{EXHIBIT 1}

ASSIGNMENT AND ASSUMPTION OF M2M USE AGREEMENT

**THIS** **ASSIGNMENT AND**  **ASSUMPTION OF M2M USE AGREEMENT** (“Agreement”) is made as of the \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_, by and between **\_\_\_{*INSERT NAME AND STATE OF ORGANIZATION OF SELLER*}\_**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Seller”), \_\_\_\_\_\_\_\_\_\_{***INSERT NAME AND STATE OF ORGANIZATION OF ENTITY ACQUIRING THE SUBJECT PROPERTY***}

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Purchaser”), and **SECRETARY OF HOUSING AND URBAN DEVELOPMENT**, Washington D.C. (the “Secretary” or “HUD”).

WITNESSETH:

 **WHEREAS**, Seller was the owner of certain improved real property located in the city of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the county of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, in the State/Commonwealth of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as more particularly described in Exhibit A, on which is constructed a rental apartment project known as \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (collectively, “Property”);

 **WHEREAS**, Seller (which term includes a predecessor to Seller in title to the Property) and HUD entered into that certain Use Agreement for Multifamily Projects Participating in the Mark-to-Market Program Underthe Multifamily Assisted Housing Reform and Affordability Act of 1997” (as amended through the date of this Agreement “M2M Use Agreement”), dated {*insert date of M2M Use Agreement*} \_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_ , and recorded on \_\_\_\_\_\_\_\_\_\_\_\_\_ {*insert date M2M Use Agreement was recorded*} in {*insert deed book and page or equivalent reference*} in the Office of the {*insert name of office where deeds and mortgages are recorded*} (the “Land Records”);

 **WHEREAS,** the M2M Use Agreement sets forth certain obligations requiring the use of the Property, affordability of the units rented, and similar restrictions, pursuant to section 514(e)(6) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (Pub. L. No. 105-65, 111 STAT. 1384), and the Restructuring Commitment between the Seller (or a predecessor-in-title) and HUD (“Restructuring Commitment”);

 **WHEREAS**, the Seller and Purchaser entered into a contract (“Purchase and Sale Agreement”) pursuant to which Seller agreed to sell, and Purchaseragreed to purchase the Property;

 **WHEREAS**, pursuant to the Purchase and Sale Agreement, the Full Mark-to-Market Renewal Contract (“HAP Contract”) is being assigned (“Assignment”) to Purchaser and the Purchaser has agreed to assume the obligations under the HAP Contract and M2M Use Agreement; and

 **WHEREAS**, the Seller desires, with the consent of the Secretary, to assign all its rights and obligations in and to the M2M Use Agreement as herein provided, effective upon the recording among the Land Records of the deed to the Property into the Purchaser (“Effective Date”).

 **NOW, THEREFORE**, in consideration of the Assignment, the mutual agreements contained herein and other good and valuable consideration, it is agreed as follows:

 1. The foregoing recitals are hereby incorporated by reference as if fully set forth herein.

 2. Seller and the Secretary hereby agree to the assignment of the undertakings and obligations contained in the M2M Use Agreement from the Seller to the Purchaser and its successors and assigns. Nothing in this Agreement shall waive, compromise, impair, or prejudice any right HUD may have against Seller for any violation of the M2M Use Agreement that may have occurred prior to the Effective Date.

 3. Purchaser hereby assumes all duties, obligations and restrictions set forth in the M2M Use Agreement and shall be responsible for all such duties, obligations and restrictions arising thereunder from and after the Effective Date. Purchaser further agrees to require any successor parties in interest to the subject property to explicitly assume all duties, obligations and restrictions set forth in the M2M Use Agreement throughout the Expiration Date of the M2M Use Agreement.

4. The Seller made a binding commitment with the Secretary in the HAP Contract and/or the Restructuring Commitment to accept renewals of the HAP Contract, if offered by the Secretary. Purchaser acknowledges and agrees that such binding commitment continues hereafter, and agrees to accept offers from the Secretary to renew such HAP Contract(s) if (a) such renewal(s) do not extend the term of such contract beyond the Expiration Date (either defined herein or in the M2M Use Agreement), and (b) each such renewal offer is consistent with the terms and conditions of the then-expiring contract and such renewal offer is at the contract rents in effect on the contract expiration date, as adjusted annually by an operating cost adjustment factor determined by HUD. Any such renewal contract shall only be made from budget authority appropriated by the Congress and available for this purpose.

5. This Agreement shall be governed by all applicable federal laws and the laws of the state in which the Property is located.

6. This Agreement may be executed in counterparts, each of which, when so executed and delivered, shall be an original, but all of which together shall constitute one and the same Agreement.

7. This Agreement is binding upon and shall inure to the benefit of the parties hereto and their respective successors and/or assigns.

8. Except as amended herein, the M2M Use Agreement shall be and remains in full force and effect in accordance with its terms.

**IN WITNESS WHEREOF**, this Agreement has been executed as of the day and

year written above.

(SIGNATURES AND ACKNOWLEDGMENTS ARE ON THE FOLLOWING PAGES)

 SELLER:

 {**INSERT NAME AND STATE OF ORGANIZATION OF ENTITY SELLING THE SUBJECT PROPERTY**}

 By:

 By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Name:

 Title:

{Add Acknowledgment}

**(SIGNATURES CONTINUED ON NEXT PAGE)**

 PURCHASER:

 {**INSERT NAME AND STATE OF ORGANIZATION OF ENTITY ACQUIRING THE SUBJECT PROPERTY**}

 By:

 By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Name:

 Title:

{Add Acknowledgment}

**(SIGNATURES CONTINUED ON NEXT PAGE)**

HUD:

 SECRETARY OF HOUSING AND

 URBAN DEVELOPMENT

 By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Authorized Agent

 Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

{Add Acknowledgment}

**Exhibit A**

[Legal Description]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Public reporting burden for this collection of information is estimated to average 1 hour 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. This information is required to obtain benefits. The Office of Multifamily Housing, Office of Recapitalization, 451 7th Street SW, Room 6230 Washington, DC 20410. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. Title V of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act of 1988 (P.L.105-65, 111 Stat. 1384) authorizes the FHA Multifamily Housing Mortgage and Housing Assistance Restructuring Program. HUD implemented a statutory permanent program directed at FHA-insured multifamily projects that have project- based Section 8contracts with above- market rents. The information collection is used to determine criteria eligibility of FHA-insured multifamily properties for participation in the Mark to Market program and the terms on which participation should occur. The purpose of the program is to preserve low-income rental housing affordability while reducing the long-term costs of Federal rental assistance. While no assurances of confidentiality are pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.