

MPR  
LOAN AND GRANT  
RESOLUTION  
(Nonprofit Corporation)

LOAN AND GRANT RESOLUTION OF \_\_\_\_\_, 20\_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF

\_\_\_\_\_  
PROVIDING FOR OBTAINING FINANCIAL ASSISTANCE IN THE  
AMOUNT \$\_\_\_\_\_ TO AID IN FINANCING THE REVITALIZATION  
OF SECTION 515 MULITI-FAMILY HOUSEING FUNDED PROPERTIES,  
RELATED FACILITIES AND RELATED MATTERS.

Whereas

\_\_\_\_\_  
(herein referred to as the "Corporation") is organized and operating under  
\_\_\_\_\_ and the board  
\_\_\_\_\_  
(Authorizing State Statute)

of directors of the Corporation has determined that:

- (a) The Corporation has determined to undertake revitalization and preservation of a multi-family housing project financed by the Grantor to house rural residents as defined in title V of the Housing Act of 1949.
- (b) The estimated total cash development cost of such housing and facilities amounts to \$\_\_\_\_\_.
- (c) For such purpose the Corporation is able to furnish from its own and other resources \$\_\_\_\_\_.
- (d) The Corporation will need financial assistance in the grant amount of \$\_\_\_\_\_, and a loan amount of \$\_\_\_\_\_, which the Corporation is unable to obtain from other sources for such purpose upon terms and conditions which the Corporation could reasonably be expected to fulfill.
- (f) The housing and facilities cannot be revitalized without the aid of a grant and/or loan in the amount stated above:

These requirements do not supersede the applicable requirements for receipt of Federal funds stated in 7 CFR parts 3015, "Uniform Federal Assistance Regulations," 3016, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," or 3019, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Nonprofit Organizations.

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THEREFORE BE IT RESOLVED:

1. Application for Debt Restructuring, Loan, and Grant. The Corporation shall apply to the United States of America, acting through Rural Development, United States Department of Agriculture (herein called "the Government") a Loan of \$\_\_\_\_\_, and Grant of \$\_\_\_\_\_ pursuant to Title V of the Housing Act of 1949. The funding shall be used only for the specific eligible purposes approved by the Government, in order to preserve and revitalize affordable housing and related facilities. Such housing and facilities and the land constituting the site may be referred to herein as the "housing."

2. Execution of Restructuring Instruments. To evidence the obligations of the funding, the Corporation shall execute as necessary instruments in the form attached hereto entitled "PRESERVATION AND REVITALIZATION GRANT AGREEMENT", RESTRICTIVE USE CONENANT, and PROMISSORY NOTE and referred to herein as the "Restructuring Documents", evidencing terms and conditions upon which the grant is made by the Government and the obligations of the Corporation with respect thereto. The President and the Secretary are further authorized to execute any other security and other instruments, agreements, and documents required by the Government for the funding. The indebtedness and other obligations of the Corporation, Restructuring Documents, this resolution, the security instrument, and any other instruments and agreements related to the loan or grant are herein called the "loan and grant obligations."

3. Equal Employment Opportunity under Construction Contracts and Nondiscrimination in the Use of Occupancy and Housing and in Any Other Benefits of the Loan or Grant. The President and the Secretary are hereby authorized and directed to execute on behalf of the Corporation

(a) Any undertakings and agreements required by the Government regarding nondiscrimination in the use and occupancy of housing,

(b) Form RD 400-1, "Equal Opportunity Agreement," involving an Equal Opportunity Clause to be incorporated in or attached as a rider to each construction contract which exceeds \$10,000 in amount and is paid for in whole or in part with loan or grant funds, and (c) Form RD 400-4, "Assurance Agreement (Under Title VI, Civil Rights Act of 1964)," a copy of which is attached hereto and made a part hereof.

4. Supervised Bank Account. The proceeds of the grant and the amount of \$\_\_\_\_\_ to be contributed by the Corporation from its own funds or other sources and used for approved eligible purposes shall be deposited in a "supervised bank account" as required by the Government. Amounts in the supervised bank account exceeding \$100,000 shall be secured by the financial institution in advance in accordance with U. S. Treasury Department regulations, 31 CFR part 202. As provided by the terms of the agreement creating the supervised bank account, all funds therein shall, until duly expended, collaterally secure the loan and grant obligations. Withdrawals from the supervised bank account by the Corporation shall be made only on checks signed by the \_\_\_\_\_ of the Corporation and countersigned by the County Supervisor or other authorized official of Rural Development, and only for the specific eligible purposes approved in writing by the Government. The Corporation's share of any

liquidated damages or other monies paid by defaulting contractors of their sureties shall be deposited in the supervised bank account to assure completion of the project. When all approved items eligible for payment with loan or grant funds are paid in full, any balance remaining in the supervised bank account shall be treated as a refund of loan and grant funds in the same ratio as that between the amounts of the loan and grant, and the supervised bank account shall be closed.

12. General Provisions.

(a) It is understood and agreed by the Corporation that any grant will be administered subject to the limitations of the authorizing act of Congress and related regulations, and that any rights granted to the Government herein or elsewhere may be exercised by it in its sole discretion to carry out the purposes of the loan and grant, enforce such limitations, and protect the Government's financial interest in the loan and grant and the security.

(b) The provisions of this resolution are representations of the Corporation to induce the Government to make a grant to the Corporation as aforesaid. If the Corporation should fail to comply with or perform any of its loan or grant obligations, such failure shall constitute default as fully as default in payment of amounts due on the loan obligations. In the event of default, the Government at its option may declare the entire amount of the loan and grant obligations immediately due and payable and, if such entire amount is not paid forthwith, may take possession of and operate the housing and proceed to foreclose its security and enforce all other available remedies.

(c) Upon request by the Government the Corporation will permit representatives of the Government to inspect and make copies of any of the records of the Corporation pertaining to the financial assistance. Such inspection and copying may be made during regular office hours of the Corporation, or any other time the Corporation and the Government finds convenient.

(d) Any provisions of this resolution may be waived by the Government in its sole discretion, or changed by agreement between the Government and the Corporation, after this resolution becomes contractually binding, to any extent such provisions could legally have been foregone, or agreed to in amended form, by the Government initially.

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

(f) This resolution may be cited in the security instrument and elsewhere as the "Restructuring Resolution of \_\_\_\_\_ 20\_\_ (date of this resolution)

CERTIFICATE

The undersigned, \_\_\_\_\_, the Secretary of the Corporation identified in the foregoing resolution, hereby certifies that the foregoing is a true copy of a resolution duly adopted by the board of directors on \_\_\_\_\_ 20\_\_\_\_, which has not been altered, amended, or repealed.

(Date) (Secretary)

(SEAL)