

HUD MULTIFAMILY AND HEALTHCARE LOAN SALE 2009-1
QUALIFICATION STATEMENT FOR NON-PROFITS, UNITS OF GENERAL LOCAL
GOVERNMENT AND STATE AGENCIES

The U.S. Department of Housing and Urban Development (“HUD”) is planning to sell a certain HUD-held note and mortgage secured by multifamily mortgage (the “Mortgage Loan”) in loan sale MHLS 2009-1 (the “Loan Sale”). The undersigned understands and acknowledges that, before it can register for the Loan Sale, it must meet certain requirements to be a “qualified bidder.” The information requested herein is being requested for the purpose of providing HUD with information to determine whether the undersigned is a qualified bidder. All or part of the information provided on this form may also be subject to disclosure under the Privacy Act of 1974, 5 U.S.C. § 552(a). Providing the requested information is voluntary; however, failure to furnish all of the requested information may result in the prospective purchaser, or agent, if any, not being permitted to bid at the Loan Sale or other loan sale initiatives and/or not receiving notice of future loan sale initiatives.

Anyone who knowingly or willfully makes false or fraudulent statements or representations in connection with the disclosures or certifications will be referred to the Office of Inspector General and/or the appropriate law enforcement officials for investigation and legal enforcement. The penalty for knowingly making a false statement or report shall be a fine of not more than \$1,000,000 or imprisonment for not more than 30 years, or both. 18 U.S.C. Sections 1001, 1007, and 1014.

The following information is being solicited with respect to the individual or entity whose name will appear on the Loan Sale Agreement as the Purchaser (“Purchaser”) and to whom the Mortgage Loans will be transferred after the Loan Sale:

I. Purchaser Information (identify Purchaser exactly as the name will appear on the Loan Sale Agreement):

A. _____
Name of Purchaser Entity (or Individual, if Purchaser is purchasing in its individual capacity)

B. _____
Corporate or Partnership Designation and State of Formation/Origination (if applicable)

C. _____
Address of Purchaser

D. _____
City, State, Zip Code

E. _____ F. _____
Phone Facsimile

G. _____ H. _____
Purchaser Tax I.D./S.S. No. E-mail Address

I. Please check the description that best describes Purchaser's business designation:

- | | |
|---|--|
| <input type="checkbox"/> Commercial Bank | <input type="checkbox"/> Insurance Company |
| <input type="checkbox"/> Savings Association/Bank | <input type="checkbox"/> Financial Services Company |
| <input type="checkbox"/> Mortgage Banker | <input type="checkbox"/> Pension Fund |
| <input type="checkbox"/> Investment Bank | <input type="checkbox"/> Individual |
| <input type="checkbox"/> Real Estate Company | <input type="checkbox"/> Non Profit |
| <input type="checkbox"/> Project Mortgagor | <input type="checkbox"/> Unit of General Local Government |
| <input type="checkbox"/> Housing Finance Agency | <input type="checkbox"/> Other, please describe |

II. Purchaser Qualification. The undersigned understands that if it is determined to be a "qualified bidder" for the Loan Sale, its status as such does not necessarily mean that it will be a "qualified bidder" for any other loans or assets offered in any other HUD sale. The undersigned also understands that its status as a "qualified bidder" for any other HUD sale does not necessarily mean that it will be a "qualified bidder" for the Loan Sale. Purchaser hereby certifies, represents and warrants to HUD that it is a "qualified bidder" based upon Purchaser's satisfaction of one or more of the following qualifying statements. Purchaser must check one or more of the following qualifying statements to qualify as a "qualified bidder" for the Mortgage Loan being sold in the Loan Sale. (CHECK ALL THAT ARE APPROPRIATE):

- () 1. Purchaser is a business entity, all of whose equity owners are either entities that are "accredited investors" as defined in Rule 501 of the Act or individuals who (i) have a net worth, or joint net worth with his or her spouse, in excess of \$1,000,000, or (ii) had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years, and has a reasonable expectation of reaching the same level of income in the current year.
- () 2. Purchaser is a nonprofit as defined by Section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C.A. § 501(c)(3)).
- () 3. Purchaser is a unit of general local government or State Agency.

By executing this Qualification Statement, Purchaser certifies, represents and warrants to HUD that EACH of the following statements A through and including H is true and correct as to such Purchaser:

- A. Purchaser is a sophisticated person or entity and, without limiting the foregoing, has such knowledge and experience in the origination, sale and/or purchase of performing and non-performing or distressed loans, including, without limitation, loans secured by real estate, as well as knowledge and experience, by itself or with its advisers, in other financial and business matters, as to enable Purchaser to utilize the information available in connection with the Loan Sale to evaluate the merits and risks of a prospective acquisition and ownership of the Mortgage Loan and to make an informed decision with respect thereto.
- B. Purchaser acknowledges, understands and is able to bear the economic risks associated with the acquisition and ownership of the Mortgage Loan, including, without limitation, the risk of a total loss of Purchaser's purchase price for and other costs and expenses and losses as might be incurred in connection with the Mortgage Loan and/or the risk that Purchaser may be required to hold the Mortgage Loan for an indefinite period of time.
- C. Purchaser acknowledges and agrees that, whether or not it chooses to review any information made available to it regarding the Mortgage Loan being offered for sale at the Loan Sale, Purchaser has the ability and shall be responsible for making its own independent investigation and evaluation of the Mortgage Loan and the economic, credit or other risks involved in a purchase of the Mortgage Loans, including, without limitation, the ability to resell or otherwise liquidate any of the Mortgage Loans purchased at the Loan Sale.
- D. Purchaser is bidding for and will purchase the Mortgage Loan for its own account and not for or with a view toward resale (in whole or in part) in a "distribution" within the meaning of the Act, and Purchaser's ownership and intended use and disposition of the Mortgage Loan will comply fully with all applicable federal and state laws, regulations and requirements, including, without limitation, any and all laws and/or restrictions imposed on resale of the Mortgage Loan by federal and state securities or Blue Sky laws, rules, regulations or requirements.
- E. Purchaser acknowledges and agrees that (i) the proposed sale of the Mortgage Loan in the Loan Sale does not involve, nor is it intended in any way to constitute, the sale of a "security" within the meaning of the Act or any applicable federal or state securities laws, (ii) no inference as to whether the Mortgage Loan is or is not "securities" under such federal or state securities laws shall be drawn from any of the certifications, representations or warranties made by Purchaser in this Qualification Statement for purposes of qualifying Purchaser as a "qualified bidder" at the Loan Sale, (iii) it is not contemplated that any filing will be made with the Securities and Exchange Commission or pursuant to the Blue Sky or securities laws of any jurisdiction, and (iv) if the Mortgage Loan is securities, it

may not be resold or otherwise transferred by Purchaser except in accordance with any and all applicable securities and Blue Sky laws.

- F. Purchaser represents and warrants that it is not: (i) an employee of HUD, a member of such employee's household, or an entity owned or controlled by any such employee or member of such an employee's household; (ii) an individual or entity that is debarred, suspended, or excluded from doing business with HUD pursuant to Title 24 of the Code of Federal Regulations, Part 24; (iii) a contractor, subcontractor and/or consultant or advisor (including any agent, employee, partner, director, principal or affiliate of any of the foregoing) who performed services for, or on behalf of, HUD in connection with the Loan Sale; (iv) an individual who was a principal, partner, director, agent or employee of any entity or individual described in subsection (iii) above, at any time during which the entity or individual performed services for or on behalf of HUD in connection with the Loan Sale; (v) an individual or entity that uses the services, directly or indirectly, of any person or entity ineligible under subsections (i) through (iv) above to assist in preparing any of its bids on any Mortgage Loans; or (vi) an individual or entity which employs or uses the services of an employee of HUD (other than in such employee's official capacity) who is involved in the Loan Sale.

In addition, Purchaser represents and warrants that (i) within the two-year period prior to November 1, 2008, it has not, and it is not an affiliate, principal or employee of any person or entity that, within such two-year period, serviced the Mortgage Loan or performed other services for or on behalf of HUD with respect to any of the Mortgage Loan, (ii) within the two year period prior to November 1, 2008, it was not a contractor or subcontractor to and it did not otherwise have access to information concerning the servicing of the Mortgage Loan or provide services to any person or entity which, within such two-year period, had access to information with respect to the servicing of the Mortgage Loan, and (iii) no employee, officer, director or any other person that provides or will provide services to Purchaser with respect to such Mortgage Loan during any warranty period established for the Loan Sale, within the two-year period prior to November 1, 2008, (x) serviced the Mortgage Loan or performed other services for or on behalf of HUD with respect to any of the Mortgage Loan or (y) had access to information concerning the Mortgage Loan or provided services to any person or entity which, within such two-year period, serviced, performed services for HUD or otherwise had access to information with respect to the Mortgage Loan. Notwithstanding the foregoing, within the two-year period prior to November 1, 2008, Purchaser may have had discussions with the debtor or others regarding the status of the Mortgage Loan, including, but not limited to, the financial statements and viability of the project.

- G. Purchaser acknowledges and agrees that HUD has the right to request additional or updated information at any time, including, without limitation, financial statements, bank references, corporate brochures, experience resume, etc., and/or

confirmation of the representations, warranties and certifications made herein, and, in its sole discretion, to refuse to qualify any prospective bidder who, in HUD's sole judgment, does not have the requisite financial capability to complete the purchase of the Mortgage Loan and/or knowledge and experience to enable such prospective bidder to evaluate the merits and risks of purchasing and to make an informed decision with respect to the purchase of the Mortgage Loan to be offered for sale at the Loan Sale. The undersigned further understands that this Qualification Statement is being furnished to permit HUD to qualify Purchaser and, in connection therewith, Purchaser authorizes HUD and its agents to conduct credit investigations of Purchaser and all principals of Purchaser through appropriate third-party reporting agencies.

H. Purchaser represents and warrants that, if it is an entity, it has full authority to deliver this Qualification Statement and that the individual executing this Qualification Statement has full authority to do so on behalf of the undersigned and all principals thereof, and that, to the best of such undersigned's knowledge, all information provided herein is true, complete and correct.

Purchaser understands that the above certifications, representations, and warranties are made for the purpose of qualifying Purchaser as a "qualified bidder" at the Loan Sale. Purchaser hereby represents that the above certifications, representations, and warranties are true and correct in all respects as of the time they are made and as of the time Purchaser purchases the Mortgage Loan offered for sale at the Loan Sale and understands that HUD is relying upon the truthfulness and correctness of such statements.

Dated: _____, 2008

PURCHASER: _____
(Print name – must match Entity Name on Confidentiality Agreement)

By: _____
(signature)

Print Name: _____

Print Title: _____