during the term of this Agreement.

G. Certification Regarding Debarment: Party certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, neither Party nor Party's principals (officers, directors, owners, or partners) are presently debarred, suspended, proposed for debarment, declared ineligible, or excluded from participation in State of Vermont programs, or programs supported in whole or in part by State of Vermont funds.

Party further certifies under pains and penalties of perjury that, as of the date that this Agreement is signed, Party is not presently debarred, suspended, nor named on the State's debarment list at: <http://bgs.vermont.gov/purchasing/debarment>

H. State Facilities: If the State makes space available to the Party in any State facility during the term of this Agreement for purposes of the Party's performance under this Agreement, the Party shall only use the space in accordance with all policies and procedures governing access to and use of State facilities which shall be made available upon request. State facilities will be made available to Party on an "AS IS, WHERE IS" basis, with no warranties whatsoever.

- I. Requirements Pertaining Only to State-Funded Grants: Certification Regarding Use of Federal Funds: If Party is an employer and this Agreement is a State-funded grant in excess of \$1,001, Party certifies that none of these State funds will be used to interfere with or restrain the exercise of Party's employee's rights with respect to unionization.

XII. Default and Remedies

- A. DEFAULT: If any of the following events of default shall occur without being cured within 15 days from the date that written notice of such default is received by Owner from HOC or the DHCD, HOC or DHCD may require partial or complete repayment of the Grant funds.
- B. Examples of Default include, but are not limited to the following:
 - i. HOC or DHCD's determination that Owner has failed to comply with all applicable provisions of the Award Agreement;
 - ii. HOC or DHCD's determination that Owner has failed to comply with all applicable provisions of the Covenant;
 - iii. HOC or DHCD's determination that Owner has failed to perform as required by any document that secures this Grant, including the Covenant.
- C. REMEDIES: If Owner fails to cure any breach or default prior to the expiration of the 15-day notice period, the DHCD or HOC may demand repayment of all or a portion of the Award, or invoke any other remedy allowed by the Agreement, Covenant or any other document related to this Award or available by law.
- D. REMEDIES CUMULATIVE: All remedies provided in this agreement are distinct and cumulative to any other right or remedy under this agreement, or otherwise at law, and may be exercised concurrently, independently, or successively.
- E. FORBEARANCE NOT A WAIVER: Any forbearance by HOC or DHCD in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.
- F. TERMINATION FOR CONVENIENCE: DHCD or HOC and Owner may terminate the Award Agreement in whole, or in part, when agreed that the continuation of the program would not produce the benefits anticipated hereunder, and shall agree upon the termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. Owner shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. Owner may allow full credit for non-cancellable obligations, properly incurred prior to termination. Repayment will be governed by the terms of the Covenant.
- G. SUSPENSION OR TERMINATION FOR CAUSE:
 - i. Upon reasonable notice to the HOC or DHCD at any time prior to completion of the Compliance Period, the HOC or DHCD may suspend this Agreement in whole or in part, may withhold further payments, or may prohibit the Owner from incurring additional obligations of VHIF funds if it is determined that the Owner has failed to substantially comply with the conditions of this Agreement or that the continued costs to be incurred will

not produce benefits of comparable value. The HOC or DHCD shall allow all necessary and proper costs which the Owner could not reasonably avoid during the period of suspension.

- ii. The HOC or DHCD may terminate this Agreement at any time prior to completion, after reasonable notice and opportunity for response, when it is determined that the Owner has failed to substantially comply with the conditions of this Agreement or that the continued costs to be incurred will not produce benefits of comparable value. The HOC or DHCD shall promptly notify the Owner, in writing, of the determination and reasons for the termination, together with the effective date.

XIII. Signatories

ON BEHALF OF DHCD AND DOWNSTREET HOUSING & COMMUNITY DEVELOPMENT

By: _____ **Date:** _____

OWNER(S):

_____ **Date:** _____

_____ **Date:** _____