UNIT CONVERSION AGREEMENT

This Unit Conversion Agreement (hereinafter referred to as “this Agreement”), is entered into as of __________, 200__, by and between ______________ (hereinafter referred to as “the Owner”) their successors and assigns and the Secretary of Housing and Urban Development (hereinafter referred to as “the Secretary”).

WHEREAS, (name of property), (hereinafter referred to as “the Project”) is currently operated by the Owner and consists of ___ apartment units located at (address) was financed with (insert type of financing provided by HUD);

WHEREAS, the Owner has requested the approval of the Secretary to convert ___ efficiency units to ___ one-bedroom units in the Project to better serve the residents, alleviate recurring vacancies and avoid financial default, and as a condition of the Secretary’s approval, the Owner has agreed to enter into this Agreement;

NOW THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged, the parties agree as follows:

1. Effective as of the date of this Agreement, no current residents of the Project will be permanently displaced as a result of the conversion of ____ efficiency units into ____ one-bedroom units;
2. There shall be no increase in the current budget authority for any assistance payments due to conversion of the abovementioned efficiency units;
3. Any affordability or income restrictions in a currently effective Regulatory Agreement, Housing Assistance Payments Contract (hereinafter referred to as “the HAP Contract”), or other controlling document will apply to the converted units until the expiration date of said agreement; and
4. The Owner agrees to amend any assistance contract as appropriate to reflect reduction of assisted units as approved by the Secretary.

In the event of a breach or a threatened breach of any of the covenants in this Agreement, the Secretary (or his successors and assigns), shall be entitled to institute legal action (i) to enforce performance and observance of such covenants and agreements, (ii) to enjoin any acts which are violative of such covenants and agreements, (iii) to obtain an order of the court commanding specific performance of any of these covenants and agreements, (iv) to obtain an award of whatever damages can be proven, and/or (v) to obtain such other relief as may be appropriate. All representations made as to occupancy and eligibility of residents in connection with this conversion of units have been made solely by the Owner, and accordingly, the Secretary shall have no responsibility or obligations whatsoever in regard to such representations.

NOTHING in this Agreement shall in any way impair the Loan Agreement, Capital Advance Agreement, Regulatory Agreement, Housing Assistance Payment Contract, Project Rental Assistance Contract, Rent Supplement Contract, Project Assistance Contract, Rental Assistance Contract, Use Agreement, or any other HUD grant or contract document., if applicable, or alter, waive, annul, vary or affect any provision, condition, covenant therein, except as herein specifically provided, or affect or impair any rights, powers, or remedies under the HAP Contract, it being the intent of the parties hereto that the terms and conditions of the HAP Contract shall continue in full force and effect except as amended hereby.

ATTACHMENT 6 CONTINUED
IN WITNESS WHEREOF, THE Owner and the Secretary of Housing and Urban Development have caused this agreement to be executed.

OWNER

Name of Owner (Print)

_________________________________________________________

By _____________________________________________________
Signature of authorized representative

_________________________________________________________

Name and title (Print)

MORTGAGEE

Name of Mortgagee (Print)

________________________________________________________

By _____________________________________________________
Signature of authorized representative

________________________________________________________

SECRETARY OF HOUSING AND URBAN DEVELOPMENT

________________________________________________________

By _____________________________________________________
Signature of authorized representative

________________________________________________________

Name and title (Print)