

EXHIBIT I-H
SUGGESTED FORMAT

MEMORANDUM OF UNDERSTANDING

(Name of Local Government)

and

(Name of Sub-grantee or Benefitting Agency)

Community Development Block Grant (CDBG) Agreement

THIS AGREEMENT is made and entered into this ____ day of ____, 20____, by and between: (Name of Local Government), Colorado, a _____ corporation, (Address) (hereinafter referred to as the “_____”), and (Name of entity or Sub-grantee), a _____ (name type of entity) (Address) (hereinafter referred to as the “_____”);

WHEREAS, (Name of Sub-grantee) is in the process of developing a (insert brief description) project within the corporate limits of the (name of local government), commonly known and referred to as (the “Project”); and

WHEREAS, in conjunction with the Project, the (name of local government) has previously submitted a grant application and agreed to act as a sponsor of a Community Development Block Grant (“CDBG”) in the amount of \$ _____ (the “Grant”) from the Department of Local Affairs, an agency of the State of Colorado, (“DOLA”); and

WHEREAS, (name of local government) executed the primary contract with DOLA on (date), which contract specified within the approved Scope of Services that (name of local government), as contractor, “expect to carryout a major portion of the Project activities through the (name of sub-grantee), an eligible sub-recipient of Community Development Block Grant funds; who will own the building;” and

WHEREAS, it is both necessary and desirable for (Name of local Government) to enter into this Agreement with (Name of sub-grantee) for purposes of setting forth the relative responsibilities of the parties with respect to the planning, development and construction of the Project, and the expenditure of Grant funds in conjunction therewith; and

WHEREAS, it is the mutual desire of the parties to set forth their understanding and agreement, in writing, with respect to said obligations:

NOW, THEREFORE, in consideration of the mutual covenants, conditions and obligations herein set forth, the parties agree:

1. In consideration of (name of local government)’s willingness to act as the sponsor of the CDBG Grant and to enable Grant funding of the Project, (sub-grantee) agrees as follows:
 - (a) _____ agrees that it shall manage, develop and carry out construction of the project in conformity with all applicable building, zoning and development regulations. The Project will be owned by _____.
 - (b) _____ agrees to maintain and keep the property in a good and orderly condition and utilize it as a _____ within the _____, Colorado community.

EXHIBIT I-H
SUGGESTED FORMAT

MEMORANDUM OF UNDERSTANDING

- (c) _____ shall provide to _____ copies of all correspondence received from or sent to DOLA related to the utilization or expenditure of Grant funds as referenced in this contract, within the Grant application, or within any agreements with DOLA.
- (d) _____ shall promptly comply with all financial management regulations, policies, guidelines and requirements as set forth in the most current edition of the Community Development Block Grant Housing Guidebook.
- (e) _____, in connection with this Project, agrees that it will carry out and comply with all of the rules, regulations and standards set forth in the DOLA "Guidebook for Public Facilities and Construction Projects" with respect to environmental protection, civil rights, property acquisition, relocation, labor and construction and project close-out.
- (f) _____ agrees that it will carry out all of the work elements in a satisfactory and proper manner, assure that the Grant funds are expended solely for Project activities and in the amounts budgeted under the Project responsibilities required by and set forth within _____'s contract with DOLA (Project No. _____) as amended. The contents of these documents, attached hereto as Exhibits _____ and _____, are specifically incorporated by reference herein.
- (g) _____ shall be responsible for the same audit requirements as _____, as specified in _____'s contract with DOLA. _____ shall provide _____ with a copy of the annual audit report as required under the Single Audit Act of 1984, as amended in 1996. _____ is required to have a Single Audit annually, which requirement must also be met by _____.
2. _____ agrees to prepare all quarterly financial and performance reports, as required under the CDBG Guidelines and shall provide copies of such reports to _____ and the _____ in a timely manner.
3. _____ shall prepare all requests for payment, which requests shall then be forwarded to _____ along with supporting documentation (invoices, check copies, purchase orders, etc.) to substantiate the request for a draw down of funds. After review, _____ shall forward the request to DOLA for payment. Upon receipt of payment, _____ shall forward the funds to _____. _____ shall require documentation evidencing that such funds were appropriately expended on the Project, and copies of checks and payment of bills by _____ shall be provided to _____ for its permanent records. If _____ receives an advance of CDBG funds from the State, _____ shall be required to submit copies of invoices, check copies, purchase orders or similar evidence of indebtedness to substantiate any draw down of CDBG funds from _____.
4. Prior to any request for reimbursement for authorized activities to be funded under the Community Development Block Grant, _____ shall have in place all financing for the Project inclusive of construction financing, permanent financing, and any bridge loans, as required.

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MEMORANDUM OF UNDERSTANDING

5. _____ shall provide certification to _____ and to DOLA that the selection of contractors and purchase of materials to accomplish the project shall follow and be in accordance with the appropriate procurement standards to the Community Block Grant Guidebook.
6. _____'s request for final payment shall be submitted in accordance with the provisions set forth in Paragraph 5 of the contract between _____ and DOLA, dated _____, pertaining to Project No. _____.
7. _____ agrees to comply with all other terms, conditions and obligations pertaining to the ownership, development, construction and management of the Project as required under any contractual documents executed by _____ or _____ with DOLA or the State of Colorado. In the event there is any liability accruing from inappropriate expenditure of Grant funds by _____, other than as a result of the negligence of _____, _____ agrees to be responsible therefore.
8. In order to protect the interests of the State of Colorado and the interests of _____, as grant recipient, _____ agrees that as a condition of receipt of the funds, a lien on the property to be acquired shall be created and placed of record, pursuant to which the State of Colorado shall have a right of reimbursement of grant funds in the event the use of the property as a _____ is discontinued on or before _____ years from the date grant funds are disbursed.
9. It is the intent of this Agreement to assure that all contractual obligations concerning the ownership, development, construction, and management of the Project shall be accomplished by _____, and that the role of _____ in conjunction with said Project, other than planning and development approval, shall be limited to making application for the Community Development Block Grant funds and acting as a conduit for the authorized expenditure of such funds in accordance with the contractual documents.
10. Time is of the essence with respect to the covenants, conditions and obligations contained herein, as well as those set forth in the existing contracts pertaining to Project No. _____ involving DOLA and the State of Colorado.
11. The terms of this Agreement shall be binding upon the representative parties, their successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first written above.

By: _____
(Name and Title)

Attest: _____