

## APPENDIX A1

### Agency-specific Clauses

#### Neighborhood Preservation and Rural Preservation Programs

1) *BOND OR CRIME INSURANCE REQUIREMENT.* The Contractor shall obtain a blanket position fidelity bond or crime insurance naming the State as sole loss payee in a form acceptable to the State with a limit of liability in an amount equal to the largest disbursement under this Agreement which bonds or insures each position authorized by the Contractor to receive, handle or disburse funds (the "Bond"). Contractor shall maintain said bond through the term of this Agreement. Such Bond shall provide that the State shall be given written notice thirty days prior to its cancellation, non-renewal or reduction.

2) *REGULATION.* The contractor agrees to comply with Article XVI or XVII of the Private Housing Finance Law, the Rules and Regulations of The Division of Housing and Community Renewal (DHCR), (NYCRR Part 2600 *et seq.* or 2810 *et seq.*) and the DHCR Neighborhood Preservation Program/Rural Preservation Program Manual as amended from time to time, and the final award letter, if any, all of which are hereby incorporated into and made a part of this Agreement.

3) *LIABILITY ON TERMINATION OR EXPIRATION.* In the event of termination of this Agreement for any reason, including dissolution, liquidation or termination of the Contractor (whether voluntary or involuntary or by operation of law) or upon the expiration of the contract Period, the Contractor shall remain liable to the State for any unspent funds, the expenditure or use of the funds in a manner or for a purpose not authorized by this Agreement and damages as a result of any breach of this Agreement by the Contractor. The State shall have the right, at any time prior or subsequent to the exercise of any other remedies, including seeking injunctive or other equitable relief, to enforce the provisions of this Agreement and to recover funds, which are unspent, expended or used in an unauthorized manner or for an unauthorized purpose and for damages sustained by the State as a result of any breach of this Agreement by the Contractor.

4) *NON-LIABILITY.* This Agreement shall not impose any liability or duty on the State of New York, the DHCR, or any agency or subdivision of DHCR (collectively, the State) except to the extent required by the terms of this Agreement.

5) *NO WARRANTY OR GUARANTEES.* The State makes no warranties, guarantees or other representations of any kind with respect to:

- A. Any documents, materials or information reviewed by the State or transferred, assigned, provided or otherwise made available to Contractor or any persons in connection with this Agreement, or; any contractors, suppliers or consultants accepted by the State.

- B. The Contractor and others, if they make use of or rely on such documents, materials, information or approvals, contractors, suppliers or consultants will do so on their own responsibility and at their own risk. )

6) *DISSOLUTION, LIQUIDATION OR TERMINATION.* In the event of dissolution, liquidation or termination of the Contractor (whether voluntary, involuntary or by operation of law), this Agreement may be terminated. Where dissolution occurs by operation of law or in accordance with Article 10 or Article 11 of the Not-For-Profit Corporation Law, the Contractor shall obtain the prior approval of the State of its plan of dissolution and distribution of assets.

7) *NOTICE OF INVESTIGATION OR DEFAULT.* The Contractor shall notify the State within five days after obtaining knowledge of:

- A. The commencement of any investigation or audit of its activities by any governmental agency;
- B. The alleged default by the Contractor under any mortgage, deed of trust, security agreement, loan agreement or credit instrument, whether executed in connection with this Agreement or otherwise; or
- C. Any alleged breach by the contractor of the terms of any agreement, credit agreement, or lease or other instrument executed in connection with this Agreement.

Contractor shall insure by agreement that, in the event of any alleged default under any such instruments, the mortgagee, secured party, lender or lessor, as the case may be, shall simultaneously send to the State a copy of any notice of such alleged default sent to the Contractor, and shall give the State a reasonable opportunity to cure such alleged default.

8) *INSURANCE.*

- A. During the Contract Period, the Contractor shall maintain and keep in force the following insurance policies with an insurer duly licensed to transact business in the State of New York:
  - (a) Comprehensive Liability Insurance, with a minimum of liability of \$500,000 combined single limit (bodily injury and property damage), containing the following coverage:
    - (1) Premises and Operation
    - (2) Independent Contractors
    - (3) Contractual Liability
    - (4) Products - Completed Operations
    - (5) Liability for Owned Automobiles, if the Contractor

owns motor vehicles. or uses Non-Owned, including Hired, Vehicles.

(b) Fire and Casualty Insurance for the replacement of real or personal property owned by the Contractor.

(c) Worker's Compensation and Disability Benefits Insurance.

B. The State of New York shall be named as additional insured under the Contractor's policy of Comprehensive Liability Insurance. Each of the required policies listed above shall also provide that the insurer will give the State at least thirty days' prior written notice of the cancellation, non-renewal or reduction of said policy.

9) *CONTRACTS*. All contracts entered into by the Contractor for legal, accounting, architectural, engineering, technical, professional, consulting or other services which are to be paid for, in whole or in part, with NPP/RPP funds shall be made as arms-length transactions and copies of each shall be retained by the Contractor at its place of business throughout the term of such contract and as long as the records of this Agreement are maintained.

10) *SUSPENSION OF PAYMENTS*. In the event of Contractor's noncompliance or default under this Agreement, the State shall have the right to suspend or withhold payment of any NPP/RPP funds due under this Agreement until such noncompliance or default has been satisfactorily cured.

11) *AGENCY-WIDE AUDIT*. Each company must have an agency-wide audit completed by a certified public accountant or a licensed public accountant. The audit must contain a schedule that details Preservation Program funds. This audit must be kept on file in the company's office and be available for review. Auditor's Opinion Letter and the Management Letter (if any) must be submitted to the Regional Office. This requirement must be met within 120 days after the close of the fiscal year.