

**Rental Assistance Demonstration (RAD)
Section 202 Project Rental Assistance Contract
Conversion Agreement**

**U.S. Department of Housing
and Urban Development
Office of Multifamily Housing**

Public reporting burden for this collection of information is estimated to average 30 minutes 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 agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This collection of information is required to apply to the Rental Assistance Demonstration program as authorized by the Consolidated and Further Continuing Appropriations Act of 2012 and subsequent appropriations. Requirements for RAD were established in PIH 2012-32 and subsequent notices. The information will be used to enter into a contract for housing assistance payments and dictates the terms under which such payments will be made. There are no assurances of confidentiality.

Ownership (complete each box, even if information is duplicative)		
Existing PRAC Ownership Entity:		Post-Conversion Ownership Entity:
Converting Project (Existing) Name and Address:		Covered Project (Future) Name and Address:
Converting Project(s) PRAC Contract Number(s):		Covered Project Sec. 8 HAP Contract Number(s):
Converting Project(s) Capital Advance Project Number(s):		
Assistance Contract		
<input type="checkbox"/> Project-Based Rental Assistance (PBRA) <input type="checkbox"/> Project-Based Vouchers (PBV). If PBV, list HAP Contract Administrator: _____		Number of RAD HAP Contracts: _____ Term (in years) of the HAP Contract(s): _____ HAP Effective Date: _____
Unit count		
Unit Type of PRAC/RAD Units	PRAC Contract(s)	RAD HAP Contract
0 Bedroom		
1 Bedroom		
2 Bedroom		
Sub-Total PRAC/RAD Units		
Post-Conversion Non-RAD Units:		
Post-Conversion Total Covered Project Units:		

Key Terms and Features of the Conversion Transaction (check all that apply)

<p>Covered Project configuration:</p> <p><input type="checkbox"/> The Covered Project is a single, contiguous site</p> <p><input type="checkbox"/> The Covered Project is on multiple sites</p> <p><input type="checkbox"/> Rent Bundling:</p> <p><input type="checkbox"/> This is a donor property</p> <p><input type="checkbox"/> This is a recipient property</p> <p>Financing (check all that apply):</p> <p><input type="checkbox"/> No new financing</p> <p><input type="checkbox"/> FHA-insured financing</p> <p><input type="checkbox"/> Conventional financing</p> <p><input type="checkbox"/> Low-Income Housing Tax Credits</p> <p><input type="checkbox"/> Other</p> <p>Repairs:</p> <p>Estimated number of months for completion of all Work set forth in Exhibit B based on the Project Owner's rehabilitation or construction schedule: _____ months after the effective date of this Agreement.</p>	<p>Proceeds from a Sale or Refinance:</p> <p>Amount of Proceeds \$ _____</p> <p>Less Allowed Deductions \$ _____</p> <p>Amount of Net Proceeds \$ _____</p> <p>Amount of Restricted Proceeds \$ _____</p> <p><input type="checkbox"/> Transfer of Assistance</p> <p>Construction (check all that apply):</p> <p><input type="checkbox"/> No rehabilitation or new construction</p> <p><input type="checkbox"/> Rehabilitation</p> <p><input type="checkbox"/> New construction</p> <p><input type="checkbox"/> Davis Bacon applies</p> <p>Offsite Relocation:</p> <p><input type="checkbox"/> Tenants will be relocated offsite for 12 months or more</p> <p><input type="checkbox"/> Tenants will be relocated offsite for less than 12 months</p> <p><input type="checkbox"/> Tenants will make a one-time move to a transfer of assistance site</p> <p><input type="checkbox"/> No offsite relocation anticipated</p>
--	---

Reserves		
	Amount	Timing of 1 st Payment
Initial Deposit to Replacement Reserves:	\$	
Monthly Deposit to Replacement Reserves (total for all RAD units):	\$	
Elderly Housing Use Agreement		
Elderly Housing Use Agreement Effective Date:	The effective date of this Agreement	
Elderly Housing Use Agreement Transition Date:		
Elderly Housing Use Agreement Term end date:		

This Conversion Agreement (“Agreement”) to participate in the Rental Assistance Demonstration (“RAD”) and convert the assistance of the Converting Project named in the above table is entered into by and among [Name of Existing PRAC Ownership Entity], a [non-profit corporation or alternative entity type], organized and existing under the laws of [the State or Commonwealth of X] (“PRAC Owner”); [Name of Proposed Post-Conversion Ownership Entity], a [corporate entity type], organized and existing under the laws of [the State or Commonwealth of X] (“Project Owner”); and the United States Department of Housing and Urban Development, acting by and through the Secretary, his or her successors, assigns or designees (“HUD”). This Agreement is effective as of the date of the Closing. As used in this Agreement, “Closing” means execution by all parties of all binding legal instruments connected to the transaction contemplated by this Agreement (the “Transaction”) and the unconditional release of such documents from escrow by all parties, which date is [Month and Day], 20[2 digits of year]. Recordation of such instruments, as applicable, shall occur promptly following Closing and if no Closing date is specified in this paragraph, recordation shall be conclusive evidence of Closing.

TERMS AND CONDITIONS

1. **Relationship of the Parties.** Unless otherwise agreed by HUD or identified specifically in this Agreement, in the case where the Project Owner differs from the PRAC Owner, all post-Closing requirements and obligations contained herein apply to the Project Owner after the Closing.
2. **Applicable HUD Regulations and Requirements.** By converting assistance and entering into this Agreement, the Project Owner agrees to operate the Covered Project in accordance with all applicable laws, including without limitation the Consolidated Appropriations Act, 2018 (Pub. L. No. 115-141) (“RAD Statute”); all applicable program requirements and guidance, including without limitation the Rental Assistance Demonstration – Final Implementation, Revision 4 Notice, H-2019-09 PIH-2019-23 (HA), as amended and revised from time to time (the “RAD Notice”); or any successor or additional statutes, regulations or guidance; and the terms and conditions set forth below (collectively, the “Program Requirements”). Future updates, changes and amendments to the RAD Notice and to successor or applicable regulations and guidance shall be applicable to the Project only to the extent that they interpret, clarify and implement the terms of this Agreement rather than add or delete provisions from this Agreement. Any conflicts between this Agreement and any other HUD requirements shall be conclusively resolved by HUD. Any capitalized terms used herein but not defined have the meanings given them in the RAD Notice.
3. **Defined Terms.** All capitalized terms used but not defined in this Agreement shall have the meanings set forth in the RAD Notice.
4. **Termination of Capital Advance Obligations.** HUD hereby releases the PRAC Owner from any outstanding or ongoing obligations under the Section 202 Capital Advance Mortgage Note and the Converting Project(s) is released from any outstanding obligations under the 202 PRAC Project documents associated with the Converting Project(s), including, without limitation, the applicable Capital Advance Agreement, Capital Advance Mortgage Note, Capital Advance Program Regulatory Agreement, Capital Advance Program Use Agreement, and any other related or collateral documents associated with the 202 PRAC Project and the foregoing documents. In furtherance of the foregoing, HUD shall execute a Satisfaction of Note indicating cancellation of the Capital Advance Mortgage Note. HUD shall also execute a Release of Mortgage and Regulatory Agreement and such other documentation as HUD determines is reasonably necessary or appropriate to effectuate the termination of the Capital Advance documentation.
5. **Implementation of Replacement Obligations.** HUD and the Project Owner are entering into an Elderly Housing Use Agreement which will be recorded as a restrictive covenant on the Covered Project.

The Elderly Housing Use Agreement restates any and all PRAC obligations that survive the conversion. The Elderly Housing Use Agreement has a term which extends 20 years beyond the pre-conversion termination date of the Capital Advance Program Use Agreement. Such term is identified as the Elderly Housing Use Agreement Term on page 2 of this Agreement.

6. **Elderly Housing Use Agreement Priority.** Unless otherwise approved by HUD, the Elderly Housing Use Agreement shall be superior to any and all liens and/or encumbrances against the Covered Project, including, without limitation, the lien evidenced by any and all mortgages, deeds of trust and other financing documents and regulatory documents related to the Covered Project (including any LIHTC use agreement). The Project Owner shall obtain consents or subordination agreements, and have such documents executed, as HUD may determine necessary to establish such priority.

7. **Expenses and Transaction Costs.** HUD is not responsible for any expenses or transaction costs incurred by or at the direction of the PRAC Owner or Project Owner in connection with the Transaction (including without limitation, fees for consultants, attorneys, environmental contractors, tax advisors and accountants; city, county and/or state taxes and/or fees; recording fees, prepayment penalties and/or premiums; costs for title insurance and title examination; surveys and appraisals) or the Work.

8. **Tax, Financial, and Legal Consequences.** HUD has not provided, nor shall it provide, any opinions, representations, warranties, or covenants to any party regarding any federal, state and/or local tax consequences, financial consequences, or legal consequences relative to the Transaction. The Project Owner acknowledges that funding of the contemplated Section 8 Housing Assistance Payment Contract (the "HAP Contract") is subject to appropriations.

9. **Rental Assistance.** The Project Owner shall enter into one or more HAP Contracts, as specified on page 1 of this Agreement, pursuant to which rental assistance will be provided to the number of units specified on page 1 of this Agreement. The Project Owner shall renew the HAP Contract throughout the full term of the Elderly Housing Use Agreement, as specified on page 2 of this Agreement.

10. **Sources and Uses of Funds.** HUD approval of this Transaction is made in reliance on the Sources and Uses attached as Exhibit A. Post-Closing changes to this Sources and Uses which exceed five percent (5%) of the total project uses set forth on Exhibit A must be disclosed to HUD. If HUD's review determines that such changes could materially impact the ability of the Project Owner to complete the Work, to comply with the terms of this Agreement, or to comply with program requirements, HUD may require additional documentation or assurance of the Project Owner's ability to comply with such obligations. Without in any way modifying the requirements of specific funding sources, HUD does not require tracking of specific funds to specific uses under RAD. HUD shall review the availability of sources and their application to uses in the aggregate upon completion of the Work. HUD hereby approves the use of unrestricted funds or of construction period project income for both hard and soft costs reflected in an approved Sources and Uses and as working capital to bridge the availability of funds during the course of the implementation of the Work.

11. **Planned Construction and Rehabilitation.**

11.1 **Description of the Work and Obligation to Complete.** Exhibit B sets forth the planned construction, repairs and/or rehabilitation for the Covered Project (the "Work") to be funded in accordance with the approved Sources and Uses attached as Exhibit A. The approved Sources and Uses represent the Project Owner's determination of funds necessary to pay for the Work. Without regard to the adequacy of funds set forth in the approved Sources and Uses, the Project Owner shall ensure that the Work is completed in the time frame set forth in this Agreement, unless otherwise extended by HUD at the owner's written request, and in accordance with applicable RAD Program Requirements, at the

Project Owner's sole cost and expense. The Project Owner shall ensure that, to the extent residents are in occupancy during the Work, the Work shall be conducted in a manner such that significant disruptions to the residents in occupancy are of limited duration, are reasonably mitigated, and are appropriate to the age and health condition of the residents. The Work will be completed in accordance with the following requirements:

- 11.1.1 The more stringent of: (1) any applicable national building code, such as the Uniform Building Code, the Council of American Building Officials Code, or the Building Officials Conference of America Code; or (2) applicable state and local laws, codes, ordinances, and regulations;
- 11.1.2 Other applicable Federal requirements including any Federal fire-safety requirements and HUD minimum property standards (e.g., 24 CFR part 200, subpart S for FHA-insured properties);
- 11.1.3 The relevant requirements of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-484 6), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-485 6), and implementing regulations at 24 CFR part 35, as applicable;
- 11.1.4 The applicable relocation requirements (e.g., notices, assistance, and payments) set forth in Section 4.4.N of the RAD Notice and in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and its implementing regulations at 49 CFR Part 24;
- 11.1.5 Section 504 of the Rehabilitation Act of 1973 and its implementing regulations at 24 CFR part 8, including but not limited to accessibility standards, as applicable in the event of any "substantial alterations" or other "alterations," each as defined in such regulations;
- 11.1.6 Title II of the Americans with Disabilities Act and its implementing regulations at 28 CFR part 35, including the 2010 ADA Standards;
- 11.1.7 The design and construction requirements of the Fair Housing Amendments Act of 1988 and its implementing regulations at 24 CFR Part 100.25, as applicable;
- 11.1.8 Davis-Bacon prevailing wage requirements (prevailing wages, the Contract Work Hours and Safety Standards Act, and implementing regulations, rules, and requirements) only to the extent that construction or rehabilitation is performed on nine or more units that were not previously rent assisted or rent restricted and will be newly assisted as a result of the conversion transaction (including, without limitation, through transfer of assistance). Davis-Bacon prevailing wage requirements do not apply simply as the result of the execution of a HAP Contract through RAD that provides rental assistance to previously-assisted units.

11.2 General Contractor Requirement. To the extent the Work includes new construction or exceeds sixty percent (60%) of the hard construction cost ("HCC") benchmark for the applicable location, building type, and unit size, as published by HUD (see, for example, https://www.hud.gov/sites/dfiles/PIH/documents/TDCs_2020.pdf), the Project Owner shall engage a qualified general contractor who shall obtain either (i) a payment and performance bond from a properly licensed surety, which bond and surety shall be acceptable to HUD, or (ii) a letter of credit, acceptable to HUD.

11.3 Temporary Relocation of Residents to Accommodate Construction. The Project Owner shall ensure that neither the conversion under RAD nor the subsequent completion of the Work results in the involuntary permanent displacement of any resident. The Project Owner is responsible for ensuring that all applicable relocation requirements are met and shall provide HUD with a certification regarding the residency and relocation history of residents upon completion of the Work.

11.4 Deadline for Completion of the Work. The Project Owner shall ensure that all of the Work, including any reconfiguration of units and any environmental mitigation measures listed or referenced in this Agreement, is completed pursuant to the terms of this Agreement. Any material changes in the scope of the Work, including any reductions in the scope of the Work, must be approved in writing by HUD. The Project Owner shall be in breach of this Agreement if the Work is not completed by the last day of the month that is three months following the estimated completion date listed on page 2 of this Agreement unless such date is extended in writing by HUD.

12. Supportive Services for the Elderly. Each project will be required to demonstrate that the needs of residents are adequately met either through a service coordinator (full-time or part-time) funded through the annual project budget or through another service coordination/service provision arrangement. Upon conversion, the Project Owner must provide or have available supportive services that will meet the needs of the anticipated residents as they age, as such services are identified in the exhibit to the HAP Contract. The Project Owner must ensure that the identified supportive services will be provided or otherwise made available on a consistent, long-term basis to support residents.

13. Reserves.

13.1 Reserve for Replacements. The Project Owner shall establish a Reserve for Replacements, disbursements from which will be governed by the HAP Contract. No later than the date specified on page 2 of this Agreement, unless such date is extended in writing by HUD, the Project Owner shall make an Initial Deposit to the Reserve for Replacements. If “Substantial Completion” is used in lieu of a specific date on page 2 of this Agreement, “Substantial Completion” shall mean the date that is thirty (30) days following completion of those portions of the Work which represent 95% of the dollar amount of the Work, as such dollar amount may be adjusted by any change orders necessary to complete the Work. The Initial Deposit to the Reserve for Replacements shall be in an amount equal to the greater of the amount set forth on page 2 of this Agreement and the amount set forth in the approved Sources and Uses attached as Exhibit A. In addition, the Project Owner shall make monthly deposits into the Reserve for Replacements, each of which shall be equal to the greater of the amount set forth on page 2 of this Agreement and the amount set forth in the HAP Contract, which monthly deposits shall commence no later than the date specified on page 2 of this Agreement. After twelve months of monthly payments into the Reserve for Replacements, the monthly deposit shall be governed exclusively by the HAP Contract and shall be adjusted annually in accordance with the HAP Contract and Program Requirements.

13.2 Operating Reserve. The Project Owner shall establish and maintain a Project operating reserve account in an interest-bearing account to be used for project purposes. The Project operating reserve is separate and apart from the replacement reserve. An operating reserve required by a third-party source of financing (e.g., a lender or a LIHTC-motivated equity investor) may be used to satisfy this requirement. The Project Owner is not required to maintain an operating reserve distinct from operating reserves required by other parties. Withdrawals from the operating reserve do not require HUD approval.

14. Distributions.

14.1 Surplus Cash. Distributions of surplus cash are governed by the HAP Contract. Notwithstanding the foregoing, surplus cash distributions are prohibited during any period when the

balance in the Operating Reserve is less than \$250 per unit. Further, surplus cash distributions are prohibited until after completion of the Work, certification of the actual cost of the Work as specified in Section 18, certification of the status of residents as specified in Section 11.3, and acceptance by HUD of the post-completion certification.

14.2 Net Proceeds from Refinance or Sale: Page 2 of this Agreement sets forth the approved calculation of Net Proceeds and the portion thereof that are Restricted Proceeds, pursuant to the Program Requirements at the time of Closing. All future sale or refinancing transactions shall be subject to the Program Requirements and the following provisions.

- 14.2.1 The proceeds from any refinance or sale of the Covered Project, net of funds described below, that occurs during the period equal to the remaining term of the original Capital Advance Use Agreement will be restricted to benefit the Covered Project or residents at the Covered Project (e.g., capital improvements, service delivery, or any uses set forth in a HUD-approved sources and uses statement other than acquisition) or to other Affordable Housing Purposes. All expenditures listed in a HUD-approved uses of funds are considered Affordable Housing Purposes.
- 14.2.2 For purposes of this section, proceeds of a refinancing include all commercial or subsidized loan proceeds, equity investments and grants received by or invested in the Project Owner after deduction of funds used for repayment of commercial first mortgage debt secured by the Covered Project and deduction of any HUD-approved uses of funds.
- 14.2.3 For purposes of this section, proceeds of a sale include all cash or other direct or indirect consideration paid to or on behalf of the seller of a Covered Project after deduction of funds used for repayment of commercial first mortgage debt secured by the Covered Project and deduction of any HUD-approved uses of funds. In addition, in the context of an arms-length sale to an unrelated third party, net proceeds of a sale shall be determined after deduction of the following:
 - 14.2.3.1 The seller's payment of real estate or transfer taxes and fees, recording fees, real estate brokerage fees, and reasonable third-party transaction costs associated with the sale;
 - 14.2.3.2 Any unrecovered (i.e., not previously drawn) seller equity in the Covered Project. Seller equity shall be calculated as a pro-rata portion of the original Capital Advance Note corresponding to the term of the Capital Advance Use Agreement that has elapsed; and
 - 14.2.3.3 Paydown of any Identity of Interest (IOI) loans or advances that were used to address the needs of the project or residents of the project.

15. **Certifications, Representations and Warranties by the PRAC Owner**. Any material statement, certification, representation, or warranty made by the PRAC Owner to induce HUD to execute this Agreement was true and correct when given and remains true and correct as of the date hereof unless the PRAC Owner has notified HUD in writing that such statement, certification, representation, or warranty is no longer complete or correct. This notification requirement does not, in any way, limit HUD's rights and remedies. Without limiting the foregoing, the PRAC Owner hereby represents, warrants, and certifies to HUD that, at the time of the Closing, each of the statements set forth below is true and correct. Upon the request of HUD, the PRAC Owner shall provide HUD with evidence satisfactory to HUD relating to each of the foregoing certifications.

15.1 The PRAC Owner is duly organized, validly existing and in good standing under the laws of the applicable jurisdiction(s).

15.2 The PRAC Owner is the owner of the Converting Project.

15.3 The Converting Project is materially in compliance with the requirements of the PRAC program or has notified HUD of any material non-compliance.

15.4 The Converting Project continues to meet all RAD program eligibility requirements as stipulated in the RAD Notice.

15.5 The PRAC Owner has the requisite power and authority, and has secured all consents required, to consummate the Transaction.

15.6 Each of documents executed by or on behalf of the PRAC Owner in connection with the Transaction is a legally binding obligation of the PRAC Owner, duly executed and delivered on behalf of the PRAC Owner and enforceable in accordance with its terms.

15.7 There is no litigation or other claim pending or threatened against the PRAC Owner or the Covered Project which would have a materially adverse effect on the PRAC Owner's ability to comply with this Agreement [other than as disclosed to and consented to by HUD (include if applicable)].

15.8 The signatory for and principal officers of the PRAC Owner do not have actual knowledge of false statements, certifications, or representations by the Project Owner to HUD with respect to the Transaction.

16. **Certifications, Representations and Warranties by the Project Owner**. Any material statement, certification, representation or warranty made by the Project Owner to induce HUD to execute this Agreement was true and correct when given and remains true and correct as of the date hereof unless the Project Owner has notified HUD in writing that such statement, certification, representation, or warranty is no longer complete or correct. This notification requirement does not, in any way, limit HUD's rights and remedies. Without limiting the foregoing, the Project Owner hereby represents, warrants, and certifies to HUD that, at the time of the Closing, each of the statements set forth below is true and correct. Upon the request of HUD, the Project Owner shall provide HUD with evidence satisfactory to HUD relating to each of the foregoing certifications.

16.1 The Project Owner is duly organized, validly existing and in good standing under the laws of the applicable jurisdiction(s).

16.2 There have been no material changes in the nature of the Transaction as described in the Conversion Plan submission.

16.3 All notices required by Program Requirements relating to the Transaction have been timely provided to such persons and in a manner complying with applicable Program Requirements.

16.4 To the actual knowledge of the Project Owner, the Converting Project continues to meet all program eligibility requirements as stipulated in the RAD Notice.

16.5 The Project Owner has the requisite power and authority, and has secured all consents required, to consummate the Transaction.

16.6 Each of documents executed by or on behalf of the Project Owner in connection with the Transaction is a legally binding obligation of the Project Owner, duly executed and delivered on behalf of the Project Owner and enforceable in accordance with its terms.

16.7 There is no litigation or other claim pending or threatened against the Project Owner which would have a materially adverse effect on the Project Owner's ability to comply with this Agreement [other than as disclosed to and consented to by HUD (include if applicable)].

16.8 This Agreement, including, without limitation, the first two pages hereof and the Exhibits A through C attached hereto, accurately reflects the terms of the Conversion Plan and the final business terms of the Transaction. The Project Owner's execution of this Agreement constitutes acceptance of the final business terms reflected herein.

16.9 The sources of funds set forth in Exhibit A are sufficient to pay for the Work described in Exhibit B.

16.10 The Project Owner has disclosed to HUD all debt, secured and unsecured, associated with the Covered Project and the Project Owner.

16.11 The Elderly Housing Use Agreement shall be superior to the lien and/or encumbrance evidenced by any and all mortgages, deeds of trust and other financing documents and regulatory documents associated with the Transaction that are known to the Project Owner or that are recorded as of record on the Project, unless otherwise approved by HUD.

16.12 All Transaction documents conform with the Program Requirements and any and all changes to HUD forms or sample language have been disclosed to HUD.

16.13 Except as specifically disclosed to and accepted by HUD in writing, the Project Owner does not have any actual knowledge that it is the current subject of, nor has it received any pending notice of, any debarment, suspension or other administrative proceeding, audit or investigation by HUD, including without limitation by the Inspector General, the Departmental Enforcement Center, or the Office of Fair Housing and Equal Opportunity, or any other Federal or state government agency, whether or not sanctions have been imposed against such party.

16.14 No disclosed debarment, suspension or other administrative proceeding, audit or investigation would impact the Project Owner's ability to carry out its obligations as contemplated under this Agreement.

16.15 The signatory for and principal officers of the Project Owner do not have actual knowledge of false statements, certifications or representations by the PRAC Owner to HUD with respect to the Transaction.

17. **Exhibits**. The following exhibits are a part of this Agreement and incorporated herein by this reference:

17.1 Exhibit A – Sources and Uses of Funds

17.2 Exhibit B – Scope of Work

17.3 Exhibit C – Addition Provisions to the Conversion Agreement

18. **Post-Closing Responsibilities.** The Project Owner agrees to follow the directions of the HUD Closing Coordinator with respect to post-Closing obligations. Without limiting the foregoing, the Project Owner will provide evidence of recording of the applicable Closing Documents and copies of any applicable executed HAP contract, recorded Elderly Housing Use Agreement, and other documents specified in the Escrow Letter in the manner and timeframe prescribed therein, and will provide copies of the remaining Closing Documents as directed by HUD within thirty (30) days of Closing. Upon completion of the Work in compliance with Section 11 of this Agreement, the Project Owner shall submit to HUD a completion certification which shall address such items as may be required by HUD to verify compliance with the terms of this Agreement including, without limitation, the Project Owner's certification of an updated Sources and Uses (which may include estimates of expenditures still outstanding at the time of submission) and a third party certification that the construction identified in the Work has been completed.

19. **Event of Default and Remedies.**

19.1 **Declaration of an Event of Default.** Upon breach of any of the terms of this Agreement, the enforcing party shall give the party in breach written notice of the breach. The party in breach shall have thirty (30) calendar days after receipt of such notice to cure the breach provided that, if the breach cannot be cured pursuant to commercially reasonable efforts to do so within the prescribed thirty (30) day period, the enforcing party may approve in writing an extension of an additional thirty (30) calendar days to cure the breach or such longer time as may be reasonably required by the circumstances, which approval shall not be unreasonably withheld, conditioned or delayed. If the breach is not corrected within the prescribed cure period, the enforcing party may declare a default under this Agreement (an "Event of Default") without further notice.

19.2 **Remedies.** Upon an Event of Default, the enforcing party shall have remedies available to it under statute, at law or in equity. The enforcing party shall have the right to seek specific performance of this Agreement and/or to enjoin any violation of this Agreement in court. The right to specific performance and injunction shall be in addition to all other remedies available under statute, at law or in equity. Without in any way limiting the foregoing, if HUD is the enforcing party, HUD may terminate the HAP Contract relating to the Covered Project. Termination of the HAP Contract shall have no impact on the continuing requirements under the Elderly Housing Use Agreement to serve very low-income or low-income persons and for such persons to pay rent based on their income. No person or entity, other than the parties hereto, has any rights or remedies under this Agreement.

20. **Notices.** All notices under this Agreement shall be in writing, addressed to the applicable party at the address set forth above, and shall be served by (a) personal service or receipted courier service, (b) registered or certified first-class mail, return receipt requested, or (c) nationally-recognized overnight delivery service that provides written proof of delivery. Any notice or other communication sent pursuant to clause (a) hereof shall be deemed received upon such personal service; if sent pursuant to clause (b) shall be deemed received seven (7) calendar days following deposit in the mail; and if sent pursuant to clause (c) shall be deemed received the next succeeding business day following deposit with such nationally recognized overnight delivery service. Any party may change its address by notice given in accordance with this Section.

21. **Successors and Assigns.** This Agreement and its attachments are binding upon the Project Owner and its successors and assigns. Unless otherwise provided herein, this Agreement may not be assigned, in whole or in part, except with the prior written consent of HUD.

22. **Consistency with Federal Law.** Nothing contained in this Agreement shall impose on HUD any duty, obligation, or requirement, the performance of which would be inconsistent with federal statutes, rules, or regulations in effect at the time of such performance.
23. **Corrections.** Notwithstanding anything to the contrary contained in this Agreement, the Project Owner agrees to execute, before or after the Closing, such documents, amendments or modifications as HUD deems necessary or appropriate to effectuate the intent of this Agreement or to complete or consummate the Transaction, including but not limited to instruments necessary to correct this Agreement or any of the Closing Documents.
24. **Entire Agreement; Survival.** The information listed on the chart on the first two pages of this Agreement and Exhibits A through C are all part of this Agreement. This Agreement and all exhibits attached constitute the entire agreement between the PRAC Owner, the Project Owner and HUD with respect to the Transaction. All prior and contemporaneous oral and written communications regarding the Transaction are merged herein and superseded hereby. This Agreement, and the responsibilities relating to each respective party, shall survive Closing of the Transaction.
25. **Governing Law.** This Agreement shall be governed, construed and interpreted in accordance with the laws of the state in which the Covered Project is located, and the parties shall submit to the jurisdiction and venue of the courts where the Covered Project is located.
26. **Severability.** Should any provision of this Agreement be held by a court of law to be unenforceable, such determination shall in no way compromise the enforceability of the other provisions.
27. **Counterparts.** This Agreement may be executed in counterparts. Electronic copies of signatures (such as those in portable document format (pdf)) shall be evidence of and treated as original signatures.

(signature page follows)

Signature Page to RAD Conversion Agreement
For the following referenced PRAC Contract(s):
[Insert PRAC Contract Number(s)]

In witness whereof, the parties hereto, by their respective duly authorized representatives, have caused their names to be subscribed hereto.

HUD: United States Department of Housing and Urban
Development

By: _____
Name: _____
Title: _____
Date: _____

PRAC Owner: [Insert PRAC Owner signature block]
Date: _____

Project Owner: [Insert Project Owner signature block]
Date: _____

The above signatories certify that the information provided on this form and in any supporting documentation submitted herewith is true and accurate. The above signatories understand that any misrepresentations may be subject to civil and/or criminal penalties including, but not limited to, fine or imprisonment, or both under the provisions of Title 18, United States Code, Sections 1001 and 1010.

**Exhibit A
Sources and Uses**

Permanent Financing Sources:

SOURCES	AMOUNT	NOTES (List name of capital source and, for all debt, the amortization period, term and interest rate)
Residual Receipts		
Commercial Non-FHA Loan		
Commercial FHA-Insured Loan		
Seller Note / Take Back Financing		
Federal Home Loan Bank AHP		
HOME		
CDBG		
National Housing Trust Fund		
Other Federal Funds		
State or Local Funds		
Interim Income		
Accrued & Unpaid Interest		
Equity		
Tax Credit Equity		
Deferred Developer Fee		
General Partner Equity/Reinvested Capital		
Other Federal Funds (Identify)		
Sponsor or Partner Funds		
Philanthropic/Foundation		
Total Sources:		

Construction Financing Sources (to the extent not listed above):

[List or state "None"]

Exhibit A
Sources and Uses - continued

Permanent Uses:

USES	AMOUNT
Acquisition Costs	
Building and Land Acquisition	
Other Acquisition Costs	
Payoff Existing Loans	
Construction Costs	
Relocation Costs	
Professional Fees	
Architecture	
Engineering	
Physical Condition Assessment	
Borrower's Legal Counsel	
Lender's Legal Counsel	
Feasibility Studies	
Environmental Reports	
Appraisal / Market Study	
Accounting	
Survey	
Other Professional Fees	
Loan Fees and Costs	
FHA MIP	
FHA Application Fee	
FHA Inspection Fee	
Financing Fee	
Organizational Costs	
Title Insurance/Exam Fee	
Recordation Fee	
Closing Escrow Agent Fee	
Prepayment Penalty/Premium	
Payables	
Construction Interest	
Construction Loan Fees	
Cost of Bond Issuance	
Other Loan Fees and Costs	
Reserves	
Initial Deposit to Replacement Reserve	
Initial Operating Deficit Escrow	
Operating Reserve	
Tax and Insurance Escrow	
Other Reserves	
Developer Fees	
Total Uses	

**Exhibit B
Scope of Work**

Work Item (A)	Description of Improvements Work (B)	Quantity (C)	Unit Cost (D)	Budget (E)	Date of Bid Expiration (F)
Rehab Items (Code, Description)	Increase row height to fully display description text				

Exhibit C
Additional Provisions to the Conversion Agreement

List any additional provisions or state "None"