U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OFFICE OF MULTIFAMILY HOUSING PROGRAMS

ASSIGNMENT, ASSUMPTION, AND AMENDMENT OF SECTION 8 HOUSING ASSISTANCE PAYMENTS CONTRACT

SECTION 8 HAP CONTRACT NUMBER: _____

PROJECT NAME: _____

PROJECT LOCATION (City/Town, State): _____

ASSIGNOR/SELLER: _____

ASSIGNEE/BUYER: _____

CONTRACT ADMINISTRATOR: _____

This form is used in the administration of the project-based rental assistance program, as authorized under section 8 of the United States Housing Act of 1937, and is intended to assist the Department in ensuring that the operation of the project complies with program requirements. The public reporting burden for completing this form is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, and gathering and maintaining the data needed. The information collected is required to obtain benefits. HUD may disclose certain information to Federal, State, or local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. Information collected will not otherwise be disclosed or released outside of HUD, except as required and permitted by law. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This Assignment, Assumption, and Amendment of Section 8 Housing Assistance Payments Contract ("Assignment") is made this ____ day of _____, 20___ by and among the Contract Administrator, the Assignor/Seller, and the Assignee/Buyer, as each is identified on page 1, and shall be effective on the date set forth above ("Effective Date"). Only revisions to this form that are necessitated by State law, as determined solely by the United States Department of Housing and Urban Development ("HUD"), are permitted.

I. RECITALS

A. Previously, the Assignor/Seller or a former owner of the multifamily housing project identified on page 1 ("Project") entered into an original Section 8 housing assistance payments ("HAP") Contract ("Original HAP Contract") with the contract administrator at that time (HUD, or a public housing agency ("PHA") acting under an annual contributions contract ("ACC") with HUD). The Original HAP Contract was authorized under section 8 of the United States Housing Act of 1937 ("Act"), 42 U.S.C. § 1437f. If still in its original term (i.e., without having expired and been renewed, as described in the following paragraph), the Original HAP Contract is being assigned, assumed, and amended.

B. If the Original HAP Contract previously expired, it was renewed under a contract ("Renewal Contract") or under successive Renewal Contracts, as authorized under the Multifamily Assisted Housing Reform and Affordability Act of 1997, 42 U.S.C. § 1437f note, and the Renewal Contract currently in effect is being assigned, assumed, and amended.

C. A copy of the Original HAP Contract is attached and designated "Exhibit A."

D. If the Original HAP Contract previously expired and was renewed, a copy of the Renewal Contract currently in effect is also attached and is designated "Exhibit B."

E. The term "HAP Contract" means the Original HAP Contract (if no Renewal Contract) or the Renewal Contract currently in effect, as applicable. The term "Contract Administrator" means the current contract administrator (HUD, or a PHA, as applicable), as identified on page 1.

F. If this Assignment is in connection with a sale or lease of the Project, the Assignor/Seller and the Assignee/Buyer have entered into an agreement for such sale or lease, which includes the real property on which the Project is located, and any and all improvements situated thereon.

G. The Assignor/Seller wishes to assign, and the Assignee/Buyer wishes to assume, the HAP Contract, including all the rights and obligations thereunder.

H. The Assignor/Seller and/or the Assignee/Buyer have requested HUD's written consent to the assignment of the HAP Contract, and both understand that such consent is subject to the terms and conditions set forth in this Assignment.

I. The Assignor/Seller, the Assignee/Buyer, and the Contract Administrator therefore agree as follows:

II. ASSIGNMENT BY ASSIGNOR/SELLER

A. The Assignor/Seller hereby irrevocably assigns the HAP Contract, including all the rights and obligations thereunder, to the Assignee/Buyer.

B. The Assignor/Seller is hereby released from all obligations arising under the HAP Contract, on or after the Effective Date, provided, however, that (i) the release shall not apply to any breach of the HAP Contract based on events, circumstances, or conditions occurring before the Effective Date; and (ii) the Assignor/Seller shall remain obligated to file any annual financial statements that the HAP Contract or any applicable law or regulation may require for the period preceding the Effective Date.

C. Nothing in this Assignment shall be construed to impair, limit, or otherwise affect any right that the Contract Administrator or HUD has or may have against the Assignor/Seller for any violation of the HAP Contract that occurred or may have occurred on or before the Effective Date.

III. ASSUMPTION BY THE ASSIGNEE/BUYER. The Assignee/Buyer hereby assumes the HAP Contract, including all the rights and obligations thereunder, as amended by this Assignment.

IV. AMENDMENT. The Assignee/Buyer (referred to in this Section IV as the "Owner") and the Contract Administrator hereby amend the HAP Contract to contain the following new provisions:

A. "Compliance with applicable Federal statutes and regulations, as amended from time to time. The Owner shall comply with all applicable Federal statutes and regulations, as amended from time to time, including all applicable regulations in 24 C.F.R. part 5, as amended from time to time, including without limitation the following:

1. 2 C.F.R. part 200 ("Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards");

2. 24 C.F.R. § 5.107 ("Audit Requirements for Non-Profit Organizations");

3. 24 C.F.R. part 5 subpart G ("Physical Condition Standards and Inspection Requirements");

4. 24 C.F.R. part 5 subpart H ("Uniform Financial Reporting Standards"); and

5. 24 C.F.R. part 200 subpart P ("Physical Condition of Multifamily Properties")."

B. "Annual financial reports. Notwithstanding anything to the contrary in the HAP Contract, including any previous amendment to the HAP Contract, the Owner shall comply with the following provisions:

1. Within ninety (90) days, or such period established in writing by HUD, following the end of each fiscal year, Owner shall prepare a financial report for the Owner's fiscal year, or the portion thereof that started with the Owner's assumption of the HAP Contract, based on an examination of the books and records of the Owner in accordance with generally accepted accounting principles and in such other form and substance as specified by HUD in supplemental guidance, and provide such report to the Contract Administrator and HUD (if a PHA is the Contract Administrator) in such form, substance, and manner as may be specified by HUD under the Uniform Financial Reporting Standards at 24 C.F.R. § 5.801 ("UFRS"), or any successor regulations.

2. Unless specifically waived or modified by HUD or to the extent otherwise exempt, Owner shall: (a) engage an independent, licensed Certified Public Accountant ("CPA") to audit the Owner's annual financial report and to produce an audit report in accordance with both Generally Accepted Government Auditing Standards and Generally Accepted Auditing Standards; (b) engage an independent, licensed CPA to perform an agreed-upon procedure, in accordance with the American Institute of Certified Public Accountants Statement on Standards for Attestation Engagements, to compare the financial data template information submitted electronically by the Owner to HUD against the annual financial report examined by, and the audit report prepared by, the independent, licensed CPA, and report any variances to HUD; and (c) furnish to the Contract Administrator and HUD (if a PHA is the Contract Administrator) the audit report, and any other reports relating to the annual financial report or the audit report as required by HUD, by such means and in such form, substance, and manner as may be specified by HUD under UFRS, or any successor regulations.

3. To the extent certain non-profit Owners' requirement to submit annual financial reports may be waived or modified by HUD, or such Owners may otherwise be exempt from compliance, such waiver, modification, or exemption shall not be construed to relieve Owner of any requirements of this provision, except for those requirements specifically waived, modified, or exempt from.

4. If Owner fails to perform as required pursuant to this provision, the Contract Administrator or HUD (if a PHA is the Contract Administrator) may, at its sole election, and in a manner determined by HUD, and without affecting any other provisions herein, and after first providing notice of default of the HAP Contract to the Owner, initiate or cause to be initiated a forensic audit of the Owner's books, records, and accounts in such a

manner as to provide to the Contract Administrator and HUD (if a PHA is the Contract Administrator) with as much of the same information that would have been provided had the Owner not failed to perform as required. Any such audit initiated by the Contract Administrator or HUD does not relieve Owner of the requirement to submit to the Contract Administrator and HUD (if a PHA is the Contract Administrator) an annual audited financial report as required pursuant to this provision."

C. "Applicability and binding nature on successors and assigns. The duties and obligations set forth in the HAP Contract, as amended by this Assignment, shall apply during the remainder of the term of the HAP Contract and during each successive renewal term and shall further apply to and be binding on each of the Assignee/Buyer's successors and assigns."

V. CONSENT BY HUD. Subject to the terms and conditions set forth herein and as evidenced by the signature of HUD's authorized representative on page 9, HUD hereby consents to the assignment of the HAP Contract.

VI. RIGHTS OF PARTIES, GOVERNING LAW, AND EXECUTION

A. Nothing in this Assignment shall be construed to impair, limit, or otherwise affect any rights that the Assignor/Seller, the Assignee/Buyer, the Contract Administrator, and/or HUD has or may have under the HAP Contract.

B. This Assignment shall be governed and construed in accordance with the laws of the State in which the Project is located and, to the extent that any provision is inconsistent with such laws, with the laws of the United States of America.

C. This Assignment may be executed in counterparts, each of which shall be considered an original for all purposes. Any and all counterparts shall together constitute one and the same instrument.

D. Unless signed by an authorized representative of the Contract Administrator and of HUD, this Assignment shall have no legal effect, and no housing assistance payments shall be made under the HAP Contract to the Assignee/Buyer.

Signature Page 1 of 4
Assignment, Assumption, and Amendment
of Section 8 Housing Assistance Payments Contract

ASSIGNOR/SELLER

_____
(Print or Type)

By:_____
Signature of authorized representative

_____
Name and official title of signatory (Print or Type)

Signature Page 2 of 4
Assignment, Assumption, and Amendment
of Section 8 Housing Assistance Payments Contract

ASSIGNEE/BUYER

_____
(Print or Type)

By:_____
Signature of authorized representative

_____
Name and official title of signatory (Print or Type)

Signature Page 3 of 4
Assignment, Assumption, and Amendment
of Section 8 Housing Assistance Payments Contract

CONTRACT ADMINISTRATOR

_____
(Print or Type)

By:_____
Signature of authorized representative

_____
Name and official title of signatory (Print or Type)

Signature Page 4 of 4
Assignment, Assumption, and Amendment
of Section 8 Housing Assistance Payments Contract

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

By:_____
Signature of authorized representative

_____
Name and official title of signatory (Print or Type)

EXHIBIT A
(ORIGINAL HAP CONTRACT)

EXHIBIT B
(RENEWAL CONTRACT CURRENTLY IN EFFECT)