

Exhibit A - HOUSING PRESERVATION GRANT AGREEMENT

This agreement dated _____, is between

(name), _____

(address), the grantee, organized and operating under

_____ (authorizing State statute), and

the United States of America acting through the Rural Development. Rural Development agrees to grant a sum not to exceed \$ _____, subject to the terms and conditions of this agreement; provided, however, that the grant funds actually advanced and not needed for grant purposes shall be returned immediately to Rural Development. The Housing Preservation Grant (HPG) statement of activities approved by Rural Development, is attached, and shall commence within 10 days of the date of execution of this agreement by Rural Development and be completed by _____ (date). Rural Development may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the grantee has failed to comply with the conditions of this grant agreement or Rural Development regulations related hereto. The grantee may appeal adverse decisions in accordance with Rural Development's appeal procedures contained in Subpart B of Part 1900 of this chapter.

In consideration of said grant by Rural Development to the grantee, to be made pursuant to Section 533 of the Housing Act of 1949, HPG program, the grantee will provide such a program in accordance with the terms of this grant agreement and applicable Rural Development regulations.

PART A Definitions.

1. "Beginning date" means the date this agreement is executed by Rural Development and costs can be incurred.
2. "Ending date" means the date this agreement is scheduled to be completed. It is also the latest date grant funds will be provided under this agreement, without an approved extension.
3. "Disallowed costs" are those charges to a grant which Rural Development determines cannot be authorized in accordance with

applicable Federal cost principles contained in 7 CFR Parts 3015 and 3016, as appropriate.

4. "Grant closeout" is the process by which the grant operation is concluded at the expiration of the grant period or following a decision to terminate the grant.
5. "Termination" of the grant means the cancellation of Federal assistance, in whole or in part, at any time before the date of completion.

PART B Terms of agreement.

Rural Development and the grantee agree that:

1. All grant activities shall be limited to those authorized in this subpart.
2. This agreement shall be effective when executed by both parties.
3. The HPG activities approved by Rural Development shall commence and be completed by the date indicated above, unless earlier terminated under paragraph B, 18, of this grant agreement, or extended.
4. The grantee shall carry out the HPG activities and processes as described in the approved statement of activities which is made a part of this grant agreement. Grantee will be bound by the activities and processes set forth in the statement of activities and the further conditions set forth in this grant agreement. If the statement of activities is inconsistent with this grant agreement, then the latter will govern. A change of any activities and processes must be in writing and must be signed by the approval official.
5. The grantee shall use grant funds only for the purposes and activities approved by Rural Development in the HPG budget. Any uses not provided for in the approved budget must be approved in writing by Rural Development in advance.
6. If the grantee is a private nonprofit corporation, expenses charged for travel or per diem will not exceed the rates paid to Federal employees or (if lower) an amount authorized by the grantee for similar purposes. If the grantee is a public body, the rates will be those that are allowable under

the customary practice in the government of which the grantee is a party; if none are customary, the Rural Development rates will be the maximum allowed.

7. Grant funds will not be used for any of the following:

- (a) To pay obligations incurred before the beginning date or after the ending date of this agreement;
- (b) For any entertainment purposes;
- (c) To pay for any capital assets, the purchase of real estate or vehicles, the improvement or renovation of the grantee's office space, or for the repair or maintenance of privately owned vehicles;
- (d) Any other purpose specified in §1944.664 (g) or §1944.666 (b) of this subpart; or
- (e) For administrative expenses exceeding 20 percent of the HPG grant funds.

8. The grant funds shall not be used to substitute for any financial support previously provided and currently available or assured from any other source.

9. The dispersal of grants will be governed as follows:

- (a) In accordance with Treasury Circular 1075 (fourth revision) Part 205, Chapter II of Title 31 of the Code of Federal Regulations, grant funds will be provided by Rural Development as cash advances on an as needed basis not to exceed one advance every 30 days. The advance will be made by direct Treasury check to the grantee. In addition, the grantee must submit Standard Form (SF) 272, "Federal Cash Transactions Report," each time an advance of funds is made. This report shall be used by Rural Development to monitor cash advances made to the grantee. The financial management system of the recipient organization shall provide for effective control over and accountability for all Federal funds as stated in 2 CFR Part 200 as adopted by USDA through 2 CFR part 400.

(b) Cash advances to the grantee shall be limited to the minimum amounts needed and shall be timed to be in accord only with the actual, immediate cash requirements of the grantee in carrying out the purpose of the planned project. The timing and amount of cash advances shall be as close as administratively feasible to the actual disbursements by the grantee for direct program costs (as identified in the grantee's statement of activities and budget and fund use plan) and proportionate share of any allowable indirect costs.

(c) Grant funds should be promptly refunded to the Rural Development and redrawn when needed if the funds are erroneously drawn in excess of immediate disbursement needs. The only exceptions to the requirement for prompt refunding are when the funds involved:

(i) Will be disbursed by the recipient organization within 7 calendar days from the date of the Treasury check; or

(ii) Are less than \$10,000 and will be disbursed within 30 calendar days from the date of the Treasury check.

(d) Grantee shall provide satisfactory evidence to Rural Development that all officers of the grantees' organization authorized to receive and/or disburse Federal funds are covered by fidelity bonds in an amount not to exceed the grant amount to protect Rural Development's interests.

10. The grantee will submit performance, financial, and annual reports as indicated in this subpart to the appropriate Rural Development office. These reports must be reconciled to the grantees' accounting records, especially on the final report.

(a) As needed, but not more frequently than once every 30 calendar days, submit an original and two copies of SF-270, "Request for Advance or Reimbursement." In addition, the grantee must submit an SF-272, each time an advance of funds is made. This report shall be used by Rural Development to monitor cash advances made to the grantee.

(b) Quarterly reports will be submitted within 15 days, but no later than 45 days after the end of each calendar quarter. An original and one copy of SF-269, "Financial Status Report," and a quarterly performance report in accordance with §1944.683 of this subpart. Item 10, g (total program outlays) of SF-269, should be less any rebates, refunds, or other discounts.

(c) Within 90 days after the termination or expiration of the grant agreement, an original and two copies of SF-269, and a final performance report which will include a summary of the project's accomplishments, problems, and planned future activities of the grantee for HPG. Final reports may serve as the last quarterly report.

(d) Rural Development may require performance reports more frequently if deemed necessary.

11. In accordance with Office of Management and Budget (OMB) Circular A-87, "Cost Principles for State and Local Governments" (available in any Rural Development office), compensation for employees will be considered reasonable to the extent that such compensation is consistent with that paid for similar work in other activities of the State or local government.

12. If the grant exceeds \$100,000, cumulative transfers among direct cost budget categories totaling more than 5 percent of the total budget must have prior written approval by Rural Development.

13. The results of the program assisted by grant funds may be published by the grantee without prior review by Rural Development, provided that such publications acknowledge the support provided by funds pursuant to the provisions of Title V of the Housing Act of 1949, as amended, and that five copies of each such publications are furnished to Rural Development.

14. The grantee certifies that no person or organization has been employed or retained to solicit or secure this grant for a commission, percentage, brokerage, or contingent fee.

15. No person in the United States shall, on the grounds of race, religion, color, sex, familial status, age, national origin, or handicap, be excluded

from participating in, be denied the proceeds of, or be subject to discrimination in connection with the use of grant funds. Grantee will comply with the nondiscrimination regulations of Rural Development contained in Subpart E of Part 1901 of this chapter.

16. In all hiring or employment made possible by or resulting from this grant, the grantee:

(a) Will not discriminate against any employee or applicant for employment because of race, religion, color, sex, familial status, age, national origin, or handicap, and

(b) Will take affirmative action to insure that employees are treated during employment without regard to their race, religion, color, sex, familial status, age, national origin, or handicap. This requirement shall apply to, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship.

(c) In the event grantee signs a contract related to this grant which would be covered by any Executive Order, law, or regulation prohibiting discrimination, grantee shall include in the contract the "Equal Employment Clause" as specified by Form RD 400-1, "Equal Opportunity Agreement."

17. The grantee accepts responsibility for accomplishing the HPG program as submitted and included in its preapplication, application, including its statement of activities. The grantee shall also:

(a) Endeavor to coordinate and provide liaison with State and local housing organizations, where they exist.

(b) Provide continuing information to Rural Development on the status of grantee HPG programs, projects, related activities, and problems.

(c) Inform Rural Development as soon as the following types of conditions become known:

(i) Problems, delays, or adverse conditions which materially affect the ability to attain program objectives, prevent the meeting of time schedules or goals, or preclude the attainment of project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken or contemplated, new time schedules required and any Rural Development assistance needed to resolve the situation.

(ii) Favorable developments or events which enable meeting time schedules and goals sooner than anticipated or producing more work units than originally projected.

18. The grant closeout and termination procedures will be as follows:

(a) Promptly after the date of completion or a decision to terminate a grant, grant closeout actions are to be taken to allow the orderly discontinuation of grantee activity.

(i) The grantee shall immediately refund to Rural Development any uncommitted balance of grant funds.

(ii) The grantee will furnish to Rural Development within 90 calendar days after the date of completion of the grant, SF-269 and all financial, performance, and other reports required as a condition of the grant, including a final audit report, as required by 7 CFR Parts 3015 and 3016.

(iii) The grantee shall account for any property acquired with HPG grant funds or otherwise received from Rural Development.

(iv) After the grant closeout, Rural Development retains the right to recover any disallowed costs which may be discovered as a result of an audit.

(b) When there is reasonable evidence that the grantee has failed to comply with the terms of this grant agreement, the State Director can, on reasonable notice, suspend the grant pending corrective action or terminate the grant in accordance with paragraph B, 18 (c)

of this grant agreement. In such instances, Rural Development may reimburse the grantee for eligible costs incurred prior to the effective date of the suspension or termination and may allow all necessary and proper costs which the grantee could not reasonably avoid. Rural Development will withhold further advances and grantees are prohibited from further use of grant funds, pending corrective action.

(c) Grant termination will be based on the following:

(i) Termination for cause. This grant may be terminated in whole, or in part, at any time before the date of completion, whenever Rural Development determines that the grantee has failed to comply with the terms of this agreement. The reasons for termination may include, but are not limited to, such problems as:

(A) Failure to make reasonable and satisfactory progress in attaining grant objectives.

(B) Failure of grantee to use grant funds only for authorized purposes.

(C) Failure of grantee to submit adequate and timely reports of its operation.

(D) Violation of any of the provisions of any laws administered by Rural Development or any regulation issued thereunder.

(E) Violation of any nondiscrimination or equal opportunity requirement administered by Rural Development in connection with any Rural Development programs.

(F) Failure to maintain an accounting system acceptable to Rural Development.

(ii) Termination for convenience. Rural Development or the grantee may terminate the grant in whole, or in part, when

both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of funds. The two parties shall agree upon the termination conditions, including the effective date and, in case of partial termination, the portion to be terminated.

(d) Rural Development shall notify the grantee in writing of the determination and the reasons for and the effective date of the suspension or termination. Except for termination for convenience, grantees have the opportunity to appeal a suspension or termination under Rural Development's appeal procedure, Subpart B of Part 1900 of this chapter.

19. Upon any default under its representatives or agreements set forth in this instrument, the grantee, at the option and demand of Rural Development, will, to the extent legally permissible, repay to Rural Development forthwith the grant funds received with interest at the rate of 5 percent per annum from the date of the default. The provisions of this grant agreement may be enforced by Rural Development, at its options and without regard to prior waivers by it or previous defaults of the grantee, by judicial proceedings to require specific performance of the terms of this grant agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Rural Development to assure compliance with the provisions of this grant agreement and the laws and regulations under which this grant is made.

20. Extension of this grant agreement, modifications of the statement of activities, or changes in the grantee's budget may be approved by Rural Development provided, in Rural Development's opinion, the extension or modification is justified and there is a likelihood that the grantee can accomplish the goals set out and approved in the statement of activities during the period of the extension and/or modifications as specified in § 1944.684 of this subpart.

PART C Grantee agrees:

1. To comply with property management standards for expendable and nonexpendable personal property established by 2 CFR Part 200 as adopted by USDA through 2 CFR part 400.

2. To provide a financial management system which will include:
 - (a) Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on a cash basis. The financial management system shall include a tracking system to ensure that all program income, including loan repayments, are used properly.
 - (b) 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.
 - (c) Effecting control over and accountability for all funds, property, and other assets. Grantee shall adequately safeguard all such assets and shall assure that they are solely for authorized purposes.
 - (d) Accounting records supported by source documentation.
3. To retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least 3 years after the submission of the final performance report, in accordance with paragraph B 10 (c) of this grant agreement, except in the following situations:
 - (a) If any litigation, claim, audit, or investigation is commenced before the expiration of the 3-year period, the records shall be retained until all litigations, claims, audit, or investigative findings involving the records have been resolved.
 - (b) Records for nonexpendable property acquired by Rural Development, the 3-year retention requirement is not applicable.
 - (c) When records are transferred to or maintained by Rural Development, the 3-year retention requirement is not applicable.
 - (d) Microfilm copies may be substituted in lieu of original records. Rural Development 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.

4. To provide information as requested by Rural Development concerning the grantee's actions in soliciting citizen participation in the applications process, including published notices of public meetings, actual public meetings held, and content of written comments received.
5. Not to encumber, transfer, or dispose of the property or any part thereof, furnished by Rural Development or acquired wholly or in part with HPG funds without the written consent of Rural Development.
6. To provide Rural Development with such periodic reports of grantee operations as may be required by authorized representatives of Rural Development.
7. To execute Form RD 400-1, and to execute any other agreements required by Rural Development to implement the civil rights requirements.
8. To include in all contracts in excess of \$100,000, a provision for compliance with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act, 42 U.S.C. §1875C-9, as amended. Violations shall be reported to Rural Development and the Regional Office of the Environmental Protection Agency.
9. That no member of Congress shall be admitted to any share or part of this grant or any benefit that may arise therefrom, but this provision shall not be construed to bar as a contractor under the grant a public-held corporation whose ownership might include a member of Congress.
10. That all nonconfidential information resulting from its activities shall be made available to the general public on an equal basis.
11. That the purpose for which this grant is made may complement, but shall not duplicate programs for which monies have been received, are committed, or are applied for from other sources, public and private.

12. That the grantee shall relinquish any and all copyrights and/or privileges to the materials developed under this grant, such material being the sole property of the Federal Government. In the event anything developed under this grant is published in whole or in part, the material shall contain a notice and be identified by language to the following effect: "The material is the result of tax-supported research and as such is not copyrightable. It may be freely reprinted with the customary crediting of the source."

13. That the grantee shall abide by the policies promulgated in 2 CFR part 200 as adopted by USDA through 2 CFR part 400, as applicable, which provides standards for use by grantees in establishing procedures for the procurement of supplies, equipment, and other services with Federal grant funds.

14. That it is understood and agreed that any assistance granted under this grant agreement will be administered subject to the limitations of Title V of the Housing Act of 1949, as amended, 42 U.S.C 1471, et. seq., and related regulations, and that all rights granted to Rural Development herein or elsewhere may be exercised by it in its sole discretion to carry out the purposes of the assistance, and protect Rural Development's financial interest.

15. That the grantee will adopt a standard of conduct that provides that, if an employee, officer, or agency of the grantee, or such person's immediate family members conducts business with the grantee, the grantee must not:

- (a) Participate in the selection, award, or administration of a contract to such persons for which Federal funds are used;
- (b) Knowingly permit the award or administration of the contract to be delivered to such persons or other immediate family members or to any entity (i.e., partnerships, corporations, etc.) in which such persons or their immediate family members have an ownership interest; or
- (c) Permit such person to solicit or accept gratuities, favors, or anything of monetary value from landlords or developers of rental

or ownership housing projects or any other person receiving HPG assistance.

16. That the grantee will be in compliance with and provide the necessary forms concerning the Debarment and Suspension and the Drug-free Workplace requirements found in §1944.654 of this subpart.

17. That the grantee will comply with the requirements in respect to rental properties and cooperatives (co-ops) and will execute an agreement with the owners or co-op as found in §§1944.662 and 1944.663 of this subpart, specifically:

(a) If the co-op or rental property owner(s) or their successors in interest fail to carry out the requirements of this grant agreement, the ownership agreement, or any requirements noted in this subpart during the applicable period, they shall make a payment to Rural Development in an amount that equals the total amount of the assistance provided by the grantee plus interest thereon (without compounding) for each year and any fraction thereof that the assistance was outstanding. The interest rate shall be that as determined by Rural Development at the time of infraction taking into account the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date on which the assistance was initially made available.

(b) Notwithstanding any other provision of law, any assistance provided shall constitute a debt, which is payable in the case of any failure to carry out the agreement between the grantee and the rental property owner(s) or co-op and shall be secured by the security instruments provided by them to Rural Development.

18. That all requirements of this subpart concerning HPG's will be followed.

PART D Rural Development agrees:

1. That it will assist the grantee, within available appropriations, with such technical and management assistance as needed in coordinating the statement of activities with local officials, comprehensive plans, and any

State or area plans for improving housing for very low- and low-income households in the area in which the project or program is located.

2. That at its sole discretion, Rural Development may at any time give any consent, deferment, subordination, release, satisfaction, or termination of any or all of the grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as the grantor may determine to be:

(a) Advisable to further the purposes of the grant or to protect Rural Development's financial interests therein; and

(b) Consistent with the statutory purposes of the grant and the limitations of the statutory authority under which it is made and Rural Development's regulations.

PART E Attachments:

The statement of activities is attached to and made a part of this grant agreement.

This grant agreement is subject to current Rural Development regulations and any future regulations not inconsistent with the express terms hereof. Grantee has caused this grant agreement to be executed by its duly authorized _____, properly attested to and its corporate seal affixed by its duly authorized _____.

Attest:

Grantee:

By: _____

(Title)

Date of Execution of Grant Agreement by Grantee:

United States Of America
Rural Development

By: _____

(Title)

Date of Execution of Grant Agreement by Rural
Development:

oOo