

USE AGREEMENT

The public reporting burden for this collection of information is estimated to average 2 hours 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. Comments regarding the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to U.S. Department of Housing and Urban Development, Office of the Chief Data Officer, 451 7th St SW, Room 8210, Washington, DC 20410-5000. **Do not send completed forms to this address.** This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid OMB control number. HUD collects this information to assist HUD in determining an applicant's eligibility and capacity to administer Project Rental Assistance Program funds to qualified multifamily rental owners for housing for persons with disabilities consistent with prescribed statutory and regulatory criteria for Direct Endorsement lenders to perform quality control reviews of loans originated by sponsored third party originators and to self-report findings of fraud, material misrepresentation, and other material findings to FHA. HUD uses this information to evaluate applications and make selection recommendations. This information is required, under Pub L. 111-374. This information collected will not be held confidential.

USE AGREEMENT

For Projects Assisted Under the Section 811 Project Rental Assistance Program

This Agreement entered into this ____ day of ____, 20__ by and between
____ (herein called "Owner") and the
____ (herein called "Grantee"),

Witnesseth:

WHEREAS, pursuant to Section 811 of the Cranston-Gonzalez National Affordable Housing Act (NAHA), 42 USC 8013, as amended, established the Section 811 Project Rental Assistance Program ("PRA") to provide project-based rental assistance to persons with disabilities at eligible multifamily projects; and

WHEREAS, in consideration of the Grantee promise to provide HUD funding to Owner, for the property known as _____, located in _____ (City, State), more particularly described in the RAC or in a separate development legal description attached as an Exhibit to the Use Agreement, in accordance with HUD requirements related to the PRA, or any successor program, Owner agrees to implement this Use Agreement.

NOW THEREFORE, the parties agree as follows:

Owner, for itself, its successors and assigns, covenants with the Grantee that the Owner will operate a predetermined number of assisted units in the Owner's project in accordance with the Section 811 Project Rental Assistance Program, Rental Assistance Contract (RAC), and HUD PRA requirements, including but not limited to any applicable HUD regulatory, administrative, and contractual requirements, for not less than the thirty years from the date of the Use Agreement. Accordingly, this Use Agreement shall remain in effect until _____ [insert expiration date], or until such time as the number of assisted units in the RAC has been reduced to zero as approved by the Grantee.

Subject to the availability of appropriations and so long as Owner is in compliance with all HUD requirements, including but not limited to this Use Agreement, the Grantee will provide to the Owner Rental Assistance Payments for units assisted by Section 811 of NAHA (assisted units). If Congress fails to appropriate funds adequate to meet the financial needs of the assisted units, HUD will not require the Grantee to enforce the Use Agreement covered under a RAC. Under such circumstances, HUD will allow the Grantee to continue to enforce or terminate the Use Agreement at the Grantee's discretion.

In the event of a breach or a threatened breach of any of the above covenants and agreements by the Owner, Grantee or HUD shall be entitled to institute legal action to enforce performance and observance of such covenants and agreements and to enjoin any acts which violate such covenants and agreements. HUD may also seek an award of damages and/or other relief as may be appropriate.

Owner, for itself, its successors and assigns, hereby agrees and acknowledges that this Use Agreement shall be recorded in the appropriate land records.

With respect to the eligibility requirements for the assisted units, Owner will comply with the RAC. Owner will comply with all other PRA Program, or successor program requirements as promulgated by HUD, as appropriate.

With respect to assisted and non-assisted units, Owner will comply with the provisions of any Federal law prohibiting discrimination in housing on the grounds of race, color, religion, sex, national origin, disability, familial status (children under eighteen being present, seeking legal custody of minor children, or pregnancy), age, or status as a victim of domestic violence, dating violence, sexual assault or stalking, including the Fair Housing Act of 1968, as amended, and the Violence Against Women Act of 1994, as amended, among other federal statutes, as well as the provisions of any State or local law prohibiting discrimination in housing.

The rent charged for assisted units shall not exceed the upper limit of the range shown for such type of unit on a rental schedule approved in writing by Grantee, and shall include the reasonable use of all utilities (if applicable) shown on the rental schedule. Notwithstanding any other provision of this Agreement, adjustments after Contract execution shall not result in higher rents charged for assisted units as compared to the non-assisted units, as determined by Grantee.

Any requests for rent adjustments to the Grantee by the Owner shall be consistent with the requirements of the Rental Assistance Contract and all other PRA Program or successor program requirements.

Owner must maintain the premises and equipment, appurtenant thereto, in a safe and habitable condition consistent with HUD requirements.

The books and accounts of the operations of the property shall be kept in

accordance with the relevant HUD requirements related to the PRA, or any successor program.

Owner further covenants and agrees that if Owner conveys title to the project prior to the Use Agreement's expiration, Owner will prior to transfer of title: (1) confirm the purchaser has been approved by Grantee; the Grantee will ensure the purchaser will operate the project in such a way that it will remain an "Eligible Project" pursuant to 42 U.S.C 8013(b)(3); and, (C) and (2) require the purchaser to assume the obligations of this Use Agreement and the Rental Assistance Contract.

Owner must provide to Grantee or HUD, promptly following receipt of a written request from HUD, copies of all business or any other documents regarding the Housing Project, so that Grantee or HUD may evaluate Owner's compliance with the terms of this Agreement. In addition, Owner shall permit Grantee or HUD following notice from Grantee or HUD, to examine the originals of all such documents, at the Project's office during regular business hours.

Owner must certify annually by _____ of each year (insert date within 30 calendar days of the anniversary date of this Agreement or insert date that will align with other program reporting requirements), to the Grantee that it is operating the Project in compliance with this Agreement and, more specifically, that all assisted units and non-assisted units, as well as the physical structure of the project as a whole, for example grounds and equipment, comply with all applicable codes and requirements of this Agreement and of any attachments and exhibits herein made part of this Agreement or that a remedial program to correct any existing deficiencies has been implemented.

Should any of the above covenants be held invalid in whole or in part, it shall not affect or invalidate the balance of such covenant or any other covenants.

NOW THEREFORE, in consideration of the mutual promises set forth herein, the parties hereto agree as follows:

In witness whereof, the parties hereto have caused these presents to be executed on their behalf and their seals affixed the day and year written below.

WITNESS

(Owner)

BY

And

Grantee

Attachment 1

ACKNOWLEDGEMENT BY OWNER BEFORE NOTAR:

(Complete according to requirements of state of execution.)

ACKNOWLEDGEMENT BY
COMMISSIONER:

STATE OF _____) SS:
CITY AND COUNTY OF _____)

On this _____ day of _____,
20____, before me _____, a Notary Public in and for the
City and County of _____,
_____, appeared _____
to me personally known and known to me to be the duly Authorized Agent
of Owner, _____, and the person who executed
the aforesaid instrument bearing the date of _____, 20____, and
acknowledged that he executed the aforesaid instrument for and on behalf of
_____ for the purposes herein.

(NOTARY PUBLIC)

My Commission Expires: _____