

UNNUMBERED LETTERS ISSUED FOR THE MONTH OF FEBRUARY 2004

Dated	Subject	Distribution
02-02-04	Unnumbered Letters and Administrative Notices	N.O.Officials
02-10-04	Revised FY 2004 Program Loan Cost Non-Recoverable Fund Allocations	S/D
02-17-04	Rural Business Enterprise Grant Program and Rural Business Opportunity Program Applications for the Delta Regional Authority Processing and Servicing Responsibilities	* Sel. S/D
	* AL, AR, IL, KY, LA, MS, MO, TN	
02-19-04	Interest Rate Changes for Housing Programs and Credit Sales (Nonprogram)	S/D, RDM, CDM
02-23-04	Daymax Planners	S/D

February 2, 2004

SUBJECT: Unnumbered Letters and Administrative Notices

TO: National Office Officials

This memorandum is to reiterate the policy that currently exists for the use of Unnumbered Letters (UL) and Administrative Notices (ANs) found in RD Instructions 2006-A, 2006-D, and 2030-C. All ULs and ANs must be cleared through the Regulations and Paperwork Management Branch (RPMB).

ULs are written communications in the memorandum format addressed to all State Directors, National Office Officials, all Rural Development employees, all National Office employees, or all field office employees. Unnumbered letters can be used to provide general information. They may not be used to establish, change, or modify authorized directives. Clear ULs with interested Rural Development staff offices or officials before submitting to RPMB. Send ULs and Form RD 2006-6, "Clearance and Routing of Rural Development Issuance," to RPMB for review and clearance **before** submitting for signature.

ANs may be used to make temporary clarifications to existing Instructions and **are not to be** used for policy changes and **are not to be** reissued year after year. Clear ANs with interested Rural Development staff offices or officials before submitting to RPMB. Send ANs and Form RD 2006-6 to RPMB for review and clearance **before** submitting for signature. If legal matters are involved, clear ANs with the Office of the General Counsel (OGC) after RPMB review.

All ULs and ANs must contain an expiration date and filing instructions at the bottom of the first page of the document. The expiration date is good for one year. If an AN still contains valid information after its expiration date, it should be incorporated into the Instruction by the appropriate program office. For ULs and ANs sent by electronic mail, type one of the following statements at the end of the document:

- Sent by Electronic Mail on (date) at (time) by (sending office).
- Sent by Electronic Mail on (date) at (time) by (sending office).
The State Director should advise other personnel as appropriate.

EXPIRATION DATE:
January 31, 2005

FILING INSTRUCTIONS:
Administrative/Other Programs

If there is only one page to the document, place the electronic statement at the very bottom of the page, after the expiration date and filing instructions line.

If you have any further questions or concerns regarding the processing of ULs and ANs, please contact Brigitte Sumter on 692-0042.

/signed by Sherie Hinton Henry/

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

Sent by e-mail on February 2, 2004 at 9:30am by SSD.

February 10, 2004

TO: State Directors
Rural Development

ATTENTION: Rural Housing Program Directors,
Program Loan Cost Coordinators and
Contract Program Managers

FROM: Arthur A. Garcia *(Signed by Arthur A. Garcia)*
Administrator
Rural Housing Service

SUBJECT: Revised FY 2004 Program Loan Cost Non-Recoverable Fund
Allocations

The President has signed this year's Appropriation Act, allowing us to increase your current non-recoverable Program Loan Cost Expense (PLCE) fund allocation. All States' revised non-recoverable Salaries and Expense ("A" funds) Account allocations are listed in Attachment 1. They supersede those provided in my memorandum of October 24, 2003, and include any funding requests we may have approved for you during this year's Continuing Resolutions. Your general "A" fund allocations are intended primarily for Single Family Housing (SFH) PLCEs. Additional non-recoverable funds intended for Multi-Family Housing (MFH) appraisals and cost certifications can be requested by States on an "as needed" basis from the National Office.

This year's non-recoverable PLCE funds are only authorized for SFH infile credit bureau reports, MFH appraisals, MFH cost certifications, MFH market studies, SFH and MFH wage match, SFH bankruptcy fees, SFH mortgage releases, and SFH inventory property expenses and interpreter services. No other uses of non-recoverable PLCE funds are allowed without prior National Office permission.

All PLCE funds required in the Community Facilities Program are held in the National Office. Funding for Community Facilities PLCEs should be requested by completing and faxing Attachment 2 to Robert Bogan at (202) 690-0471. To request funds for MFH appraisals and cost certifications, contact Brett Morgan at (202) 720-1620. To request funds for general SFH and MFH expenses, contact Lillian Crayton at (202) 720-9621.

EXPIRATION DATE: October 31, 2004

FILING INSTRUCTIONS
Administrative/Other Programs

You are again reminded that we will need to do all we can to stretch our limited non-recoverable funding this year. Please check the accuracy of the Program Authority Codes (PACs) and Action Codes assigned to your State's PLCEs. Make sure you use the PAC charts in the current RD Instruction 2024-A, Exhibit D, effective April 17, 2002, to verify the recoverability of each charge you submit. A State should not request additional funding in its account until it has obligated at least 90 percent of its current account funds.

If field staff have any questions concerning this memorandum, they should contact their State Office. If State Office officials have questions concerning this memorandum or qualify for additional funds, they should contact Carl Muhlbauer, Program Support Staff, at (202) 690-2141.

Attachments (2)

Sent via Facsimile on 02-11-04 at 4:00 p.m. by PSS. State Directors should notify other personnel as appropriate.

**PROGRAM LOAN COST EXPENSE
FUNDS
Housing Programs (RHIF) - FY
2004**

State/Territory	Revised Allocations
	Salaries & Expense Account
Alabama	\$10,960
Alaska	\$2,389
Arizona	\$9,679
Arkansas	\$9,301
California	\$31,178
Colorado	\$4,042
Delaware	\$4,532
Florida	\$11,241
Georgia	\$18,188
Hawaii	\$1,989
Idaho	\$7,518
Illinois	\$8,657
Indiana	\$11,738
Iowa	\$10,669
Kansas	\$7,509
Kentucky	\$17,878
Louisiana	\$10,867
Maine	\$6,263
Massachusetts	\$13,554
Michigan	\$15,758
Minnesota	\$14,457
Mississippi	\$18,472
Missouri	\$10,505
Montana	\$14,060
Nebraska	\$3,755
Nevada	\$1,807
New Hampshire	\$2,190
New Jersey	\$7,372
New Mexico	\$5,355
New York	\$10,266
North Carolina	\$24,067

North Dakota	\$5,213
Ohio	\$20,381
Oklahoma	\$13,514
Oregon	\$9,169
Pennsylvania	\$12,075
Puerto Rico	\$12,256
South Carolina	\$12,431
South Dakota	\$9,201
Tennessee	\$20,973
Texas	\$26,341
Utah	\$7,186
Vermont	\$7,182
Virginia	\$11,512
Virgin Islands	\$971
Washington	\$28,352
West Virginia	\$6,696
Wisconsin	\$9,750
Wyoming	\$4,866
Total	\$544,288

FISCAL YEAR PROGRAM LOAN COST EXPENSE
RURAL HOUSING SERVICE - COMMUNITY PROGRAMS

State:
Contact Person:
Telephone Number:

Account:
Fax No.:

Program Authority Code (PAC):
(Loan Program)
(General Purpose)
(Program Activity)
(Detail Description)

Program Authority Required: (Indicate Yes/No)
Recoverable Non-recoverable

Description of Request:

CONTRACTUAL

NONCONTRACTUAL

Inspections
Appraisals
Analysis and Audits
Information Services
Other Services
Maintenance & Management
Repair/Improvement
Exclusive Broker
Open Listing Broker
Environmental
Other Field Contracting
Credit Bureau Reports
TOTAL

Advertising
Real Estate Taxes
Insurance
(including flood)
Other (Explain)
Utilities *
TOTAL

* Attach copies of vouchers and/or documents.

State Program Director

Concurrence: Date:
Associate Administrator/Deputy Administrator

TO BE COMPLETED BY NATIONAL OFFICE:

Account Balance after this obligation:
Initials:
Date:

February 17, 2004

SUBJECT: Rural Business Enterprise Grant Program and
Rural Business Opportunity Program
Applications for the Delta Regional Authority
Processing and Servicing Responsibilities

TO: State Directors, Rural Development
Montgomery, Alabama
Little Rock, Arkansas
Champaign, Illinois
Lexington, Kentucky
Alexandria, Louisiana
Jackson, Mississippi
Columbia, Missouri
Nashville, Tennessee

ATTN: Business Programs Directors

In response to the teleconference dated January 8, 2004, we are providing the following guidance for the processing and servicing of the Rural Business Enterprise Grant Program (RBEG) and Rural Business Opportunity Grant Program (RBOG) applications selected by the Delta Regional Authority (DRA) for fiscal year 2003 funding.

When DRA and Rural Business-Cooperative Service (RBS) execute the grant agreement, you will be notified, and upon completion, you shall forward the Letter of Conditions and form RD 1940-1 to the applicant. The applicant must sign the form and return it for further processing. Upon receipt of the form, please fax it to Fred Cohen, DRA, (662) 624-8537. If the applicant is ready to proceed with the project, the enclosed grant agreement and general provision agreement must be executed and faxed to DRA. If real property is purchased with grant funds, the enclosed security agreement must also be executed at this time. State Offices must obtain Automated Clearing House (ACH)

EXPIRATION DATE:
September 30, 2004

FILING INSTRUCTIONS:
Community/Business Programs

information from the applicant and fax that information to DRA prior to any requests of funds submitted.

All requests for reimbursement must be submitted on form SF-270, along with appropriate documentation, to determine if expenses are for allowable costs. The form SF 269, "Financial Status Report", should also be submitted at the time a request is made. The State Office will review these requests, approve and sign them and fax the forms along with the documentation to Fred Cohen at DRA. DRA will advance all funds and advise State Offices when funds have been advanced. The State Office will monitor the projects and receive quarterly performance reports. These reports should be faxed to DRA once the State Office has reviewed them. A final performance report must be submitted by the grantee, approved by the State Office and faxed to DRA. Rural Development does not require a compliance review, however, DRA is responsible for ensuring these grantees do not violate any civil rights laws. Once projects are completed, the files should be sent to DRA for their disposition.

The RBS National Office will track these applications in the Guarantee Loan System (GLS) under DRA as ultimate recipients. Application screen prints from GLS should be faxed to Diane Berger in Specialty Lenders Division, (202) 720-6561 and marked as a 251-status code.

All new applications should be tracked in GLS and processed according to applicable procedures. DRA is not currently committed to funding any applications Rural Development receives in the Delta Region for fiscal year 2004. However, a list of applicants and priority scores must be faxed to DRA monthly to assist DRA with determining funding. Enclosed are checklists for the RBEG and RBOG program that may assist you with processing these applications. Using the checklists provided is optional.

If you have any questions please contact Diane Berger, Senior Loan Specialist, Specialty Lenders Division Processing Branch, (202) 720-2383.

(Signed by William F. Hagy, III)

WILLIAM F. HAGY III
Deputy Administrator
Business Programs
Rural Business-Cooperative Service

Attachment

PROCESSING CHECKLIST
(Rural Business Opportunity Grants)

Project _____

APPLICANT _____ COUNTY _____ A/O _____

MAYOR/CHR _____ ADDRESS _____ PHONE _____

CLERK _____ ADDRESS _____ PHONE _____

ATTORNEY _____ ADDRESS _____ PHONE _____

IRS # _____ POPULATION _____ MHI _____

APPLICATION - STAGE I

ITEM	ACTION	FORM	BY	#	DATE	POS.
1	Application Conference	Attchmnt 1, pg2 running record	A/O	1		
2	Application for Federal Assistance	SF-424 Non-Construction	APP	2		
3	Scope of Work Narrative	4284-G, 4284.638 (2) (ii) (iii)	APP	1		
4	Income Statement & Balance Sheet or Audit	Income Statement & RD 442-3 or latest audit	APP	1		
5	Organizational Documents (nonprofits)	Articles of Incorpor., Bylaws	APP	1		
6	Eligibility Review (nonprofits)	memo	OGC	1		
7	Intergovernmental Review (E.O. 12372)	letter	Regional Clearhouse	1		
8	Debarment/Suspension Certification	AD-1047	APP	2		
9	Conflict of Interest		APP	1		
10	Debt Collection Improv Act of 1996 Cert.		App	1		
11	Elig. Determination and Recommendation	memo	S/O	1		
12	Project Selection Criteria	RD 4284-G Exhibit B	S/O	1		
13	Eligibility Review	letter	S/O	2		
14	Fax Project Selection Criteria and list of apps to DRA	memo	S/O	3		

APP = Applicant S/O = State Office, RD
ATTR = Attorney OGC = Office of General Counsel, USDA

PROCESSING CHECKLIST
(Rural Business Opportunity Grants)

OBLIGATION/POST AWARD - STAGE II

ITEM	ACTION	FORM	BY	#	DATE	POS.
15	Environmental Assess. Categorical Exclusion	1940-22	A/O	1		
16	Cert. for Contracts, Grants and Loans	RD 1940-Q, Exhibit A-1	APP	1		
17	Notification of Awardee to S/O	memo	DRA			
18	Letter of Conditions	letter	A/O	2		
19	Letter of Intent	RD 1942-46	APP	2		
20	Assurance Agreement	RD 400-4	APP	1		
21	Disclosure of Lobbying Activities	Form SF LLL	APP	1		
22	Drug-Free Workplace Certification	AD-1049	APP	2		
23	Request for Obligation of Funds	RD 1940-1	APP, S/O	4		
24	Fax Signed RD 1940-1 to DRA	Rd 1940-1	S/O	2		
25	Execution of Grant Agreement	DRA Grant Agreement	APP/SO/DRA	1		
25A	Filing of Security Interest		S/O			
26	Request for Advance or Reimbursement	SF-270	APP	1		
26A	SF 270 Review and Forward to DRA	SF-270 Documentation	S/O	1		
26B	DRA Advises S/O When SF270 Payment Notification	SF-270	DRA	1		
27	Financial Status Report (quarterly)	SF-269	APP	1		
27A	Review and Forward Financial Status Report to DRA	SF 269	S/O	1		
28	Performance Report (quarterly)	Report	APP	1		
28A	Performance Report forward to DRA with Comments	Report	S/O	1		
29	Audit Report (> \$300,000)	A-133 Audit	APP	1		
30	Final Performance Report	Report	App	1		
31	GLS Tracking - application screens to National Office	App Screens	S/O	1		
32	GLS Status Code - 251	GLS	S/O	1		
33	Project Completion File to DRA	Project file	S/O	1		

PROCESSING CHECKLIST
(Rural Business Enterprise Grant)

Amount Requested: _____

PROJECT _____

APPLICANT _____ IRS # _____

ADDRESS _____

Contact _____ Phone _____
Fax _____

MAYOR/CHR _____ CLERK _____

ARCH/ENG _____

ADDRESS _____

Contact _____ Phone _____
Fax _____

PRE-APPLICATION STAGE 1

ITEM	ACTION	FORM	BY	#	DATE	POS.
1	Application Conference	Attachment 1, page 2 running record	S/O Specialist	1		
2	Application for Federal Assistance	SF -424	APP	3		
3	Income Statement & Balance Sheet or Audit (RL only)	Income Statement & RD 442-3 or latest audit	APP	1		
4	Organizational Documents (for non-profits only)	Articles of Incorp., Bylaws	APP	1		
5	Eligibility Review (nonprofits)	memo	OGC	1		
6	Intergovernmental Review (E.O. 12372)	letter	Regional Clearhouse	1		
7	Debarment/Suspension Certification	AD-1047	APP	2		
8	Conflict of Interest		APP	1		
9	Debt Collection Improvement Act of 1996 Certification		APP	1		
10	Eligibility Determination and Recommendation	memo	S/O Specialist	1		
11	Approval of Eligibility	memo	S/O	1		
12	Notification of Eligibility	AD-622	Specialist	1		
13	Project Selection Criteria	RD 1942-G Attachment 1, Section C	S/O Specialist	2		

Send List of Apps and Project Selection Criteria to DRA	Memo	S/o			
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APP = Applicant S/O = State Office, RD OGC = Office of General Counsel, USDA
ATTR = Attorney ENG = Project Engineer RL = Revolving Loan TA = Technical Assistance Grant
ARCH = Project Architect

APPLICATION STAGE II - RBEG

ITEM	ACTION	FORM	BY	#	DATE	POS.
14	Request for Envir. Info.	Form RD 1940-20	APP	1		
	SHPO Notification	SHPO letter	APP	1		
	THPO Notification	THPO letter	RD	1		
	Civil Rights Impact Analysis	Form RD 2006-38	RD	1		
	Flood Plain Map	FEMA map	APP	1		
	Flood Hazard Determination	OMB 3067-0264	S/O	1		
15	Categorical Exclusion	1940-22	S/O	1		
	Class 1 Assessment	1940-21	S/O	1		
	Class II Assessment FONSI	1940-G, Exh H Publication	App & S/O	1		
	Farm Land Impact	prelim notice	APP & S/O	1		
	Wetland Impact	prelim/final notice	APP & S/O	1		
	Floodplain Impact	prelim/final notice	APP & S/O	1		
	Notify Applicant	letter	S/O	1		
16	Excluded Party Check	print out from web site	S/O Specialist	1		
17	Non-delinquent Federal debt	print out from CAVIRS	S/O Specialist	1		
18	Self Evaluation, Transition Plan and Racial Information	Letter to App	S/O Specialist	1		
19	Preliminary Arch/Eng Report	RD 1942-A Guide 6-10	APP	2		
20	Cert. for Contracts, Grants and Loans	RD 1940-Q Exhibit A-1	APP	1		
21	Plan to provide assist to 3 rd parties (RL)	RD 1942-G 1942.313	APP	1		
22	Scope of Work (RL and TA)	1942-G, 1942.314 plus operating budget	APP	1		
23	Civil Rights Impact Analysis	2006-P, Form 2006-38	S/O Specialist	1		
24	Fund Analysis	RD 1942-14	S/O Specialist	3		
25	Project Summary	RD 1942-45 or RD 1942-43	S/O Specialist	3		

OBLIGATION/POST AWARD - STAGE III - RBEG

ITEM	ACTION	FORM	BY	#	DATE	POS.
26	Notification of Awardee To State Office	Memo	DRA S/O			
27	Letter of Conditions	letter	Specialist	3		
28	Letter of Intent	RD 1942-46	APP	2		
29	Equal Opportunity Agreement	RD 400-1	APP	2		
30	Assurance Agreement	RD 400-4	APP	2		
31	Compliance Review	RD 400-8	S/O Specialist	2		
32	Drug-Free Workplace Certification	AD-1049	APP	2		
33	Request for Obligation of Funds	RD 1940-1	APP, S/O	3		
34	Fax signed 1940-1 to DRA	RD 1940-1	S/O	1		
35	Execution of Grant Agreement	DRA Grant Agreement	App/SO			
35 A	Filing of Security Interest		S/O	1		
36	Request for Advance or Reimbursement	SF-270	APP	1		
36 A	SF 270 Reviewed and Forward To DRA	SF-270 and Invoices Documentation etc.	S/O	1		
36 B	DRA Advises S/O when Funds Advanced	SF-270	DRA	1		
37	Financial Status Report (quarterly)	SF-269	APP	1		
37 A	Review and Forward Financial Status Report to DRA	SF-269	S/O	1		
38	Performance Report (quarterly)	Memo of Sample Report form	APP	1		
38 A	Performance Report (quarterly) Forward to DRA with comments	Report	S/O	1		
39	(>\$300,000)	A-133 Audit	APP	1		

40	Final Performance Report	Report	APP	1		
41	GLS Tracking Screens	App Screens	S/O	1		
42	GLS Status Code - 251	GLS	S/O	1		
43	Project Completion - Files To DRA	Project File	S/O	1		

Project Performance Report

Name: _____

Amount of Grant: _____

Purpose of Grant: _____

(1) Actual accomplishments of the project (describe the project, use grant funds, and the accomplishments):

(2) Name of Businesses Assisted: _____

Number of Jobs created since the application date:

<u>Number</u>	<u>Type</u>
_____	_____
_____	_____
_____	_____

(2) Impact of the project on the rural economy and quality of life in the rural community:

(3) Reasons any projections or objectives were not met:

(4) Any problems, delays or adverse conditions that have occurred and any action taken or planned to resolve these conditions.

Signature of Authorized Official

Date

Name and Title of Authorized Official

GRANT AGREEMENT BETWEEN DELTA REGIONAL AUTHORITY AND (Name of Awardee)	
Project Title: _____	
Grantee: Address: Grantee's EIN: Project Director: Telephone Number: Grant Period: Total Award: Completion Date:	Rural Development State Office Contact: Telephone Number: Fax Number: E-Mail: DRA Contact: Telephone Number:
Part I - Special Provisions	

1. Statement of Purpose - Incorporation of Proposal. This agreement implements a grant made under the authorities of 7 U.S.C. Section 2009aa 2(b)(2)(A) of the Delta Regional Authority Act of 2000 (DRAA), as amended, to provide assistance to _____ for the purpose of

_____. This Agreement is more specifically set-forth in the _____ which is being executed simultaneously herewith.

This project shall be carried out in general accord with Grantee's proposal, received at _____ on _____, which is incorporated herein by reference as Supplement "A" to Part I.

The Grantor is responsible only for the amount of this grant. All other expenses, liabilities and other obligations, either financial or legal, shall be incurred and satisfied by the Grantee.

2. Order of Precedence. This grant agreement is subject to the provisions of the _____ **(need to insert one of these depending upon what type of grant it will be administer under RD Instruction 1942-G or 4284-G)** DRAA, the DRA Code and Project Guidelines, the Special Provisions (Part I), the attached Grant Agreement: General Provisions (Part II), and any incorporated Supplements. Any conflict among these provisions shall be resolved giving precedence to these authorities in the order in which they are listed above. The Grantee acknowledges that no such provisions or any interpretation thereof shall be deemed to diminish the rights of DRA or any assignee under the terms and conditions or any other provisions thereof. DRA may at its option exhaust its remedies hereunder and under other documents, either concurrently or independently, and in such order as it may determine

3. Reports. A progress report for each 90-day period and a final report are required under this agreement (see Part II, Article 4).

4. Consideration and Method of Payment.
 - * A. Total. For the complete and satisfactory performance of this grant agreement, as determined by Rural Development and DRA, Grantee shall be paid by DRA a total sum not to exceed \$ _____ of actual, reasonable and eligible project costs. Grantee shall pay, or cause to be paid, the non-DRA share of \$ _____ in cash, grants, or other financing as set-forth in the Grantee's Application approved by DRA and Rural Development.

 - * B. Method. Progress and advance payments not to exceed ____% of total DRA-approved funds are authorized under this agreement. Upon Grantee's satisfactory completion of the Agreement, Grantee shall receive any balance of funds which may be due under this agreement (see Part II, Article II).

5. Budget. Costs will be determined in general accord with the budget (which is attached as Supplement B to Part I and hereby incorporated into this agreement), subject to the terms of this Grant Agreement and to pertinent DRA Code Provisions.

6. Period of Performance. The grant period of performance shall be _____, through _____, or funds must be returned unless prior written approval is received from DRA.

7. Financial Procedures. The grant proceeds will be administered in accordance with generally accepted financial accounting procedures and standards.
8. Grant Proceeds. The grant proceeds will be disposed of in accordance with the described and intended use.
9. Compliance. The Grantee agrees to comply with applicable statutory provisions prohibiting use of Federal assistance funds for activities designed to influence any legislation or appropriations, except through proper, official channels.
10. Termination. This Grant Agreement and the disbursement pursuant to this grant may be terminated and/or suspended for a violation of any law, rule and/or regulation of the Grantor or other applicable laws.
11. Return of Grant Proceeds. The Grantor acknowledges that all grant proceeds, until they are spent for the purposes of the grant and in accordance with the Grant Agreement, shall remain the property of the Grantor and, if not expended for the purposes of the grant and in accordance with the Grant Agreement, will be returned to the Grantor within 30 days after the final date on which the grant proceeds were scheduled to be spent under the terms of the Grant Agreement.
12. Licenses and Permits. The Grantee and its employees, agents and advisors, and not the Grantor, are responsible for obtaining necessary licenses and permits, if any, for ensuring that all aspects of the project comply with all applicable statutes, regulations, ordinances and codes, and for all costs of the project in excess of the amount of the approved grant.
13. Hold Harmless. The Grantee shall defend and hold harmless, and shall require all contractors and subcontractors to defend and hold harmless, the Grantor from any action arising from this project and a determination not to award subsequent grants.
14. Audit. The Grantee agrees to allow the Grantor and Rural Development to inspect, audit and/or examine the project and all books and records, including receipts.

15. Notices. Any notice shall be conclusively deemed to have been received by a party hereto and be effective on the earlier of the day on which delivered to such party at the address set forth below (or at any other address as such party shall specify to the other parties in writing) or on the third business day after the day on which mailed, addressed to such party at said address:

Rural Development Address:

16. Waiver; Cumulative Remedies. Neither any failure nor any delay on the part of DRA or Rural Development in exercising any right, power or privilege hereunder or under the laws of the applicable jurisdiction shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right, power or privilege. No modification, amendment or waiver of any provision of this Agreement or other documents, nor consent to any departure by the Grantee or any other person therefrom shall in any event be effective unless the same shall be in writing and signed by Rural Development and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Grantee or any other person in any case shall entitle such Person to any other or further notice or demand in the same, similar or other circumstances. Any remedies herein provided are cumulative and not exclusive of any remedies provided by law or of any remedies provided by any other document.

17. Originals. This Grant Agreement may be simultaneously executed in several counterparts, each of which shall be deemed to be an original having identical legal effect.

The Grantee affirms this grant. By executing this Grant Agreement with the Grantor, the Grantee adopts and ratifies all statements, representations, warranties, covenants and materials it has submitted to the Grantor, consents to the grant, and agrees to all terms and conditions of this Grant Agreement.

By: _____

By: _____

Date: _____

Date: _____

PART II
DELTA REGIONAL AUTHORITY
GRANT AGREEMENT: GENERAL PROVISIONS

Article 1: General Procedures.

All Delta Regional Authority (DRA) grants shall be administered as follows: grants to state and local government, in accord with OMB Circulars A-102 and A-87; grants to hospitals and other non-profit organizations, in accord with OMB Circulars A-110 and A-122; grants to higher educational institutions, in accord with OMB Circular A-110 and A-21; and other Federal regulations as applicable. The General Provisions hereof shall be applicable to DRA, its employees, representatives, agents, successors and/or assigns. (Sometimes also referred to as “Grantor” or “DRA”)

Article 2: Restrictions on Use of DRA Funds.

Grantee warrants that it is cognizant of Section 7 U.S.C. Section 2009aa 7(b) of the DRAA, which prohibits the use of DRAA funds to assist businesses to relocate from one area to another; and that, further, in keeping with Authority policy, it will not utilize DRAA funds actively to engage in any activity, the purpose of which is to encourage businesses now operating in one state to relocate into another state. No funds provided under this agreement will be used to publish or distribute material which would solicit such relocation.

Article 3: Work Plan/Detailed Budget.

(1) Grantee shall submit, as required by the DRA Project Coordinator or Rural Development, a work plan and/or budget for any and/or all of the tasks specified in Part I.

(2) Prior to submission of any work plan and/or budget so required by the DRA Project Coordinator or Rural Development, no costs shall be eligible for reimbursement, except those costs directly related to the preparation of such work plan and/or budget. Rural Development shall complete a preliminary review of the work plan and/or budget and shall immediately advise the Grantee either that it is unacceptable or that it is preliminary approved. After such preliminary approval by Rural Development, the Grantee may proceed with work on the project immediately with such modifications in the work plan and/or budget as required by Rural Development. After approval by Rural Development, all costs incurred for work performed after the effective date which are incurred in accord with the approved work plan and/or budget, and only such costs, shall be eligible for reimbursement.

Article 4: Reports.

(1) Progress Reports. *As often as requested by Rural Development, but not less than quarterly,* Grantee shall prepare and submit to the Rural Development State Office, progress reports

indicating the work accomplished under the agreement to date, **time-lines**, any problems encountered and ameliorative actions taken, **un-obligated balances of grant funds, current contractor's name, address and telephone number (if applicable), grant disbursements** and a forecast of work for the next report period.

(2) Final Report.

(a) Draft Contents. Within one (1) month after the period of performance (see Part I), Grantee shall prepare and submit to Rural Development for approval, a draft final report of all work accomplished under this Agreement including recommendations and conclusions based on the experience and results obtained, **in sufficient detail to show expenditures by source, as acceptable to Rural Development.**

(b) Review. After Rural Development review of the draft final report, which will be completed within **30 15** days after submission by the Grantee, Rural Development will either (a) return to the Grantee the approved draft with such comments, including any requirements or suggestions for modifications as deemed necessary, or (b) require resubmission of the draft report if it is deemed necessary, in which case Grantee shall, within 15 days, submit another draft for review and comment.

(c) Final Submission. Within 15 days after receipt of the approved draft final report, the Grantee will prepare and submit to Rural Development, 2 copies of the approved report and a reproducible master.

Article 5: Contracting Procedures.

In contracting for services and/or purchasing equipment under this Agreement, Grantee shall assure that (1) all contracting shall be at prices and on terms most advantageous to the Grantee and to the project; and (2) all interested parties shall have a full and fair chance at doing business with the Grantee. Grantee shall arrange for all contracting through competitive bidding, or, if permitted by state law, other negotiating and contracting procedures that will assure compliance with (1) and (2) above.

Article 6: Subcontracting.

The Grantee shall not enter into subcontracts for any of the work contemplated under this Agreement without obtaining the prior written approval of Rural Development, and subject to conditions and provisions as Rural Development may deem necessary, in his/her discretion, to protect the interests of the DRA; provided, however, that notwithstanding the foregoing unless otherwise provided herein, such prior written approval shall not be required for the purchase by the Grantee of articles, supplies, equipment and services which are both necessary for and merely incidental to the performance of the work required under this Agreement; provided, further, however, that no provision of this article and no such approval by Rural Development of any subcontract shall be deemed in any event or in any manner to provide for the incurrence of any

obligation by the DRA in addition to the total grant amount and the Authority shall not be responsible for fulfillment of Grantee's obligations to subcontractors; provided, further, that no subcontracting shall be deemed to relieve the Grantee of any obligations under this Agreement.

Article 7: Coordination and Non-Duplication.

In carrying out the project under this Agreement, Grantee shall assure that the planning, design work and implementation of activities are coordinated with activities conducted by Grantee under other related DRA grants, if any, and shall assure that there shall be no duplication of effort or funding under this Agreement of any work or payments under those grants.

Article 8: Project Personnel.

DRA or Rural Development reserves the right to approve or disapprove the selection or continued participation of any personnel supported with funds made available under this Agreement.

Article 9: Compliance with Applicable Laws.

Grantee shall assure that all provisions of applicable federal, state, and local laws shall be complied with in the conduct of activities under this grant agreement. The DRA or Rural Development reserves the right to suspend or terminate this agreement in the event that applicable federal, state, and local laws and regulations are not complied with. Such right shall not be exclusive and does not affect rights and remedies provided elsewhere by law, regulation, or agreement.

Article 10: Retention of Rights.

Title to equipment purchased with grant funds resides with the Grantee and assignees and successors approved by Rural Development, but the equipment must be accounted for during and after the end of the project period. Accountability may be satisfied by continued use during its useful life in the same or other projects related to objectives of the DRA, as approved by the DRA. If the equipment is disposed of or transferred during its useful life to a use outside the scope of the DRA objectives, an amount equal to the resale value or the value of the DRA share at the time of disposal must be deposited in the grant account if still open, or the federal share must be refunded to DRA or a DRA designated successor. DRA reserves the right to transfer such equipment and title thereto or other interest therein, to DRA, or an agency of the federal government or to another Grantee, in the event equipment, leased or purchased with funds under this agreement, is no longer used primarily for the purposes for which it is dedicated under this agreement, or is not used in substantial accord with the applicable provisions of this agreement.

It shall be Grantee's responsibility to monitor all use to ascertain that all such equipment is being used primarily for the purpose outlined herein. Grantee may propose to DRA that the equipment

be transferred to another agency or entity [or grantee](#) which could utilize it for the purposes outlined in this agreement. Such transfers shall be subject to prior written approval by the DRA Project Coordinator and to the reservation of rights in this Article.

Article 11: Method of Payment.

(1) Progress Payments. Grantee may receive progress payments (a) on the basis of the work performed; (b) upon Rural Development concurrence as to reasonableness of costs and submission of Form SF 270 (Request for Advance or Reimbursement); and (c) upon submission to Rural Development of, and with the same frequency as, progress reports; and (d) upon determination by Rural Development that the requirements of the agreement are being met. The total of such progress payments shall not exceed ninety (90) percent of the total grant amount unless specifically authorized in Part I of this agreement.

(2) Advance Payments. Grantee may receive advances of funds, in amounts sufficient to meet scheduled payroll costs and other related costs, including payments to subcontractors on the following basis: (a) Grantee's certification that a firm commitment has been obtained from each employee appointed under this agreement, or that firm, formal subcontracts have been executed which will require payments for goods and services to be delivered during the period for which advance is sought; (b) upon submission of Form SF 270 (Request for Advance or Reimbursement) and on the basis of cost estimates approved by Rural Development; (c) Grantee's certification that any previous advance has been exhausted (if previous advance has not been exhausted, this remainder must be used to meet scheduled expenses payable during the next period); any additional advance subject to Rural Development concurrence as to need; and (d) satisfactory progress on tasks specified in Part I and the incorporated proposal.

(3) Final Payment. Upon Grantee's satisfactory completion of the Agreement, Grantee shall receive any balance of funds which may be due under this Agreement.

(4) Disbursements. All disbursements shall be for obligations incurred, after the effective date, in the performance of this Agreement, and shall be supported by contracts, invoices, vouchers and other data, as appropriate, evidencing the disbursements.

NOTE: All payment requests must show the 9-digit taxpayer identifying number (TIN) assigned by the Internal Revenue Service. For individuals, the Social Security Number serves as the TIN; for businesses, the Employer Identification Number serves as the TIN.

Article 12: Grant-Related Income.

Grant-related income means gross income earned by Grantee from grant supported activities and shall include, but not be limited to, income from service fees, sale of commodities, or usage or rental fees. All grant-related income shall be reported to Rural Development in the progress and final reports required by this agreement.

Article 13: Rebates and Discharges from Liability.

Grantee agrees that any refunds, rebates or credits, or other amounts (including interest earned thereon) received by the Grantee (or any Assignee) shall be paid to the Authority to the extent that they are properly allocable to costs for which the Grantee has been reimbursed under this Article. Grantee will, when requested, assign such amounts to the Authority and execute such releases as may be appropriate to discharge the Authority, its officers and agents from liabilities arising out of this Agreement.

Article 14: Records/Audit.

(1) Grantee shall establish procedures to ensure that all records pertaining to costs, expenses, and funds related to the Agreement shall be kept in a manner which is consistent with generally accepted accounting procedures. The documentation in support of each action in the accounting records shall be filed in such a manner that it can be readily located. Grantee shall maintain custody of time records, payrolls, and other data, as appropriate, to substantiate all services reported to Rural Development as Contributed Services under this Agreement.

(2) All invoices, vouchers, statements of costs, and reports of disbursements of funds are subject to audit.

(3) Any payment may be reduced for overpayment(s) or increased for underpayment(s) on preceding invoices or vouchers. In the event of overpayment(s) DRA reserves the option of requiring the Grantee to reimburse the Authority for the amount of the overpayment(s).

(4) If Grantee has not provided either cash or contributed services of a value determined by Rural Development to be sufficient to support the payments made by the Authority, or has failed to obligate or disburse any such sums for the purpose of this Agreement, the final payment shall be reduced, or the Grantee shall make an appropriate refund.

(5) The Grantee agrees that the Federal Co-Chairman of the DRA, the Comptroller General of the United States, the DRA, or the duly authorized representatives of any of them shall, until the expiration of three years after final payment under this Agreement, have access to and the right to examine any books, documents, papers, and records of the Grantee involving transactions related to this Agreement.

(6) The Grantee will, in each subcontract, require the subcontractor to agree to the application of the provisions of this article in a similar manner to the subcontractor's records relating to said subcontract.

Article 15: Indemnification.

Notwithstanding any other provisions of this Agreement, it is expressly agreed that:

- (1) Grantee will carry out the program under this Agreement as an independent contractor and not as agent of the Authority;
- (2) Grantee assumes sole and complete responsibility for the conduct of the program in such a manner as to assure the safety and welfare of all persons participating in or in any way involved in, or affected by, any activities conducted under this Agreement;
- (3) The Authority, by its provision of funds for this project, undertakes no responsibility in this regard;
- (4) Grantee shall indemnify and save harmless the Authority, its agents, officers and employees, from and against any and all claims, demands, suits, judgments, settlements, etc., for sums of money for or on account of personal injuries, property damage, or loss of life or property of any persons arising from or in any way connected with the performance of the project covered by this Agreement; and
- (5) Further, the Grantee expressly releases the DRA and Rural Development from any liability for any losses or damages suffered by Grantee, directly or indirectly, from or in any way connected with the performance of this Agreement.

Article 16: Grantee's Principal Personnel.

The Project Director shall be responsible for the general guidance and overall supervision of Grantee's efforts. The Project Director shall maintain liaison with Rural Development. In the event the replacement of the Project Director becomes necessary, the Grantee will advise Rural Development, in writing, of the change. Rural Development reserves the right to disapprove any proposed substitute or addition.

Article 17: DRA Representative.

Rural Development is responsible for (i) providing liaison between the Authority and the Grantee, and (ii) obtaining approval of work accomplished by Grantee.

Article 18: Rural Development State Office.

Grantee shall submit copies of all correspondence, reports and requests for payment required to be submitted to Rural Development.

Article 19: Disputes.

(1) Procedure. Except as otherwise provided in this Agreement, in the event of any dispute arising under this Agreement concerning a question of fact, which is not disposed of, by agreement, a decision regarding the dispute shall be rendered by the Executive Director. Alternatively, the Grantee and the Executive Director may mutually agree to select any alternative means of dispute resolution to resolve such dispute. The decision of the arbitrator retained for the purpose of dispute resolution, shall be final and conclusive. Pending final decision under either alternative, the Grantee shall proceed diligently with the performance of the Agreement in accordance with the Executive Director's decision.

(2) Consideration of Questions of Law. This Article does not preclude the consideration of questions of law in connection with decisions provided for in the above paragraph.

(3) The Grantee shall enter into a Arbitration Agreement and Mediation and Arbitration Disclosures with DRA and its successors, agents and/or assigns in connection with each project.

Article 20: Suspension/Termination for Cause.

The DRA shall have the right, upon written notice to the Grantee, to suspend or terminate this Agreement for cause, whenever the Federal Co-Chairman determines there is reasonable basis to believe there has been malfeasance, embezzlement, misappropriation, unauthorized application of federal funds or material false statement in the conduct of this Agreement or any other DRA grant agreement.

Article 21: Termination for Default.

The DRA may, by written notice to Grantee, terminate this Agreement in whole or in part in accordance with Part 52.249 of the Federal Acquisition Regulations' "Default (Fixed-Price Supply and Service)" clause in effect on the date of this Agreement, including, but not limited to provisions regarding failure to perform due to causes beyond the control of Grantee, the status of completed and partially completed work after termination for default, excusable default, DRA's right to reprocure, and other remedies. Such regulations are incorporated by reference as part of this Agreement. The rights and remedies of the DRA provided in this Article shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

Article 22: Termination for Convenience.

The DRA may, by written notice to the Grantee, terminate this Agreement in whole or in part for the convenience of the Authority, whenever the DRA determines that such action is in its best interest. If this Agreement is so terminated, the rights, duties and obligations of the parties, including compensation of the Grantee, shall be in accordance with Part 49 of the Federal Acquisition Regulation in effect on the date of this Agreement and such regulations are incorporated by reference as part of this Agreement.

Article 23: Official Not to Benefit.

No member or delegate to Congress, or resident Commissioner, shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this Agreement if made with an incorporated entity for its general benefit. All Grantees and State members, alternates, officers, or employees of DRA shall comply with the provisions of 7 U.S.C. 2009aa 2(i) and the provisions of the Delta Regional Authority Code.

Article 24: Covenant Against Contingent Fees.

The Grantee warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Grantee for the purpose of securing business. For breach or violation of this warranty the Authority shall have the right to annul this Agreement without liability or in its discretion to deduct from the grant amount or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

Article 25: Equal Opportunity.

Grantee shall carry out all programs and activities in compliance with Title VI of the Civil Rights Act of 1964, and other federal laws prohibiting discrimination, and in such a manner that no person shall, on the grounds of race, color, national origin, religion, sex, age or disability be excluded from participation in, be denied the benefits of, or be subject to discrimination with respect to any such programs or activities.

Article 26: Patent Rights.

All research and development grants are subject to the government-wide Patent Policies outlined in Department of Commerce regulations (37 CFR Part 401).

Article 27: Statement of Federal Funding.

When issuing statements, press releases, requests for proposals, bid solicitations, and any and all other public documents or announcements describing the project or program funded by this Agreement, Grantee agrees and warrants that it shall clearly state: (1) the percentage of the total cost of the program or project which will be financed with federal money, and (2) the dollar amount of federal funds for the project or program.

Article 28: Lobbying.

No funds made available under this Agreement may be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress; however, this Article does not bar communications with Members of Congress as described in Title 18, Section 1913, of the U. S. Code.

Article 29: Copyrights.

The Federal Government, through the Delta Regional Authority (DRA), reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for federal government purposes, any work developed under a contract, grant, sub-grant, or contract under a grant or sub-grant, and to use, and authorize others to use, for federal government purposes, any rights of copyright to which a grantee, a sub-grantee or a contractor purchases ownership with grant support or contract funds. Such license to use includes, but is not limited to, the publication of such work on a DRA Web site. Use of such works for purposes related to DRA and the development of the Region is generally authorized by DRA to State and local governments in the DRA Region and to other public and private not-for-profit organizations serving the Region, including the Delta Regional Authority Development Districts.

Article 30: Cornerstone Plaque or Sign.

Any facility constructed in whole or in part by funds provided under the DRA shall include a cornerstone, plaque, sign appropriately acknowledging the assistance provided through the DRA program; provided that such an item not be required if it would be prohibited as an eligible project cost under the basic federal program through which the DRA assistance is provided.

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (the "Agreement"), made and entered into as of the _____ day of _____, _____, by and between _____, a _____ (hereafter "Grantee"), and **DELTA REGIONAL AUTHORITY** (hereafter "Grantor");

WITNESSETH:

Grantee hereby grants, conveys and assigns to Grantor, its successors and assigns, a _____ and security interest in all equipment and any other type of personal property owned by Grantee, purchased with proceeds of the grant from Grantor, presently owned or hereafter acquired in replacement or substitution thereof or in addition thereto, and all proceeds of any of the foregoing, to secure Grantee obligations under a Grant to Grantee by Grantor in the amount of _____ (\$_____) (hereinafter the "Grant"), said Grant maturing on _____, and to secure performance of all conditions and other obligations of Grantee to Grantor under any instrument or agreement evidencing, securing or otherwise relating to the Grant heretofore or hereafter executed by Grantee.

As security for the performance and satisfaction of all conditions, duties, responsibilities and obligations of Grantee to Grantor under the Grant and all other documents heretofore or hereafter executed in connection therewith, the Grantor shall have and the Grantee hereby grants to Grantor a continuing first security interest in the following collateral: (a) all the aforesaid Property owned by Grantee whether now owned or hereafter acquired, or acquired in replacement or substitution thereof, or in addition thereto; and, (b) all proceeds of any of the foregoing.

GRANTEE HEREBY REPRESENTS, WARRANTS AND AGREES THAT:

(1) The Property will be kept on the premises described in the Application except as same may be temporarily removed for repair, unless the Grantor shall previously consent in writing that any portion of said Property may be kept elsewhere.

(2) Grantee has, or forthwith will acquire, full title to the Property and will at all times keep the Property free of all liens and claims whatsoever, including any purchase money security interest, other than the security interest hereunder, leases as have been approved by Grantor and the lien of general and special taxes duly levied and assessed but not yet due and payable, unless any such lien or claim is previously approved in writing by Grantor by its duly authorized officer.

(3) No financing statement covering any of the Property is on file in any public office, and the Grantee will from time to time, upon request of the Grantor execute such financing statements and other documents (and pay the costs of filing and recording the same in all public offices deemed necessary by the Grantor) and do such other acts and things as the Grantor may direct as required to establish and maintain a valid first lien and security interest in the Property (free of all other liens and claims whatsoever) to secure the payment of all Grantee's liabilities owing Grantor relative to the Grant secured hereby.

(4) Grantee will not sell, transfer, encumber or otherwise dispose of any of the Property or any interest therein except with the prior written consent of the Grantor by its duly authorized officer.

(5) Grantee will keep the Property in first class order and repair, excepting any loss or damage or destruction which is fully covered by the proceeds of insurance paid to Grantor.

(6) Grantee will, if required by Grantor, keep the Property insured against loss, damage, theft and other risks and hazards, in such amounts and companies and under such policies and in such form, as shall be satisfactory to the Grantor, which policy or policies shall provide that loss thereunder shall be payable to the Grantor as its interest may appear, shall direct any insurer to pay such proceeds directly to the Grantor should Grantor so require, and shall authorize Grantor to endorse any draft for the proceeds. The Grantor may at its sole option apply any proceeds of insurance which may be received by it toward payment of any sums representing the value of the Property as required by statute. Any such policies or certificates shall be deposited with the Grantor.

(7) The Grantor may examine and inspect the Property or any portion thereof, wherever located, at any reasonable time or times. The Grantor may from time to time, at its sole option, perform any agreement of the Grantee hereunder which the Grantee shall fail to perform and take any other action which the Grantor deems necessary for the maintenance or preservation of any of the Property or Grantor's interest therein, and the Grantee agrees to forthwith reimburse the Grantor for all expenses of the Grantor in connection with the foregoing, together with interest thereon until paid from the date of Grantor's advance of any such expenses at the legal rate of interest. Grantee's failure to promptly reimburse Grantor for all such sums so advanced upon Grantor's demand shall constitute a default hereunder and on the Grant secured hereby.

(8) The occurrence of any of the following events shall constitute a default as such term is used herein: (a) default on or under the Grant or any other Grant document heretofore or hereafter executed in connection with the Grant secured hereby; (b) failure by Grantee to perform any of its agreements or obligations contained herein; or (c) any statement or representation of Grantee or its principals or representatives is untrue or misleading in any material respect as of the date made. Whenever a default shall be existing beyond any applicable

grace or curative period, the Grant shall, at the option of the Grantor, be in default, and the Grantor may exercise from time to time any rights and remedies available to it by law, hereunder, under any other document or any combination thereof. Grantee agrees, in case of default, to assemble for Grantor, at the Grantee's expense, all the Property subject to the lien hereof at such location as may be designated by Grantor, and to pay all costs of Grantor as to the enforcement of rights hereunder including reasonable attorneys' fees and legal expenses, and expenses of any repairs to any realty or other property to which any of the Property may be affixed or be a part.

(9) If Grantee defaults in complying with the terms and conditions hereof, or in complying with the terms and conditions of the Grant or any other instrument or agreement executed in connection with said Grant, or the Property is in danger of misuse or confiscation, the Grantor may, at its option, declare the Grant in default and shall have all the rights and remedies provided hereunder, under the Grant and any other instrument, including the right to possession of the Property upon demand upon the terms aforesaid. Grantee hereby constitutes Grantor as the Grantee's attorney-in-fact with full power of substitution to take possession of the Property upon such default by Grantee and, as Grantor in its sole discretion deems necessary or proper, to execute and deliver all instruments required by Grantor in order to accomplish a commercially reasonable disposition of said Property and apply the proceeds thereof to payment of its reasonable costs thereby incurred and then to return of the Grant proceeds to Grantor. This power of attorney is a power coupled with an interest and is irrevocable for the term of this Agreement. Any expenses incurred by Grantor in connection with effectuating the above-described disposition of the Property upon default, including a reasonable fee for the Grantor's attorneys, shall be payable by Grantee to Grantor.

(10) This Agreement and the security interest in the Property and proceeds thereof created hereby shall terminate and be released when all the obligations owing to Grantor by Grantee under this Agreement, the Note and all other instruments executed in connection therewith have been performed in full in accordance with the terms of the Grant and statutes.

(11) Grantee hereby waives demand, protest, notice of acceptance of this Agreement, collateral received or delivered or other action taken hereon. Grantor shall not be deemed to have waived any of its rights hereunder or in Property or the proceeds thereof unless such waiver be in writing and signed by an authorized officer of the Grantor. No delay or omission on the part of the Grantor in exercising any right or remedy shall operate as a waiver of such or any other right or remedy. Any waiver by Grantor, to be effective, shall be in writing by its duly authorized officer and shall be construed and limited strictly according to its terms. A waiver by Grantor of a right or remedy on any one occasion shall not be a bar to or a waiver of such right or remedy or any other right or remedy on any further occasion. All rights and remedies of Grantor, whether evidenced hereby or by any other instrument or collateral, shall be cumulative and may be exercised singularly or concurrently as Grantor at its option may elect. Nothing

herein shall be deemed to be in derogation of any of the Grantor's rights and remedies under the Grant and/or statutes governing the Grant, but rather this Agreement shall be supplemental thereto.

(12) A default by Grantee of any term, condition and/or obligation, beyond any applicable grace or curative period contained in the documents evidencing, securing or otherwise relating to the Grant from Grantor to Grantee shall constitute a default on the Grant.

(13) The invalidity or unenforceability of any one (1) or more phrases, sentences, clauses or paragraphs of this instrument shall not affect the validity or enforceability of the remaining portions of this Agreement, or of any part hereof.

(14) Except to the extent the contrary is required under applicable law, the respective rights and obligations of the parties hereunder shall be determined by the application of the internal laws of the State of _____.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day, month and year first above written.

Delta Regional Authority, Grantor _____, Grantee

By: _____ By: _____

Date: _____ Date: _____

STATE OF _____
COUNTY OF _____

SWORN TO AND SUBSCRIBED BEFORE ME on this the ____ day of _____,
2003.

NOTARY PUBLIC

My Commission Expires:

GRANTOR/GRANTEE NOTICE OF TRANSFER
OF SERVICING OF GRANT

Re: DRA Contract No.: IL-2001
Project Title:
Grantee:
Basic Agency: USDA-RD
Total Award: \$

The servicing of the above-referenced Grant will be transferred effective _____. Prior to this date, all draw requests should be made to the Delta Regional Authority ("DRA"). After this date, any draw request should be made to USDA-RD (the "Basic Agency") under the terms of the Grant and Memorandum of Agreement. After this date, the Grantee's communications should be made directly to the Basic Agency.

To answer and questions or inquiries relating to the transfer of servicing, you may contact the DRA by calling: Ms. DeBorah Williams, DRA, at (662) 624-8600. To answer any questions or inquiries relating to the transfer of servicing or servicing in general, please contact the Basic Agency.

The name, address and telephone number of the Basic Agency is as follows:

Attention: _____

Effective _____, the Basic Agency shall be responsible for any and all draw request, monitoring and enforcement of the terms and conditions of the Grant and other related documents. In addition, the Grantee shall be responsible for complying with any and all terms and conditions required by the Basic Agency. The DRA reserves the right to revoke the duties and responsibilities of the Basic Agency and require that the servicing of the Grant be returned to DRA. In the event of such revocation, the Grantee shall be immediately notified.

The transfer of the servicing of the Grant does not affect any representation, warranties, terms or conditions of the Grantee set forth in the Grant Agreement and/or other documents signed in connection with the Grant.

The Grantee has read and understands this notice.

GRANTEE:

By: _____

Name:

Title:

Date: _____

February 19, 2004

SUBJECT: Interest Rate Changes for Housing Programs
and Credit Sales (Nonprogram)

TO: Rural Development State Directors,
Rural Development Managers,
and Community Development Managers

ATTN: Rural Housing Program Director

The following interest rates, effective March 1, 2004, are changed as follows:

<u>Loan Type</u>	<u>Existing Rate</u>	<u>New Rate</u>
ALL LOAN TYPES		
Treasury Judgement Rate	1.280%	1.250%

The current rate shown above is as of the week ending January 30, 2004. The actual judgement rate that will be used will be the rate for the calendar week preceding the date the defendant becomes liable for interest. This rate may be found by going to the Federal Reserve web site for the weekly average 1-year CMT yield (www.federalreserve.gov/releases/h15/data/wf/tcm1y.txt).

RURAL HOUSING LOANS

Rural Housing (RH) 502 Low or Moderate	6.125	6.125
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EXPIRATION DATE:
March 31, 2004

FILING INSTRUCTIONS:
Administrative/Other Programs

Single Family Housing (SFH) Nonprogram	6.625	6.625
Rural Housing Site (RH-524), Non-Self-Help	6.125	6.125
Rural Rental Housing and Rural Cooperative Housing	6.125	6.125

Please notify appropriate personnel of these rates.

(Signed by Arthur A. Garcia)

ARTHUR A. GARCIA
Administrator
Rural Housing Service

Sent by Electronic Mail on 02-20-04 at 10:15 a.m. PAD.

February 23, 2004

SUBJECT: Daymax Planners

TO: Rural Development State Directors
National Office Officials

ATTN: Administrative Program Directors

In its review of Purchase Card use and Simplified Acquisition procedures, the General Accounting Office frequently notes that agencies have been making purchases from non-mandatory sources. A recent Departmental review identified the purchase of Franklin Planners and/or refills as an example of this type of purchase.

Effective immediately, all offices must discontinue the purchase of Franklin Planners and/or refills. Franklin Planners and/or refills can only be obtained from a non-mandatory source. Therefore, the purchase of Franklin Planners and/or refills is improper.

The acceptable alternative to the Franklin Planner is the Daymax Planner. The Daymax Planner and refills are produced by a Javits Wagner O'Day (JWOD) participating non-profit agency, which is a mandatory source. Employees who want to continue to use the Franklin Planner will have to purchase the Franklin Planners and/or refills with their personal funds.

EXPIRATION DATE:
February 28, 2005

FILING INSTRUCTIONS:
Administrative/Other Programs

The Daymax Planner is deemed to meet the needs of the Federal Government. If you have any questions, please contact Rodney Harrison, JWOD Coordinator, at (202) 692-0017 or by e-mail at rodney.harrison@usda.gov.

(Signed by Sherie Hinton Henry)

SHERIE HINTON HENRY
Deputy Administrator
for Operations and Management

Sent by electronic mail on 02-25-04 at 9:00 a.m. by SSD.