

**MULTI-FAMILY HOUSING PRESERVATION AND REVITALIZATION
RESTRUCTURING PROGRAM (MPR)**

GRANT AGREEMENT

THIS GRANT AGREEMENT ("Agreement") dated _____,
20__, between _____ which is organized and doing
business as _____ "Grantee", and the United States of
America, acting through the Rural Housing Service, Department of Agriculture, Rural
Housing Service "Grantor", WITNESSETH:

WHEREAS:

Grantee has determined to undertake revitalization and preservation of a multi-family
housing project financed by the Grantor to house rural residents located at
_____ and duly
authorized the undertaking of such a project.

Grantee wishes to obtain grant funds to assist in the costs of revitalization of such
property.

Grantor has agreed to grant the Grantee a sum not to exceed \$ _____
subject to the terms and conditions established in this Agreement. Provided, however, that
any grant funds actually advanced and not needed for grant purposes shall be returned
immediately to the Grantor. The Grantor may terminate the grant in whole, or in parts, at
anytime, if it is determined that the Grantee has failed to comply with the conditions of the
grant or 7 C.F.R. part 3560, 7 CFR part 3015, and 7 CFR part 3019, as applicable.

NOW, THEREFORE, in consideration of this grant by Grantor to Grantee, to be made
pursuant to section 502 of the Housing Act of 1949, to cover any direct costs as specified
by a revitalization plan approved by the Grantor sole for the preservation of affordable
housing at the above described location.

GRANTEE AGREES THAT GRANTEE WILL:

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 0575-0190. The time required to complete this information collection is estimated to average 1 hour 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.

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the project, including these units if less than the whole of said project, continuously in an efficient and economic manner.

D. Make services of said project available within its capacity to all without discrimination because of race, color, religion, sex, age, disability, familial status, or national origin at reasonable rental rates, whether for one or more types of units, adopted by resolution dated _____20__, as may be revised from time to time as mutually agreed upon by Grantee and Grantor. The rental rate must be approved by the Grantor.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Provide Grantor with such periodic reports as it may require in accordance with 7 CFR part 3015 and permit periodic inspection of its operations by a representative of the Grantor.

G. To execute Form RD 400-1, "United States Department of Agriculture Equal Opportunity Agreement," and to execute Form RD 400-4, "Assurance Agreement," and to execute any other agreements required by Grantor which Grantee is legally authorized to execute. If any such form has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another form of the same type need not be executed in connection with this grant.

H. Upon any violations of Grantee's agreements set forth in this instrument, Grantor may seek enforcement of the Grant pursuant to 7 CFR 3015 and 7 CFR 30`9.62, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this Grant is made.

I. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

J. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the Grant for _____ years.

1. Title to real property shall vest in the Grantee subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant.
2. The Grantee shall obtain approval by the Grantor for the use of the real property

in other section 515 projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other section 515 projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor shall observe the following rules in the disposition instructions.

(a) The Grantee may be permitted to retain title to the real property after Grantee compensates the Federal Government in an amount determined by percentage, hereinafter “percentage”, of the fair market value of the property at the time of sale.

(b) The Grantee may be directed to sell the property and pay the Federal Government the percentage of the fair market value of the property at the time of sale. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return. Proceeds of the sale will be turned over to Grantor within 30 days from the date of sale.

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee’s percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property: (use continuation sheets as necessary).

K. Abide by the following conditions pertaining to nonexpendable personal property which is furnished by the Grantor or acquired wholly or in part with grant funds. Nonexpendable personal property means tangible personal property having a useful life of more than one year and an acquisition cost of \$300 or more per unit. The conditions are as follows:

1. Use of nonexpendable property.

(a) The Grantee shall use the property in the section 515 project for which it was acquired as long as needed. When the non-expendable property is no longer needed for the original section 515 project, the Grantee shall use the property in connection with its other Federally sponsored activities, if any, in the following order of priority:

- (1) Activities sponsored by the Rural Housing Service.
- (2) Activities sponsored by other Federal agencies.

(b) During the time that nonexpendable personal property is held for use on the project for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the property was originally acquired. First preference for such other use shall be given to Rural Development sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of nonexpendable property. When the Grantee no longer needs the nonexpendable property as provided in Item K.1. (a), the property may be used for other activities in accordance with the following standards:

(a) The Grantee may use nonexpendable property with a unit acquisition cost of less than \$1000 for other activities without reimbursement to the Federal Government or may sell this property and retain the proceeds.

(b) The Grantee may retain nonexpendable personal property with a unit acquisition cost of \$1000 or more for other uses provided that compensation is made to the original Grantor agency or its successor. If the nonexpendable property is liquidated, the Grantee will pay the Grantor the percentage of the current fair market value of the property. If the Grantee has no need for the nonexpendable property and the property has further use value, the Grantee shall request disposition instructions from the Grantor.

The Grantor shall determine whether the property can be used to meet the agency's requirements. The Grantor's requirements are:

If no requirement exists with the Grantor, the availability of the property shall be reported, in accordance with 7 CFR part 3015 to the General Services Administration by the Grantor agency to determine whether a requirement for the property exists in other Federal agencies. The Grantor shall issue instructions to the Grantee no later than 120 days after the Grantee request and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the property and reimburse the Grantor the percentage of the fair market value of the property at the time of disposition. However, the Grantee shall be permitted to deduct and retain from the Federal share \$100 or ten percent of the proceeds, whichever is greater, for the Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the property elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with the percentage of the fair market value of the property at the time of shipping,, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the property, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for nonexpendable personal property shall also include:

(a) Property records which accurately provide for: a description of the property; manufacturer's serial number or other identification number; acquisition date and cost; source of the property; the percentage of the fair market value of the property; location, use and condition of the property and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of property by an employee of the Grantor shall be taken and the results reconciled with the property records at least once every two years to verify the existence, current utilization, and continued need for the property.

(c) A system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of nonexpendable property shall be investigated and fully documented by the Grantor and Grantee.

(d) Adequate maintenance procedures shall be implemented to keep the property in good condition.

(e) Proper sales procedures shall be established for unneeded property which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described nonexpendable property (use continuation sheets as necessary).

L. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

M. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm copies may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

N. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

O. Provide an audit report pursuant to 7 CFR part 3052 and 7 CFR 3019.26 as applicable, prepared in sufficient detail to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

P. Account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentalities of states shall not be held accountable for interest earned on grant funds pending their disbursement.

Q. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item J.

R. To include in all contracts for construction or repair a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, part 3). The Grantee shall report all suspected or reported violations to the Grantor.

S. In construction contracts in excess of \$2,000 and in other contracts in excess of \$2,500 which involve the employment of mechanics or laborers, to include a provision for

compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act as amended (40 U.S.C. §3701-3703) as supplemented by Department of Labor regulations (29 CFR, part 5).

T. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of section 306 of the Clean Air Act (42 U.S.C. §7606) and section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In addition, such contracts between the owner's contractor must include provisions as follows:

1. The contractor will notify the Grantee of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility is in violation of EPA's regulations
2. The contractor will certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.
3. The contractor will take such action as the Grantor may direct as a means of enforcing such provisions.

As used in these paragraphs the term "facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

V. Comply with the requirements of 7 CFR part 3021, relating to drug-free workplace requirements and 7 CFR part 3018 relating to restrictions on lobbying.

GRANTOR AGREES THAT IT:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$ _____ which it will advance to Grantee and will not exceed _____ percent of the development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent to deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without available consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial

interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

TERMINATION OF THIS AGREEMENT.

This agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds. If termination occurs, Grantor will notify the Grantee of the procedures for appealing the decision.

IN WITNESS WHEREOF Grantee on the date first above written has caused this Agreement to be executed by its duly authorized _____ and attested and its corporate seal affixed by its duly authorized _____.

By: _____

(Title)

ATTEST: _____

By: _____

(Title)

United States of America acting through and by the
U. S. Department of Agriculture
Rural Development

By: _____

(Title)