

USE AGREEMENT

FOR "CONSTRUCTED ADDITION OR OTHER FACILITY FOR THE ELDERLY
IN OR ADJACENT TO THE PROJECT, INCLUDING ASSISTED LIVING
FACILITIES"

This Agreement entered into this _____ day of
_____, 20__ by and between
_____ (herein called "Owner") and
the Secretary of Housing and Urban Development, acting by
and through the Assistant Secretary for Housing-Federal
Housing Commissioner (herein called "HUD"),

Witnesseth:

WHEREAS, the United States Department of Housing and
Urban Development is directed, pursuant to Section 811 of
the American Homeownership and Economic Opportunity Act of
2000 (AHEO Act), as amended by Public Law 111 - 372, to
permit the Owner of a Section 202 Direct Loan to prepay
Section 202 direct loans; and

WHEREAS, in consideration of the promise to permit the
prepayment of the Section 202 Direct Loan, Owner agrees to
implement this Use Agreement for the "Construction of an
addition or other facility in or adjacent to the project,
including assisted living facilities", as authorized by the
AHEO Act, as amended by Public Law 111 - 372.

The "addition or other facility in or adjacent to the
project, including assisted living facilities" (Project)
shall be identified as the premises located at

NOW THEREFORE, the parties agree as follows:

1. Owner, for itself, its successors and assigns, covenants
with HUD that Owner will comply with certain provisions
contained with the American Homeownership and Economic
Opportunity Act of 2000, as amended by Public Law 111-
372. Specifically, Owner agrees to that the proceeds
from the refinancing of the Section 202 Direct Loan will

be used in the provision of **affordable rental housing and/or related social services for elderly persons** for the Project.

2. This Use Agreement shall expire on _____.
3. In the event of a breach or a threatened breach of any of the above covenants and agreement by the Owner, HUD and/or any tenant as a third-party beneficiary 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 and/or any tenant as a third-party beneficiary may also seek an award of damages and/or other relief as may be appropriate.
4. Owner, for itself, its successors and assigns, hereby agrees and acknowledges that this Use Agreement shall be recorded in the appropriate land records.
5. Ownership of the project will at all times be controlled by a "private nonprofit organization", as defined in 12 U.S.C. 1701q(k)(4). This definition includes a for-profit limited partnership entity of which the general partner is a: (1) private nonprofit affordable housing provider; (2) for profit corporation wholly owned and controlled by one or more private non-profit affordable housing provider; or (3) a limited liability company wholly owned and controlled by one or more private non-profit affordable housing provider.
6. Owner will comply with the provisions of any Federal, State or local law prohibiting discrimination in housing on the grounds of race, color, religion or creed, sex, handicap, familial status or national origin, including the Fair Housing Act of 1968, as amended.