

Hotel and Transient Use of Property

By this contract between the person signing as, and hereinafter referred to as the Mortgagor, and the Secretary of Housing and Urban Development, hereinafter referred to as the Secretary, the parties hereto agree and covenant as follows:

The Secretary has been requested to insure a mortgage on the housing identified in the caption hereof under the provisions of the National Housing Act, as amended; The Mortgagor as the owner of said property by reason of such mortgage insurance will receive the benefits of said act; Section 513A of the National Housing Act, as amended, provides that as long as mortgage insurance is outstanding no portion of the housing covered by any such mortgage shall be used for transient or hotel purposes; The Secretary has defined the term transient or hotel purpose to mean (1) any rental for a period less than thirty days, or (2) any rental if the occupants of the housing accommodations are provided customary hotel services such as room service for food and beverages, maid service, furnishing and laundering of linen, and bellboy service. In consideration of the foregoing the Mortgagor covenants and agree that as long as any of the housing identified in the caption hereof or any part thereof is subject to a mortgage insurance under the provisions of the National Housing Act, The Mortgagor, his successors and assigns, will not rent, offer to rent, permit the rental or permit the offering for rental of such housing or any part thereof for transient or hotel purposes.

_____ / ____ / ____

_____ / ____ / ____

I, _____, being first duly sworn, do hereby certify and say that I am the Mortgagor who executed the foregoing contract and am familiar with the provisions of Section 513A of the National Housing Act, as amended, as set forth in part of the reverse hereof. I do further certify that so long as any part of the housing identified in the caption of said contract is subject to a mortgage insured under said National Housing Act, as amended, I will not rent or offer for rent, or permit such housing to be rented or offered for rent, for hotel and transient purposes.

_____ / ____ / ____

_____ / ____ / ____