FORMS MANUAL INSERT

FORM RD 3560-39

Form RD 3560-39 (02-05) LOAN RESOLUTION (Labor Housing Loan to Nonprofit Corporation) LOAN RESOLUTION OF	The Corporation executes the Loan Resolution at loan closing. The Loan Resolution sets forth the terms of the Agency financing and is the instrument that becomes their legal obligation to comply with all Agency program requirements.
Application for Loan. The Corporation shall apply for and obtain a domestic farm labor housing loan (herein called "the loan") of \$	
2. Execution of Loan Instruments. To evidence the loan the Corporation shall issue a promissory note (herein referred to as "the note"), signed by its President and attested by its Secretary, with its corporate seal affixed thereto, for the amount of the loan, payable in installments over a period of (5)	
According to the Paperwork Reduction Act of 1995, an agency may not conductor sponsor, and a person is not required to responat to, a collection of information cultest 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.	(see reverse)

PROCEDURE FOR PREPARATION : 7 CFR part 3560.

<u>PREPARED BY</u> : Servicing Official.

NUMBER OF COPIES : Original and one copy.

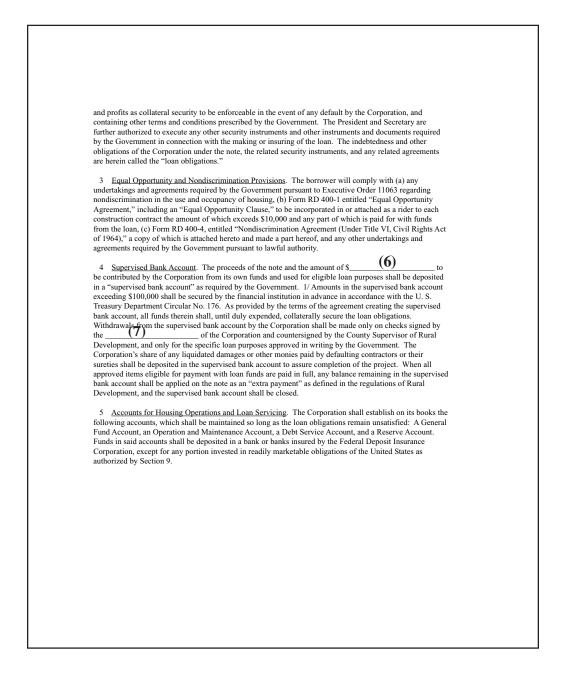
<u>SIGNATURES REQUIRED</u>: Original signed by borrower.

<u>DISTRIBUTION OF COPIES</u>: Original retained in file. Copy to the borrower.

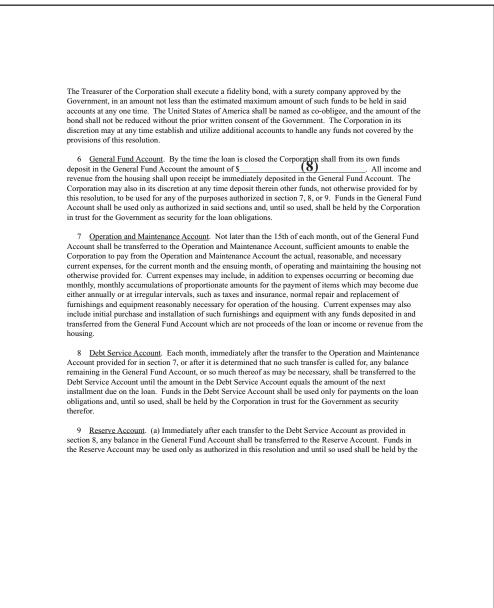
INSTRUCTIONS FOR PREPARATION

- Item 1 Insert the date the resolution was signed which must be prior to the loan approval date.
- Item 2 Insert the name of the Corporation as it will appear in the promissory note.
- Item 3 Insert the amount of RHS funds borrowed as it will appear in the promissory note.
- Item 4 Insert authorizing State statute under which the Corporation is duly organized.
- Item 5 Insert the number of years of the loan (usually 33 years).
- Item 6 Insert the amount of the borrower's contribution.
- Item 7 Insert the title of the authorized representative of the Corporation.
- Item 8 Insert an amount equal to no less than two percent of the total development cost of the project.
- Item 9 Insert, in most cases, no less than one-tenth of the aggregate sum specified in Item 10.
- Item 10 Insert an amount equal to no less than 10 percent of the total development cost or appraised value, whichever is greater.
- Item 11 Insert a number of days, normally 30.
- Item 12 The President and at least one other member of the Board of Directors should sign the resolution.
- Item 13 Insert the name of the Secretary of the Corporation.
- Item 14 The signature of the Secretary of the Corporation.
- Item 15 The Corporate Seal of the corporation should attest to the Secretary's signature.

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(3) To make improvements or extensions to the housing.(4) For other purposes desired by the Corporation which in the judgment of the Government likely will promote the loan purposes without jeopardizing collectibility of the loan or impairing the

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- (b) Maintain complete books and records relating to the Corporation'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 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 to the Government regular and special reports concerning the housing or the Corporation's financial affairs.
- (d) Not charge rents to domestic farm labor that exceed the rents approved by the Agency after considering the income of the occupants, Agency and non-Agency rental assistance available and the necessary costs of operation, debt service, and adequate maintenance of the housing.
- (e) Maintain the housing at all times in a safe and sanitary condition in accordance with standards prescribed by state and local law, and Agency requirements.
- (f) When making occupancy decisions, ensure that domestic farm labor applicants will always receive priority.
- (g) Unless the Government gives prior consent
 - (1) Not use or permit use of the housing for any purpose other than as housing and related facilities for domestic farm labor.
 - (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 voluntary dissolution of the Corporation, nor merge or consolidate with any other organization, nor 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, nor engage in any other new business, enterprise, or venture than operation of the housing.
 - (4) Not cause or permit the issuance or transfer of any stock, borrow any money, nor incur any liability aside from current expenses as defined in section 7.
- (h) Submit the following to the Government for Prior review and approval nor less than _ days before the effective dates, unless approval is waived by the Government:
- (11)

- (1) Annual budgets and operating plans.
- (2) Statements of management policy and practice, including eligibility criteria and implementing rules for occupancy of the housing.

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- (3) Proposed rents and charges and other terms of rental agreements.
- (4) Rates of compensation to officers and employees of the Corporation payable from or chargeable to any account provided for in this resolution.
- (i) If required by the Government, modify and adjust any matters covered by clause (e) of this section.
- (j) Comply with all its agreements and obligations in or under the note, security instrument, and any related agreement executed by the Corporation in connection with the loan.
- (k) Not alter, amend, or repeal without the Government's consent this resolution or the bylaws or articles of incorporation of the Corporation, which shall constitute parts of the total contract between the Corporation and the Government relating to the loan obligations.
- (1) Do other things as may be required by the Government in connection with the operation of the housing, or with any of the Corporation's operations or affairs which may affect the housing, the loan obligations, or the security.
- 11 <u>Refinancing of Loan</u>. If at any time it appears to the Government that he corporation is able to obtain a loan upon reasonable terms and conditions to refinance the loan obligations then outstanding, upon request from the Government the Corporation will apply for, take all necessary actions to obtain, and accept such refinancing loan and will use the proceeds for said purpose.

12 General Provisions.

- (a) It is expressly understood and agreed that any loan made 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, enforce such limitations, and protect the Government's financial interest in the loan and the security.
- (b) The provisions of this resolution are representations to the Government to induce the Government to make a loan to the Corporation as aforesaid. If the Corporation should fail to comply with or perform any provision of this resolution or any requirement made by the Government pursuant to this resolution, 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 declare the entire amount of the loan 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 this loan. 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.

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aş to G	d) Any provisions of this resolution may be waived by the Government in its sole discretion, or changed by greement between the Government and the Corporation, after this resolution becomes contractually binding, or any extent such provisions could legally have been foregone, or agreed to in amended form, by the iovernment initially.
· ·	e) Any notice, consent, approval, waiver, or agreement must be in writing.
(1	f) This resolution may be cited in the security instrument and any other instruments or agreements as the Loan Resolution of
	(12)
th by	CERTIFICATE The undersigned,
(I	(1) (14) (Secretary)
((15)
	(13)