

CONSOLIDATED LOAN AGREEMENT

- RRH Insured Loan to an Individual Operating on a Profit Basis**
- or**
- RRH Loan to an Individual Operating on a Limited Profit Basis**
- or**
- RRH Loan to a Limited Liability Company**

1. Parties and Terms Defined: This agreement dated _____ between the undersigned _____, (Borrower), whether one or more, whose address is _____, and the United States of America acting through the Rural Housing Service or a successor agency, United States Department of Agriculture, (Government), is made in consideration of loans, (Loans), to Borrower in the amount of \$ _____ made or insured, or to be made or insured, by the Government pursuant to section 515(b) of the Housing Act of 1949 to build _____ projects. The loans may be sold and insured by the Government. The loans shall be used solely for the specific eligible purposes for which they are approved by the Government in order to provide rental housing and related facilities for eligible occupants, as defined by the Government in rural areas. Such housing, facilities, and the land constituting the site are herein called "Housing". The indebtedness and other obligations of Borrower under the notes evidencing the loans, the related security instrument and any related agreement are herein called "Loan Obligations."

2. The following projects are consolidated which involved _____ loans: _____

3. Execution of Loan Instruments. To evidence the loans the Borrower has issued promissory notes (Notes), signed by the Borrower for the amount of the loans, payable in installments over a period of _____ years, bearing interest at a rate, and containing other terms and conditions, prescribed by the Government. To secure the notes or any indemnity or other agreement required by the Government, the Borrower is to execute a real estate security instrument giving a lien upon the Housing and upon such other real property of the Borrower as the Government shall require, including an assignment of the rents, subsidies, revenues and profits as collateral security to be enforced in the event of any default by the Borrower, and containing other terms and conditions prescribed by the Government. The Borrower is to execute any other security instruments and other instruments and documents required by the Government in connection with the making or insuring of the loans.

4. Equal Opportunity and Nondiscrimination Provisions. The Borrower will comply with (a) any undertakings and agreements required by the Government pursuant to Title VIII of the Civil Rights Act of 1968 as amended by the Fair Housing Amendments Act of 1988 related to Fair Housing regarding nondiscrimination in the use and occupancy of housing, (b) Form RD 400-1 entitled "Equal Opportunity Agreement", including an "Equal Opportunity Clause" to be incorporated in or attached as a rider to each construction contract the amount of which exceeds \$10,000 and any part of which is paid for with funds from the loan, and (c) Form RD 400-4, entitled "Assurance Agreement (under Title VI, Civil Rights Act of 1964)", a copy of which is attached hereto and made a part hereof, and any other undertakings and agreements required by the Government pursuant to lawful authority.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

5. Borrower Equity Contribution. The amount of \$ _____ was contributed from the Borrower's own funds for land purchase or development.

6. Accounts for Housing Operations and Loan Servicing. The Borrower shall establish on its books the following accounts, which shall be maintained so long as the loan obligations remain unsatisfied: a General Operating Account, a Tenant Security Deposit Account and a Reserve Account.

a. General Operating Account. The Borrower shall from the Borrower's own funds deposit in the General Operating Account the total amount of \$ _____ consisting of the individual amounts listed in the loan agreements being consolidated.

b. Reserve Account. Transfers at a rate not less than \$ _____ annually which is the total of the amounts listed in the loan agreements being consolidated shall be made to the Reserve Account until the amount in the Reserve Account reaches the minimum sum of \$ _____ or such higher amount later agreed to by the Government and shall be resumed at any time when necessary, because of disbursements authorized by the Government from the Reserve Account to restore it to said sum. Withdrawal and use of funds deposited to this account will be in accordance with 7 CFR part 3560, or any successor regulation. With prior consent of the Government, funds in the Reserve Account may be used by the Borrower:

1) For any purpose desired by the Borrower, provided the Borrower determines that after such disbursement (a) the amount in the Reserve Account will be not less than that required by this section to be accumulated by that time (less any disbursements authorized by the Government), and (b) the amount in the Reserve Account will likely not fall below that required to be accumulated during the next 12 months.

2) To pay dividends to the Borrower agreeing to limit the amount of profit to be obtained up to 8 percent per annum of the Borrower's initial investment of \$ _____ provided the Borrower determines that after such disbursement (a) the amount in the Reserve Account will be not less than that required by this section to be accumulated by that time (less any disbursements authorized by the Government), and (b) the amount in the Reserve Account will likely not fall below that required to be accumulated during the next 12 months.

7. Regulatory Covenants. So long as the Loan Obligations remain unsatisfied, the Borrower shall comply with all appropriate regulations of the Government and shall:

a. Impose and collect such fees, assessments, rents, and charges that the income of the Housing will be sufficient at all times for operation and maintenance of the Housing, payments on the Loan Obligations, and maintenance of the required accounts.

b. Establish and maintain complete books and records relating to the Housing's financial affairs, cause such books and records to be audited at the end of each fiscal year, promptly furnish the Government without request a copy of each audit report, and permit the Government or its representative to inspect such books and records at all reasonable times.

c. If required or permitted by the Government, revise the accounts herein provided for, or establish new accounts, to cover handling and disposition of income from and payment of expenses attributable to the Housing or to any other property securing the Loan Obligations, and submit regular and special reports concerning the Housing or financial affairs.

d. Unless the Government gives prior consent:

1) Not use the Housing for any purpose other than as rental housing and related facilities for eligible occupants.

2) Not enter into any contract or agreement for improvements or extensions to the Housing or other property securing the Loan Obligations.

3) Not cause or permit any transfer or encumbrance of title to the Housing or any part thereof or interest therein, by sale, mortgage, lease, or otherwise.

4) Not borrow any money, nor incur any liability which would have a detrimental effect on the Housing.

e. Submit the reports required under 7 CFR part 3560 or any successor regulation for prior review.

f. Take other actions as may be required by the Government in connection with the operation of the Housing, or with any of the Borrower's operations or affairs which may affect the Housing, the Loan Obligations, or the security.

g. If the return on investment for any year exceeds 8 percent annum of Borrower's initial investment of \$ _____ the Government may require that the Borrower reduce rents the following year or refund the excess return on the investment to the tenants or use the excess in a manner that will best benefit the tenants.

8. General Provisions.

a. It is understood and agreed by the Borrower that any loan made or insured will be administered subject to the limitations of the authorizing act of Congress and related regulations, and that any rights granted to the Government in this agreement or elsewhere may be exercised by it, in its sole discretion.

b. Borrower shall also comply with all covenants and agreements set forth in the Note, security instrument, and any related agreements executed by Borrower in connection with the Loan Obligations.

c. The provisions of this agreement are representations to the Government, to induce the Government, to consolidate the loan agreements of or insure a loan to the Borrower. If the Borrower should fail to comply with or perform any provision of this agreement or any requirement made by the Government pursuant to this agreement, such failure shall constitute default as fully as default in payment of amounts due on the Loan Obligations. In the event of such failure, the Government at its option may require specific performance or declare the entire amount of the Loan Obligations immediately due and payable and, if such entire amount is not immediately paid, may take possession of and operate the Housing and proceed to foreclose its security and enforce all other available remedies or take such other actions as it deems necessary to enforce the provisions of this agreement.

d. To the extent legally permitted, any provisions of this agreement may be waived by the Government in its sole discretion, or changed by agreement between the Government and the Borrower.

e. Any notice, consent, approval, waiver, amendment, or agreement must be in writing.

f. The Borrower agrees that no person with a disability will be subjected to discrimination in employment or denied the benefits of the Housing because of such disability. The Borrower will comply with the requirements of the Fair Housing Act, 42 U.S.C. 3601 et seq., the Fair Housing Amendments Act of 1988, the Rehabilitation Act of 1973, 29 U.S.C. 794, the American with Disabilities Act of 1990, 42 U.S.C. 12101 et seq., and the implementing regulations of the Department of Agriculture, 7 CFR part 15(b).

g. This Consolidated Loan Agreement shall be subject to the present and future laws and regulations of the Government.

h. This agreement may be cited in the security instrument and any other instruments as the "Consolidated Loan Agreement of _____, 20____."

i. Borrower previously entered into Loan Agreements with the Government having the following dates

All such previous loan agreements are consolidated into this Consolidated Loan Agreement and the multifamily housing units covered by such previous loan agreements shall be operated as a single project under the terms and conditions of this Consolidated Loan Agreement. Violation of this Consolidated Loan Agreement shall constitute an event of default under the security instruments which may be described in such previous loan agreements.

Borrower has delivered to Government several evidences of debt which provided for payments on various days of each month. To provide for orderly administration of the indebtedness, Borrower agrees to change the scheduled payment date on the following promissory notes, assumption agreements, or reamortization agreements to the first day of each following month until the debt evidenced by each instrument described is paid in full:

<u>Date</u>	<u>Amount</u>	<u>Date</u>	<u>Amount</u>
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j. This Consolidated Loan Agreement shall be effective on the date it is approved by the Government.

_____	<i>Witness</i>	_____	<i>Borrower</i>
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_____	<i>Witness</i>	_____	<i>Borrower</i>
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_____	<i>(Approval Date)</i>	_____	<i>(Approval Official)</i>
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