

TRI-PARTY AGREEMENT

This agreement made and entered into this \_\_\_\_\_ day  
of \_\_\_\_\_, 19\_\_\_\_, by and among the Secretary of the Department  
of Housing and Urban Development (hereinafter the  
Secretary), \_\_\_\_\_ (hereinafter  
the Mortgagee), and, \_\_\_\_\_ (hereinafter  
the Corporation).

WHEREAS, the Corporation is the owner of a cooperative  
housing development located at \_\_\_\_\_  
and desires, on behalf of its members, to induce the  
Secretary to insure a mortgage involving Dwelling Unit  
Number \_\_\_\_\_, under Section 203(n) of the National Housing  
Act, and,

WHEREAS, the Mortgagee proposes to make a mortgage loan  
involving such dwelling unit and to submit an application  
to the Secretary for mortgage insurance, and,

WHEREAS, the Secretary will insure mortgages involving  
such dwelling units provided that the mortgages meet all

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of the requirements of Section 203(n) of the National  
Housing Act and the regulations issued pursuant thereto,  
and,  
WHEREAS, said regulations require that the Mortgagee  
and the Corporation enter into an agreement with the  
Secretary and with each other providing for certain  
waivers and requiring certain actions on the part of the

Mortgagee and the Corporation.

NOW THEREFORE, for or in consideration of the reliance upon the terms and conditions of this agreement, the parties mutually covenant and agree with respect to the mortgage submitted for insurance under Section 203(n) of the National Housing Act as follows:

1. At the time of application for insurance of a mortgage, the Corporation shall furnish the Secretary with the most recent annual certified financial report of the Corporation and the most recent monthly or quarterly financial report.
2. The Corporation waives any option or right of first refusal it may have to purchase the Corporate

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Certificate unless the Corporation pays the full amount due under such mortgage or pays the full amount of the Secretary's investment if the Secretary is the owner of the Corporate Certificate whichever is greater.

3. The Corporation waives all authority it may have to approve or reject a buyer of the Corporate Certificate except with the approval of the Secretary.
4. The Corporation will, on notice by the Secretary, act as the Secretary's agent for a fee to be determined by the Secretary for the limited purposes of:
  - a. Selling all Corporate Certificates of the Corporation owned by the Secretary and,
  - b. Renting and collecting rents for any dwelling

unit for which the Secretary owns the Corporate Certificate.

5. The Secretary shall not be obligated to make payments to the Corporation for outstanding debts of the mortgagor.

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6. The Corporation will, upon request, furnish to the Mortgagee or to the Secretary:
  - a. A statement certified by the officer charged with maintenance of the Corporate Certificate transfer book that such book currently shows that the Mortgagee or the Secretary is the owner of any Corporate Certificate transferred to the Mortgagee or the Secretary; and,
  - b. The Occupancy Certificate in the name of the Mortgagee or the Secretary.
7. The Corporation will notify the Mortgagee at the address indicated above of any default in Corporation fee payments by the Mortgagor within fifteen (15) days of such default.
8. The Mortgagee will notify the Corporation of any default in mortgage payments by the Mortgagor within fifteen (15) days of such default.
9. The Corporation will, upon notice by the Secretary or the Mortgagee when the Secretary or the Mortgagee

is the owner of the Corporate Certificate and for a fee to be determined by the Secretary, evict any person or persons from the dwelling unit.

The Corporation further certifies that its organizational documents provide that:

- a. Either the Secretary or a Mortgagee under a mortgage insured under this section shall be a member of the Cooperative Corporation for so long as either owns a Corporate Certificate;
- b. A mortgage insured under this section shall be a first lien upon the property covered by the mortgage;
- c. The Secretary may exercise the voting rights which are attributable to each Corporate Certificate owned by the Secretary;
- d. The Secretary may designate as his/her proxy an agent for the purpose of exercising the voting rights of the Secretary which are attributable to the Corporate Certificate or Certificates owned by the Secretary;

- e. The Secretary may cease making monthly payments attributable to any dwelling unit for which the Secretary owns a Corporate Certificate six months after the Secretary notifies the Corporation to

sell the Corporate Certificate or upon default  
by the Corporation on the blanket mortgage  
covering the dwelling unit;

f. The Secretary or a Mortgagee shall not be obligated  
to make payments to the Corporation for any amounts  
unpaid by a Mortgagor under a mortgage insured  
under this section prior to the date the Secretary  
or the Mortgagee becomes the owner of the Corporate  
Certificate.

g. The permanent occupancy of the dwelling units is  
restricted to members of such Corporation.

IN WITNESS WHEREOF, the parties have caused this agreement  
to be duly executed in several counterparts each of which  
counterpart shall be considered an original executed copy  
of this agreement.