



NOTIFICATION OF INTENT TO PREPAY

TO: Minnesota Housing Finance Agency
SUBJECT: Notice of USDA Prepayment Request

Grand Manor Apartments was developed with a loan from the U.S. Department of Agriculture (USDA) Rural Development, an Agency of the U.S. Government. We, as the General Partners of Grand Manor Apartments, recently asked the USDA for permission to pay off their USDA loan ahead of schedule.

Minnesota law requires General Partner to submit to the residents of the project, The City of Grand Rapids, Itasca County HRA, and the Minnesota Housing Finance Agency, and a statement of the impact of such termination on the residents of the project. This document performs that purpose.

- 1) 40 units within the project will no longer be subject to rent restrictions imposed by the federal programs which applies to the project effective as of the date of termination of the program which will be no earlier than twelve months after the date of this Impact Statement.
- 2) General Partner estimates that the rents to be charged after termination will be:
 - a. bedroom: \$600.00 as compared to current rents charged under the federal program of \$440.00 and,
 - b. bedroom: \$725.00 as compared to current rents charged under the federal program of \$465.00.
- 3) General Partner proposes to assist qualified tenants who may experience an increase in rent upon termination to obtain a Section 8 voucher from the United States Department of Housing and Urban Development or the Housing and Redevelopment authority to avoid displacement. General Partner will utilize networking referral system already in place. Upon providing the 12 months notice, General Partner will help distribute applications and selection criteria for alternate housing available in the Itasca County area through prepayment date of September 30, 2008.

We will keep you notified of the status of this request until a final resolution is reached.

Respectfully,

Ronald Duchesneau, Jr., President
D.W. Jones, Inc.
General Partner

Dated: 8/17/07