



FORECLOSURE SALE

87 UNIT APARTMENT COMPLEX

IN PHILADELPHIA, PENNSYLVANIA

- ❖ **The Purchaser must conduct a Phase II Environmental Analysis at both property locations. Please see Attachment E.**



ELDERS PLACE AND ELDERS PLACE II APARTMENTS

Is offered for sale at foreclosure.

Bids will be accepted orally
on May 4, 2011
at: 11:00 am (local time)

at: First District Plaza
(New York Ball Room)
3801 Market Street
Philadelphia, PA 19104



U. S. Department of Housing
and Urban Development

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- | | |
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| <input checked="" type="checkbox"/> ATTACHMENT B - Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder | <input checked="" type="checkbox"/> ATTACHMENT F - Certification of Substantial Compliance |
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| <input checked="" type="checkbox"/> ATTACHMENT D - Letter of Credit (LOC) Sample | |

PROCEDURES AND FORMS REQUIRED TO COMPLETE BID AND PURCHASE

New Procedure Requirements – Previous Participation Certification

Electronic filing: HUD's Active Partners Performance System ("APPS") allows for the submission of the **Previous Participation Certification (Form HUD-2530)** on HUD's Secure Systems Internet site. **Prior registration is not mandatory in order to bid at the foreclosure sale. However, it is suggested that all potential bidders registering for the first time in APPS do so at least two weeks prior to the sale.** Instructions for registering for both "Secure Systems" and APPS are located on the [Active Partners Performance System \(APPS\) web site](#). Be advised that it takes approximately two weeks after registration in these systems to receive the User/Coordinator ID. **However, the highest bidder must comply with registration and HUD Previous Participation Certification (Form HUD-2530) requirements as outlined in ATTACHMENT B, TERMS AND REQUIREMENTS OF FORECLOSURE SALE - ACKNOWLEDGMENT BY BIDDER.** For more information, see Section 1 – Introduction and General Information, Section 2 – Previous Participation Certification and Section 4 – Post Foreclosure Sale Procedures.

THESE FORMS ARE AVAILABLE AT <http://www.hud.gov/offices/adm/hudclips/forms/> OR CLICK ON THE URL BELOW TO OBTAIN THE FORM

<input checked="" type="checkbox"/>	Previous Participation Certification (Form HUD-2530) http://www.hud.gov/offices/adm/hudclips/forms/files/2530.pdf
<input checked="" type="checkbox"/>	Personal Financial and Credit Statement (Form HUD-92417) for each proposed principal and/or partner http://www.hud.gov/offices/adm/hudclips/forms/files/92417.pdf
<input checked="" type="checkbox"/>	Affirmative Fair Housing Marketing Plan (Form HUD-935.2A) http://www.hud.gov/offices/adm/hudclips/forms/files/935-2a.pdf
<input checked="" type="checkbox"/>	Management Entity Profile (Form HUD-9832) http://www.hud.gov/offices/adm/hudclips/forms/files/9832.pdf
<input checked="" type="checkbox"/> OR <input checked="" type="checkbox"/> OR	Project Owners Certification for Owner-Managed Multifamily Housing Projects (Form HUD-9839 A) http://www.hud.gov/offices/adm/hudclips/forms/files/9839-a.pdf
	Project Owner's/Management Agent's Certification for Multifamily Housing Projects for Identity of Interest or Independents Management Agents (Form HUD-9839 B) http://www.hud.gov/offices/adm/hudclips/forms/files/9839-b.pdf
<input checked="" type="checkbox"/>	Project Owner's/Borrower's Certification (Form HUD-9839 C) - For elderly housing projects managed by Administrators only http://www.hud.gov/offices/adm/hudclips/forms/files/9839-c.pdf

(Only one of these forms, 9839A, B or C, will be required for management certification.)

SECTION 1 - INTRODUCTION AND GENERAL INFORMATION

1. **DEFINITION OF INVITATION FOR BID:** This document, including attachments, exhibits, and any amendments thereto, constitutes the Invitation for Bid ("Invitation") for **Elders Place, Elders Place II**, FHA Number: **034-EH403, 034-EE086** ("Project"). The PROPERTY AT A GLANCE, Attachment A to this Invitation, contains a summary of facts, figures, and terms of the sale. This Invitation also includes **information concerning Previous Participation Certification (Form HUD 2530) requirements** and a list of the forms and statements necessary to complete a responsive bid. This Invitation does not terminate until the closing of the foreclosure sale has occurred.
2. **BID RESPONSIVENESS:** A bid must be responsive to the terms of the sale. To be considered for award, a bid must comply in all material respects with this Invitation. Each bid on its face shall be firm, unconditional, responsive, fixed in one amount certain, and not in the alternative. Special conditions, alterations, or deletions will render a bid non-responsive. The terms of the foreclosure sale are those set out in this Invitation, primarily in the Acknowledgment by Bidder and Foreclosure Sale Use Agreement ("Use Agreement"). Lack of an earnest money deposit ("Earnest Money Deposit"), as required by this Invitation, will be cause for bid rejection.
3. **SALE TO HIGHEST QUALIFIED BIDDER:** Sale of this project will be made to the highest, responsive, qualified bidder. The defaulting owner of the property, or any affiliate thereof, will not be permitted to bid.
4. **NO REDEMPTION PERIOD:** This sale is not subject to redemption by the previous owner.
5. **BID ACCEPTANCE OR REJECTION:** At any time prior to closing, HUD reserves the right to reject any and all bids, to waive any informality in any bid received, and to reject the bid of any bidder HUD determines lacks the experience, ability or financial responsibility needed to own and manage the Project.
6. **CANCELLATION OF SALE:** HUD reserves the unconditional right to cancel this Invitation and reject any and all bids at any time prior to the closing of the purchase.
7. **BIDDER'S DUE DILIGENCE:** Bidders, their agents and advisors should review carefully the information set forth in this Invitation and any additional information made available by HUD, and should undertake their own investigations of the Project and related collateral to evaluate the risks associated with purchasing the Project.
8. **POST-CLOSING REQUIRED REPAIRS:** Repair requirements that must be completed after closing, if applicable to this sale, are included in the Form HUD-9552, Post-Closing Repair Requirements and Exhibits, Attachment E, to this Invitation. The repair requirements listed in Attachment E survive the sale and will be recorded with the Deed. **NOTE:** the Form HUD-9552 and exhibits reflect **cost estimates** of the required repairs. **While care has been exercised to assure accuracy, all information is provided solely for the purpose of permitting a party to determine whether or not they are interested in bidding on the Project. HUD makes no warranty as to the accuracy of such information. The failure of any bidder to inspect or be fully informed as to the condition of or value of the Project, or any conditions of the sale, will not constitute grounds for any claim, demand, adjustment, or withdrawal of a bid.**
9. **RECORDATION OF CERTAIN DOCUMENTS:** Attachment E, Post Closing Repair Requirements (Form HUD-9552) with any exhibits and/or attachments thereto (if provided herein) and Attachment C, Foreclosure Sale Use Agreement, with any riders thereto (if provided herein) will be recorded with the Deed.
10. **SOURCE FOR ADDITIONAL INFORMATION** - For further information, contact the Realty Specialist identified in the Property at a Glance.

SECTION 2 - PREVIOUS PARTICIPATION CERTIFICATION - PREVIOUS PARTICIPATION FOR PARTICIPANTS IN THE HUD MULTIFAMILY PROGRAMS New Procedure Requirements

As of June 15, 2007, the Preservation Approval Process Improvement Act of 2007 allows a bidder and/or management agent to file the required Previous Participation Certificate (Form HUD-2530) in either electronic or paper format. If filing in paper format, the Form HUD-2530 must be submitted to the HUD contacts noted in ATTACHMENT B, "Acknowledgment by Bidder". If filing electronically, use HUD's Active Partners Performance System (APPS) to submit a Previous Participation Certification HUD Form 2530 on HUD's Secure Systems Internet site. Prior registration is not mandatory to bid at the foreclosure sale. However, it is suggested that all potential bidders registering for the first time in APPS do so at least two weeks prior to the sale. For instructions on registering in APPS and HUD's Secure Systems site, use the following link:
<http://www.hud.gov/offices/hsg/mfh/pd/mfplist.cfm>.

Be advised that if a management agent will be participating in the management of the property, or if a bidder changes principals, adds principals, changes the name or tax identification of the proposed owner or makes other changes, it is the bidder's responsibility to ensure that all participants register and complete the 2530 process within the prescribed timeframes.

Failure of any participant to submit a Previous Participation Certification (Form HUD-2530) or other required document within the time frames specified in Section 4, below, may be grounds for rejection of the bid. The high bidder must be approved by HUD in order to close the purchase.

SECTION 3 - FORECLOSURE SALE PROCEDURES AND SUBMISSION OF BIDS

1. **GENERAL:** In order to submit a responsive bid to this Invitation, a bidder must submit the items listed in this Section and the additional documents/items, as indicated in Section 4, Paragraphs 1 and 2.
2. **BIDDING AT THE FORECLOSURE SALE:**
 - (a) The foreclosure sale is an open bid auction that takes place at the date, time and place indicated in the attached Property at a Glance.
 - (b) A bidder must either:
 - (i) State a bid price orally at the sale, or

- (ii) Submit a written bid to HUD's Foreclosure Commissioner two (2) Federal Government business days before the date of sale.
- (iii) Written bids, if received, will be read aloud at the sale before oral bids are accepted. Only the bidder that submitted the written bid, or an agent thereof, may raise a written bid price. Please contact the Realty Specialist regarding the submittal of a written bid.
- (iv) Bids and/or bid modifications received either electronically or via facsimile will not be considered for award.

3. ITEMS THAT MUST BE SUBMITTED AT THE FORECLOSURE SALE:

Earnest Money Deposit:

- (i) The Earnest Money Deposit, for the amount specified in the Property at a Glance, must be submitted to the Foreclosure Commissioner prior to presenting an oral or written bid.
 - (ii) The Earnest Money Deposit must be in the form of a money order, certified funds or a cashier's check payable to: **THE SECRETARY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.**
 - (iii) No other method of payment for the Earnest Money Deposit is acceptable.
 - (iv) A financial organization submitting a bid on its own behalf must have the Earnest Money Deposit drawn on another financial institution.
 - (v) Lack of proper deposit will be cause for rejection of the bid by HUD.
 - (vi) Immediately following the sale Earnest Money Deposits will be returned to all bidders, except the highest bidder.
4. **CORRECTIONS:** Any changes or erasures made to information submitted by a bidder in connection with a written bid may be made by the bidder or its agent only and must be initialed by the bidder or agent.
5. **NOTIFICATION TO THE HIGH AND SECOND HIGH BIDDER:** The highest bidder ("High Bidder") and the second highest bidder ("Second High Bidder") will be notified orally of their bidding positions by the Foreclosure Commissioner immediately after the foreclosure sale. If the High Bidder and/or Second High Bidder are not present at the sale, they will be contacted by the Foreclosure Commissioner promptly after the foreclosure sale.
6. **ACKNOWLEDGMENT BY BIDDER:** Immediately after the foreclosure sale, the High Bidder must submit one signed copy of the Acknowledgment by Bidder to the Foreclosure Commissioner.
7. **CONTINUATION OF OFFERS:** All bids shall be deemed to be continuing offers from the time of the foreclosure sale until closing, withdrawal by the bidder or bid rejection by HUD.

SECTION 4 - POST FORECLOSURE SALE PROCEDURES

1. **SUBMISSION OF POST-BID DOCUMENTS BY HIGH BIDDER:** Please refer to ATTACHMENT B, ACKNOWLEDGMENT BY BIDDER, for detailed instructions on submission of the following post-bid documents.

WITHIN TWO (2) FEDERAL GOVERNMENT BUSINESS DAYS AFTER FORECLOSURE SALE:

- (a) **Previous Participation Certification:** Please refer to ATTACHMENT B, ACKNOWLEDGMENT BY BIDDER, PARAGRAPH FOUR (4), "PREVIOUS PARTICIPATION CERTIFICATION", for detailed instructions.
 - (i) **Bidders not registered in APPS and Secure Systems:** The high bidder must register in the **Active Partners Performance System (APPS)** which allows for the electronic submission of Previous Participation Certification (form HUD-2530) **and** the HUD's Multifamily Secure Systems after being verbally notified at the foreclosure sale of being the high bidder; **or**
 - (ii) **If the high bidder elects to file the required Previous Participation Certification (Form HUD-2530) in paper format,** the high bidder must submit a completed and executed Previous Participation Certification (Form HUD-2530) for the proposed owner to HUD.
- (b) **Certification of Substantial Compliance** – the **complete and original** (Attachment F) must be received by HUD Realty Specialist, Bob Doran - 4AHMLAU, HUD Atlanta MFPD Center, Five Points Plaza, 40 Marietta St., Atlanta, GA 30303-2806.

WITHIN FIFTEEN (15) FEDERAL GOVERNMENT BUSINESS DAYS AFTER FORECLOSURE SALE:

- (c) If using the APPS System, the High Bidder must electronically file the Form HUD-2530 and fax a printed copy of the 2530 Submission Package to the HUD Realty Specialist, Bob Doran at (404) 730-2440.

WITHIN TEN (10) FEDERAL GOVERNMENT BUSINESS DAYS AFTER THE FORECLOSURE SALE:

Please refer to ATTACHMENT B, ACKNOWLEDGMENT BY BIDDER, PARAGRAPH NINETEEN (19), "ADDITIONAL FORMS AND STATEMENTS", for detailed instructions on submission of the following post-bid documents.

- Affirmative Fair Housing Marketing Plan (Form HUD 935.2A)
- Form HUD- 2530 for Purchasing Entity, if different from bidding entity(See Section 2)
- Form HUD- 2530 for the Managing Agent, if applicable (See Section 2)
- Personal Financial and Credit Statement (Form HUD 92417)-for each proposed principal/general partner
- Management Entity Profile (Form HUD 9832)
- Management Certification (Form HUD 9839 A or B)
- Project Owner's/Borrower's Certification (HUD Form 9839 C) – for elderly housing project managed by Administrators only

FAILURE TO SUBMIT THE REQUIRED DOCUMENTS WITHIN THE INDICATED TIME FRAME MAY BE GROUNDS FOR REJECTION OF THE BID. HUD RESERVES THE RIGHT TO REJECT THE BID AND RETAIN THE EARNEST MONEY DEPOSIT.

2. QUALIFICATION, ACCEPTANCE, REJECTION OF BID

(a) Required Bidder Qualifications to Purchase Property:

It is the objective of the Department's multifamily foreclosure process to transform troubled and distressed multifamily properties into viable, long-term affordable housing resources. To accomplish this objective, the Department will only permit a bidder to acquire a property from HUD's foreclosure sale that has the financial capacity and generally five (5) years of demonstrated experience in successfully owning and managing distressed and troubled multifamily properties for the elderly as viable, low-income housing resources.

The Department will evaluate, starting with the highest bidder and proceeding in descending order, if necessary, the bidder's experience, qualifications and capacity to purchase the Property based on the submission of the documentation described below, any other information independently verified by HUD and any other information required by the Bid Kit. The documentation must demonstrate that the bidder owns and is successfully managing and operating properties of similar size and characteristics (including problematic complexities) as the Property being sold. The documentation will be used to determine whether the bidder has the required demonstrated experience and financial capacity to acquire and successfully transform the Property into a long-term, viable affordable housing resource. HUD shall, in its sole discretion, accept or reject any bid submitted in the sale of the Property. The review and approval of the Previous Participation Certification (Form HUD-2530) is required, for the purchase of the Property. However, Previous Participation Certification approval is only a threshold to HUD's review and potential approval of all other required documentation.

ALL OF THE FOLLOWING REQUIRED DOCUMENTATION MUST BE SUBMITTED TO HUD WITHIN FIVE (5) FEDERAL GOVERNMENT BUSINESS DAYS OF THE DATE OF THE FORECLOSURE SALE.

Required Documentation:

Written Statement of Experience: Bidder must submit a written statement to HUD Realty Specialist, Bob Doran- 4AHMLAU, HUD Atlanta MFPD Center, Five Points Plaza, 40 Marietta St., Atlanta, GA 30303-2806 demonstrating generally five (5) years of experience in successfully owning and managing properties similar to the property being sold. The statement shall provide the following information for all similar properties to the property being sold, not to exceed three (3) specific examples. The written statement should not exceed five (5) pages per property.

- The location of other owned multifamily properties.
- The number of units and construction type (garden, walk-up, hi-rise) for each property.
- Identify properties that have government assistance and type of assistance, i.e., project-based assistance, tenant-based voucher assistance, etc.
- Identify the initial physical needs of each property and how they were addressed.
- Identify the social needs of each property and how they were addressed.
- Identify the economic needs of each property and how they were addressed.

For the Property being sold, provide the following documentation:

- Describe how bidder will satisfy conditions of the sale, i.e., repair program, income and rent limitations, etc.
- Describe how bidder will implement a sound financial and physical management program for the Property.
- Describe bidder's methods for responding to the needs of the tenants and working cooperatively with resident organizations.
- Describe how bidder will provide adequate organizational staff and financial resources to the property.
- Provide statement of services, maintenance and utilities which bidder will provide to property.
- Provide a statement disclosing whether other government assistance will be utilized in conjunction with the Section 8 assistance if HUD is providing project-based Section 8.

Based on the required documentation, set forth above as well as any additional information independently obtained and verified by the Department, HUD will determine whether the bidder has the requisite experience, qualifications and financial capacity to purchase the Property. This determination is a matter within HUD's sole and absolute discretion. If HUD determines that the bidder does not have the experience, qualifications and/or financial capacity to purchase the Property, HUD will reject the bid and proceed to the next highest bidder pursuant to the terms of the Invitation for Bid.

In the event that HUD rejects a bid, HUD will return the bidder's earnest money deposit, provided the bidder has not failed to meet time limits required to submit documentation, or made any misrepresentation or material omission(s) in the bidder's submission of the bid and supporting documentation. **If the bidder fails to properly submit all required documentation within the required time limit or HUD determines that the bidder misrepresented his or her experience, qualifications or financial capacity to successfully own and operate the Property, or omitted a material fact(s), HUD will retain the bidder's earnest money deposit as liquidated damages and may seek any and all additional available remedies.**

HUD may require the high Bidder to obtain the services of a qualified property management firm. Management acceptable to HUD (see paragraph 5 below) must be approved prior to closing.

- (i) If HUD approves the high Bidder as being qualified, the high Bidder will be confirmed as and identified as the Purchaser.
- (ii) If the high bid is rejected due to HUD's determination that the high Bidder is not qualified to purchase the project, HUD will notify the high Bidder in writing.
- (b) If HUD rejects the high Bidder, and HUD elects to contact the second high bidder, the second high Bidder will be given twenty-four (24) hours to submit the earnest money deposit and will be reviewed to determine if qualified to purchase the project.
 - (i) If HUD approves the second high Bidder as being qualified, second high Bidder will be confirmed as and identified as the Purchaser.
 - (ii) If the second high bid is rejected due to HUD's determination that the second high Bidder is not qualified to purchase the project, HUD will notify the second high Bidder in writing.
- (c) HUD's notification of rejection due to lack of qualifications, if applicable, shall be deemed to be given when mailed to the individual indicated in the Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder.
- (d) The written rejection of the bid will be made as promptly as possible and generally within thirty (30) days after the date of the foreclosure sale.

3. HANDLING OF THE EARNEST MONEY DEPOSIT:

The Earnest Money Deposit will be submitted by all bidders to the Foreclosure Commissioner but the High Bidder's deposit will be held by HUD.

- (a) If HUD determines that the High Bidder is qualified to own and manage the Project, its bid is acceptable and the High Bidder complies with the requirements of this Invitation, HUD will apply the amount of the Earnest Money Deposit to the sales price at the closing of the foreclosure sale.
 - (b) If the bid amount is unacceptable, the bidder's Earnest Money Deposit will be refunded.
 - (c) If the High Bidder is deemed unqualified to purchase the Project, the Earnest Money Deposit will be retained by HUD.
 - (d) If the High Bidder has failed to comply with the provisions outlined in this Invitation, the Earnest Money Deposit will be retained by HUD.
 - (e) Interest will not be paid on Earnest Money Deposits.
- 4. REVIEW OF PROJECT MANAGEMENT:** In addition to the 2530 Previous Participation review, HUD will review the statements and forms submitted as required by Section 4, paragraph 2 above and the Acknowledgment by Bidder, to determine that the High Bidder is qualified to own, operate, and manage the Project. HUD may elect to discuss in person with the High Bidder project management plans after submission of the post-bid documents by the High Bidder. **The High Bidder must demonstrate that it or its management agent has substantive experience in managing multifamily properties for the elderly.** HUD reserves the right to reject the bid of any High Bidder that HUD determines lacks the experience, ability or financial responsibility to own and manage the Project, and retain its Earnest Money Deposit.
- 5. CLOSING DATE REQUIREMENT:** The closing date and place will be determined by the Foreclosure Commissioner and/or HUD and will take place within the time period specified in the Acknowledgment by Bidder. The Purchaser will be notified of said date and place by the Foreclosure Commissioner.
- 6. EXTENSION OF CLOSING:** The right to extend the closing is expressly reserved by HUD as set forth in the Acknowledgment by Bidder.

SECTION 5 - CLOSING

- 1. EXECUTION OF USE AGREEMENT:** The bidder that is confirmed as the Purchaser and HUD must execute Attachment C, Foreclosure Use Agreement (Use Agreement) at closing.
- 2. CASH DUE AT CLOSING:** Cash due at closing is the purchase price less the Earnest Money Deposit received, plus any pro-rations (see Section 5, paragraph 3 below). Cash due at closing includes all initial deposits to reserve accounts, if applicable.
- 3. PRORATIONS:** Purchaser is responsible for paying **all** outstanding taxes, assessments and utility bills including, but not limited to, water/sewer, gas and electric. These amounts will not be prorated. However, if Extension Fees were paid, and if the sale closes prior to the expiration of an extension period, the prorated amount of the Extension Fees for the unused portion of the extension period shall be credited toward the amount due from Purchaser at closing.
- 4. CLOSING EXPENSES:** Irrespective of local custom, the Purchaser shall pay all stipulated closing expenses, including, but not limited to, all documentary stamp taxes, and any costs in connection with a review of title or title insurance as may be requested by the Purchaser. HUD will pay all recording fees.
- 5. METHOD OF PAYMENT:** Cash due at closing shall be paid in the form of a money order, certified funds or a cashier's check made payable to: **THE SECRETARY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.**
- 6. LETTER OF CREDIT or CASH ESCROW:** If any post-closing repair requirements are included in the sale, **at closing** the Purchaser shall provide HUD with an unconditional, irrevocable, and nondocumentary Letter of Credit (LOC), or a group of no more than five (5) LOCs, in the amount shown in the Property at a Glance. Such LOCs shall expire no earlier than six (6) months beyond HUD's estimated completion date of the HUD-required repairs. HUD will release any undrawn balance of the LOCs, less ten (10) percent, **of the total estimate of repairs.** The ten (10) percent will be held for six (6) months after completion of repairs for correction of any latent defects. Any balance remaining shall be released thereafter. As an alternative to a Letter(s) of Credit, the Purchaser may provide a **Cash Escrow** in the amount shown in the Property at a Glance to be held by HUD in a non-interest bearing escrow account. The cash escrow will be returned to the

Purchaser after repairs have been satisfactorily completed, except for ten (10) percent which will be held for an additional six (6) months

7. **CONVEYANCE:** Conveyance of the project shall be by Quitclaim Deed ("Deed") from the Foreclosure Commissioner. **The Deed will not contain any warranties of title.**
8. **RECORDATION OF DEED:** HUD shall record the Deed and all other recordable documents. All recordation costs shall be at HUD's expense.
9. **DOCUMENTS TO BE FURNISHED OR EXECUTED AT CLOSING**
 Foreclosure Sale Use Agreement **Letter(s) of Credit or Cash Escrow** **Closing Statement**

SECTION 6 - DISCLAIMERS

1. **DISCLAIMER:**
 - (a) As stated in Section 1, paragraph 7 above, bidders interested in purchasing the Project are expected to perform due diligence to arrive at conclusions as to physical condition, number and occupancy of revenue producing units, estimates of operating costs, repair costs (where applicable), and any other factors bearing upon value of the Project. **Any bid submitted shall be deemed to have been made with full knowledge of all the terms, conditions and requirements contained in this Invitation.**
 - (b) While care has been exercised to assure accuracy, all information is provided solely for potential bidders to determine whether or not the Project is of such type and general character as might interest them in their purchase. **HUD makes no warranty as to the accuracy of such information.** The failure of any bidder to inspect, or be fully informed as to the condition or value of the Project, or conditions of sale, will not constitute grounds for any claim, demand, adjustment or withdrawal of a bid.
2. **UNAUTHORIZED ORAL STATEMENT OR MODIFICATIONS:** Any oral statement or representation by any representative of HUD changing or supplementing this Invitation, or any condition hereof, is unauthorized and shall confer no right upon any bidder or Purchaser.
3. **HUD LIABILITY:** HUD's liability shall not exceed the amount of such portion of the purchase price that has been paid to HUD or to the Foreclosure Commissioner.

USE RESTRICTIONS

20 Years affordable housing.

TENANT BASED SECTION 8

Housing choice vouchers are being issued to eligible residents of the complex by the public housing agency (PHA), **Philadelphia Housing Authority**, selected to administer the voucher assistance by HUD. Housing choice vouchers are tenant-based assistance. Tenant-based assistance means that the subsidy follows the program participant and is not attached or connected to a specific project or unit. Therefore, the voucher assistance should never be considered a form of guaranteed rental subsidy for the property. The families are not obligated to use the housing choice vouchers at the property. Therefore, there will be no project-based subsidy at this property.

Voucher housing assistance payments for a unit may not under any circumstances cover any period before the date the PHA determines the unit meets the housing quality standards. Since the owner will not receive voucher housing assistance payments or increase the tenant's share of the rent during this period, bidders should take into consideration the time that may be necessary for voucher funding to become available, the PHA to determine family and unit eligibility, and the owner to complete any needed repairs when making an offer.

TERMS OF SALE

The purchaser must complete the repairs to HUD's satisfaction within twenty-four (24) months after closing. The repairs are estimated to cost \$935,961. Closing is to be held 30 days after HUD accepts the bid. If HUD authorizes an extension of the closing, the Purchaser must pay a fee which is the greater of 1.5% of the purchase price or HUD's holding costs of \$40.80 per unit per day for each 30 day period.

The high Bidder must certify to HUD that any projects that are owned by the high Bidder or its affiliates and are located in the same jurisdiction as Elders Place, Elders Place II Apartments are in substantial compliance with applicable State and local housing statutes, regulations, ordinances and codes. The **complete and original** (Attachment F) must be received by Bob Doran, Atlanta MFPD Center, Five Points Plaza, 40 Marietta St., Atlanta, GA 30303-2806 within two (2) Federal Government working days of the foreclosure sale date. HUD may, in its discretion, verify the accuracy of such certification and request supporting documentation from the high Bidder. If HUD determines at its sole discretion that such other projects are not in substantial compliance, HUD will have the right to refuse to sell the project to the high Bidder and retain the Earnest Money Deposit (See Attachment F).

Elders Place Apartments: 53 E. Wister St., Philadelphia, PA 19144-5917
Elders Place II Apartments: 80 E. Collom St., Philadelphia, PA 19144-2332

The Purchaser must conduct a Phase II Environmental Analysis at both property locations. Please see Attachment E.

Please contact Carol Lee of the Pennsylvania Historical and Museum Commission Bureau for Historic Preservation at (717) 783-9918 to determine if there are any historic preservation issues concerning this property (Elders Place II).

If the high Bidder elects to file the required Previous Participation Certification (a.k.a. Form HUD-2530) in paper format, the high Bidder must submit within two (2) Federal Government working days of the foreclosure sale, a completed and executed Previous Participation Certification (Form HUD-2530) for the proposed owner to HUD Realty Specialist Bob Doran- 4AHMLAU, Atlanta MFPD Center, Five Points Plaza, 40 Marietta St., Atlanta, GA 30303-2806 within two (2) Federal Government working days of the foreclosure sale date.

For questions about APPS contact the Multifamily Housing Systems Help Desk at 1-800-767-7588.

PROSPECTIVE BIDDERS SHOULD READ AND THOROUGHLY UNDERSTAND ALL INFORMATION PROVIDED HEREIN AND IN THE BID KIT PRIOR TO SUBMITTING A BID.

This is an "All Cash – As Is" sale. HUD is providing no financing for this sale. The Purchaser must provide for payment of the full purchase price in cash at closing.

Submission of Bids: Bids for this property can only be considered for acceptance if submitted on the specific forms listed in the Bid Kit for this property, along with required earnest money. A Bid Kit may be obtained as indicated below.

Suspended or Debarred Parties: No consideration will be given to a bid submitted by any party currently suspended or debarred from participating in HUD programs. AS PROVIDED FOR IN CFR TITLE 24, SEC. 27, THE DEFAULTING MORTGAGOR, OR ANY PRINCIPAL, SUCCESSOR, AFFILIATE, OR ASSIGNEE ON THE MORTGAGE AT THE TIME OF DEFAULT SHALL NOT BE ELIGIBLE TO BID ON OR OTHERWISE PURCHASE THIS PROPERTY. (Principal and Affiliate are defined at 24 CFR 200.215)

INSPECTION OF PROPERTY AND BIDDING INSTRUCTIONS

Prospective bidders are urged and invited to inspect the property prior to submitting a bid. Note: If this is a foreclosure sale, HUD may not have access to the property. Bids for this property can only be considered if properly submitted by following the bidding instructions provided in the FREE INFORMATION and BID KIT.

The FREE INFORMATION and BID KIT may be viewed or printed at

<http://www.hud.gov/offices/hsg/mfh/pd/mfplist.cfm>.

You may also sign up for our electronic mailing list at this web address. If you do not have internet access or cannot download a PDF file, you may obtain a copy of the bid kit by contacting Diane Trimble at (678)732-2051.

**BIDS for Elders Place, Elders Place II
MUST BE PRESENTED ON: May 4, 2011**

at: 11:00 am (local time)
at: First District Plaza
(New York Ball Room)
3801 Market Street
Philadelphia, PA 19104

HUD OFFICE:
Atlanta MFPD Center
Five Points Plaza
40 Marietta St.
Atlanta, GA 30303

REALTY SPECIALIST:
Bob Doran
Phone: (678) 732-2053
Email: robert.e.doran@hud.gov

ATTACHMENT B

TERMS AND REQUIREMENTS OF FORECLOSURE SALE - ACKNOWLEDGMENT BY BIDDER

PART I

BID PRICE: The Undersigned, _____, ("High Bidder") submits a bid of _____ dollars (\$) at the foreclosure sale of Elders Place, Elders Place II ("Project"), the legal description of which is included as Exhibit A, to be paid as follows:

1. \$100,000 in the form of a money order, certified funds or a cashier's check, as the Earnest Money Deposit, which has been paid at the foreclosure sale to the Foreclosure Commissioner, and which shall not earn interest, and
2. \$ _____, the balance of the sales price to be paid by the High Bidder at the closing ("Closing"), in the form of a money order, certified funds or a cashier's check in accordance with this Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder ("Acknowledgment by Bidder"). The Closing will be held at a place, date and time established in accordance with Part II, Section 5 below.
3. In addition to the above, the High Bidder will be required to pay at Closing all closing costs, regardless of local custom, and, where applicable, deposits to reserve accounts and/or Letters of Credit as described in Riders, Use Agreement and other documents incorporated into this Invitation for Bid ("Invitation").

PART II

The High Bidder, by executing this document, acknowledges the following requirements as conditions of purchasing the Project:

1. **ACKNOWLEDGMENT OF TERMS:** – High Bidder affirms to have full knowledge of the all terms, conditions and requirements contained in this Invitation, including this Acknowledgment by Bidder and documents referred to herein and Attachments.
2. **EXECUTION OF USE AGREEMENT:** At Closing, High Bidder will, in addition to any other related documents, execute the Use Agreement and all of the Exhibits to the Use Agreement as contained in the Invitation. Such documents will control the use of the Project for a specified period, be recorded with the Deed, and run with the land.
3. **CERTIFICATION OF SUBSTANTIAL COMPLIANCE (Attachment F):** The High Bidder must provide a certification to HUD (**within two (2) Federal Government business days after the foreclosure auction sale**) that any other projects that are owned by the High Bidder or its affiliates that are located in the same jurisdiction as the Project are in substantial compliance with applicable State and local housing statutes, regulations, ordinances and codes. HUD may, in its discretion, verify the accuracy of such certification and request supporting documentation from the High Bidder. The complete and original Attachment F must be received by HUD Realty Specialist, Bob Doran - 4AHMLAU, HUD Atlanta MFPD Center, Five Points Plaza, 40 Marietta St., Atlanta, GA 30303-2806. If HUD determines, in its sole discretion, that such other projects are not in substantial compliance, HUD will have the right to refuse to sell the Project to the High Bidder and retain the Earnest Money Deposit.
4. **PREVIOUS PARTICIPATION CERTIFICATION:**
WITHIN TWO (2) FEDERAL GOVERNMENT BUSINESS DAYS AFTER FORECLOSURE SALE:
 - (a) High Bidder, if using **paper submittal** of the Previous Participation Certification (Form HUD-2530), must submit the form to HUD Realty Specialist, Bob Doran- 4AHMLAU, HUD Atlanta MFPD Center, Five Points Plaza, 40 Marietta St., Atlanta, GA 30303-2806.
 - (b) **Bidders not registered in APPS and Secure Systems:** A High Bidder choosing to file electronically must submit to HUD certification of registration in APPS and Secure Systems. The High Bidder must fax a copy of Participant Successfully Registered page from the APPS System **and** a copy of the Multifamily Coordinator and User Registration page from Secure Systems **or** a copy of the Participant Detail page (see APPS User Guide-Industry, Chapter 15, pages 15-2 through 15-4 for printing instructions) to HUD Realty Specialist, Bob Doran, HUD Atlanta MFPD Center at (404) 730-2440. The High Bidder is also responsible for submitting any changes necessary for principals, tax ID numbers, and owners into the APPS System.
 - (c) **For Participants Registered in APPS and Secure Systems:** High Bidder must fax a copy of the Participant Detail page to HUD Realty Specialist, Bob Doran, HUD Atlanta MFPD Center at (404) 730-2440.**WITHIN FIFTEEN (15) FEDERAL GOVERNMENT BUSINESS DAYS AFTER FORECLOSURE SALE:**
 - (d) If using APPS, the High Bidder must submit certification to HUD that the High Bidder has completed the 2530 submission process for the ownership entity in APPS. This certification must be in the form of printed copy of the 2530 Submission Package (see APPS User Guide-Industry, Chapter 15, pages 15-2 through 15-4). The High Bidder must fax a copy of the 2530 Submission Package from APPS System to HUD Realty Specialist, Bob Doran, HUD Atlanta MFPD Center at (404) 730-2440.
NOTE: *Any change in ownership entity will require changes (updating) in the APPS system. Participants (High Bidder) must adhere to all APPS registration and submission timeframes. Delays in updating the 2530 application will not be grounds for delaying any closing, nor will it be grounds for approving an extension of the closing date.*
5. **ESTABLISHMENT OF CLOSING DATE, TIME AND PLACE:**
 - (a) Time is of the essence.
 - (b) HUD will notify the High Bidder and the Foreclosure Commissioner in writing after HUD determines that the High Bidder has been approved to purchase the Project. Approval to purchase is subject to review and approval of Bidders written statements and HUD forms as required for purchase in Section 4 (Post Foreclosure Sale Procedures) of the "Invitation for Bid", and in Attachment B, Terms and Requirements of

Foreclosure Sale, Acknowledgement by Bidder, specifically Number 19 "ADDITIONAL FORMS AND STATEMENTS" as indicated. The Closing **shall be within thirty (30) days after such notification**, unless extended pursuant to Section 9 below.

- (c) The Foreclosure Commissioner will establish a time and date for the Closing. The Closing will take place at a site agreed upon by HUD and the Foreclosure Commissioner.
6. CLOSING, CLOSING EXPENSES AND TRANSFER OF POSSESSION:
- (a) The sale shall be effective upon Closing.
- (b) High Bidder/Purchaser shall pay all closing costs and expenses, excluding fees for recording the Deed and Use Agreement, irrespective of local custom. Recording fees shall be paid by HUD.
- (c) Transfer of title and possession of the Project shall become effective as of the Closing date.
7. PAYMENT OF PURCHASE PRICE AT CLOSING: The High Bidder/Purchaser shall pay the balance of the purchase price at Closing in the form of a money order, certified funds or a cashier's check made out to:
THE SECRETARY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
8. **LIQUIDATED DAMAGES: Should the High Bidder/Purchaser fail or refuse to perform all obligations under the Invitation (which includes this Acknowledgement by Bidder) for any reason within the deadline referred to in Section 5 above, the Earnest Money Deposit and any extension fees, paid under Section 9, shall be retained by HUD as liquidated damages.**
9. EXTENSION FEES: The granting of extensions of time to close the sale is within HUD's sole and absolute discretion. Any extensions granted will be on the following conditions:
- (a) A written request for an extension must be received by the Foreclosure Commissioner at least seven (7) days prior to the Closing and **must be accompanied by the payment** of the required extension fees ("Extension Fees") in accordance with paragraph 9(c) below. The request must state the reason for Purchaser's inability to timely close the sale.
- (b) Extensions shall be for thirty (30) day periods.
- (c) For each thirty (30) day period requested and approved by HUD, Extension Fees shall be equal to
- (i) **\$40.80**, per unit, per day, which is **\$3,549.60** daily for the Project, for a total cost of **\$106,488** for the 30 day period, or
- (ii) one and one-half percent (1.5%) of the purchase price, whichever is greater.
- (d) The Extension Fees shall be retained by HUD and shall not be credited to the amount due from High Bidder/Purchaser at Closing. However, if the sale closes prior to the expiration of an extension period, the prorated amount of the Extension Fees, for the unused portion of the extension period, shall be credited toward the amount due from the High Bidder/Purchaser at Closing.
- (e) The granting of one or more extensions shall not obligate HUD to grant additional extensions.
- (f) If any form or instrument required by HUD is not submitted within sufficient and reasonable time for HUD's review or processing and such delay necessitates an extension of the Closing deadline, Extension Fees must be paid for this period.
- (g) Extension Fees must be in the form of a money order, certified funds or a cashier's check payable to:
THE SECRETARY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.
10. BIDDER RESTRICTIONS:
- (a) No Member of/or Delegate to Congress, resident commissioner, or local elected official, shall be permitted to participate in any share or part of this sale, or to any benefit arising from it. However, this provision does not apply to this sale to the extent that this sale is made to a corporation for the corporation's general benefit.
- (b) If the High Bidder is, or becomes suspended, debarred, or temporarily denied from participating in HUD programs prior to approval as the Purchaser of the Project, the sale to the High Bidder shall be cancelled. In addition, if such suspension, debarment or temporary denial of participation occurs either before or after High Bidder's execution of this Acknowledgment by Bidder, the Earnest Money Deposit and any Extension Fees paid shall be retained by HUD as liquidated damages.
- (c) Pursuant to 24 CFR Section 27.20, the defaulting mortgagor, or any principal, successor, affiliate, or assignee thereof, on the multifamily mortgage being foreclosed, shall not be eligible to bid on, or otherwise acquire, the property being foreclosed by HUD under this subpart or any other provision of law. A "principal" and an "affiliate" are defined at 24 CFR 200.215.
11. AS-IS SALE; NO REPRESENTATIONS:
- (a) **High Bidder/Purchaser shall accept the Project "as is." HUD makes no representations or warranties concerning the physical condition of the Project. In addition, HUD does not represent or warrant the number and occupancy of revenue producing units, or any factor bearing upon the value of the Project.**
- (b) High Bidder/Purchaser acknowledges that the purchase price set forth in this Acknowledgment by Bidder is based on its own independent evaluation of the Project and not upon any representations by HUD. A bidder's failure to inspect, or to be fully informed as to any factor bearing upon the value of the Project, shall not affect the liabilities, obligations or duties of HUD, nor be a basis for termination of this sale or for the return of the Earnest Money Deposit and/or Extension Fees paid.
12. RISK OF LOSS AND RIGHTS OF RESCISSION: In the event of any substantial damage to the Project prior to Closing by any cause including, but not limited to, fire, flood, earthquake, tornado and significant vandalism, HUD, in its sole discretion, may negotiate with the High Bidder/Purchaser for a reduction in the sales price corresponding to the estimated amount of damages. Such amount shall be added to the Post-Closing Repair Requirements, Form HUD - 9552, included in the Invitation. If HUD fails to negotiate a sales price reduction

or if HUD and the Purchaser are unable to agree on the amount by which the purchase price should be reduced or on the amendment to the repair requirements, Purchaser may withdraw the bid. In such case, HUD will return the Earnest Money Deposit and any Extension Fees paid, *unless* there is cause to retain the Earnest Money Deposit based on breach of the Invitation and/or this Acknowledgement by Bidder.

13. PRORATIONS:

- (a) There will be no prorations at Closing. High Bidder/Purchaser is responsible for paying all outstanding property taxes, assessments and utility bills including, but not limited to, water/sewer, gas and electric which are not extinguished by the foreclosure. However, if Extension Fees were paid and if the sale closes prior to the expiration of an extension period, a prorated amount of the Extension Fees, for the unused portion of the extension period, shall be credited toward the amount due from High Bidder/Purchaser at Closing. The High Bidder/Purchaser will be responsible for expenses incurred by the Project after Closing. *Bidders are required to determine outstanding expenses/assessments/liens as part of its due diligence and take those outstanding expenses into consideration when submitting bids.*
- (b) The High Bidder/Purchaser is responsible for paying in full all outstanding or delinquent property taxes/property tax liens that survive the foreclosure action at Closing. Taxes paid by the Purchaser after the Closing date will not be prorated, even if those taxes are for a period prior to Closing.

14. SECURITY DEPOSITS:

- Notwithstanding State or local law, the Purchaser will receive only those security deposits which are on hand at the Project on the date of Closing. The Purchaser will assume all liability under State and local law with respect to security deposits.

15. LIMITATION OF LIABILITY: In no event shall HUD's liability exceed the portion of the purchase price that has been paid to HUD and/or the Foreclosure Commissioner.

16. ANTI-COLLUSION CERTIFICATION:

- (a) The High Bidder certifies:
 - (i) The bid price in this offer has been arrived at independently, without (for the purposes of restricting competition) any consultation, communication, or agreement with any other bidder relating to:
 - a. the bid price;
 - b. the intention to submit a bid price; or
 - c. the methods or factors used in calculating the bid price offered;
 - (ii) The bid price in this offer has not been and will not be knowingly disclosed by the High Bidder, directly or indirectly, to any other bidder or competitor before or during the actual time of the bid event, unless otherwise required by law; and
 - (iii) No attempt has been made or will be made by the High Bidder to induce any other bidder to submit or not submit a bid for the purpose of restricting competition.
- (b) If written bids were submitted, each signature on the offer is considered to be certification by the signatory that the signatory:
 - (i) Is the person in the High Bidder's organization responsible for determining the bid price and that the signatory has not participated and will not participate in any action contrary to paragraph (a) above; or
 - (ii) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate, in any action contrary to paragraph (a), above;

Name: _____

Title: _____

Organization responsible for determining price _____

- a. As an authorized agent, certifies that the principals named above have not participated, and will not participate, in any action contrary to paragraph (a) above; and
- b. As an authorized agent, has not personally participated, and will not participate, in any action contrary to paragraph (a) above.

17. **FAILURE TO COMPLY: Upon the failure or refusal of the High Bidder to comply with any of the requirements listed above or elsewhere in this Invitation, HUD may declare the High Bidder ineligible to purchase the Project. In such case High Bidder shall forfeit the Earnest Money Deposit and any Extension Fees paid.**

HUD reserves the right to review and approve or reject the proposed project management. If HUD determines that the High Bidder is not qualified to self-manage the Project, HUD, in its sole discretion, may either reject the High Bidder's bid or require the High Bidder to obtain the services of a property management firm satisfactory to HUD. If HUD chooses the latter, the High Bidder must provide HUD with evidence that a qualified property management firm has been retained. If High Bidder does not meet this obligation, HUD reserves the right to reject the bid and retain the High Bidder's Earnest Money Deposit and any Extension Fees paid.

18. SEVERABILITY: If for any reason one or more of the provisions contained in the Invitation, including this Acknowledgment by Bidder, the Use Agreement, or any other attachments or exhibits thereto, shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect

any other provision(s) of the Invitation, but the Invitation shall be construed as if such invalid, illegal or unenforceable provision(s) had never been included therein.

19. ADDITIONAL FORMS AND STATEMENTS: All forms and instruments referred to in this Acknowledgment by Bidder are standard HUD forms and instruments prepared by HUD, used by HUD in the jurisdiction in which the Project is located, and contain any additional covenants and conditions required by the Invitation.

Not later than **ten (10)** Federal business days after oral notification at the foreclosure sale of being the High Bidder, **the High Bidder must demonstrate the ability to meet HUD requirements** for purchase of the Project by submitting the documents checked below to HUD Realty Specialist, Bob Doran- 4AHMLAU, HUD Atlanta MFPD Center, Five Points Plaza, 40 Marietta St., Atlanta, GA 30303-2806.

- Affirmative Fair Housing Marketing Plan (Form HUD 935.2A)
- Form HUD- 2530 for Purchasing Entity, if different from bidding entity(See Section 2)
- Form HUD- 2530 for the Managing Agent, if applicable (See Section 2)
- Personal Financial and Credit Statement (Form HUD 92417)-for each proposed principal/general partner
- Management Entity Profile (Form HUD 9832)
- Management Certification (Form HUD 9839 A or B)
- Project Owner's/Borrower's Certification (HUD Form 9839 C) -for elderly housing project managed by Administrators only

WITHIN FIVE (5) FEDERAL GOVERNMENT BUSINESS DAYS AFTER FORECLOSURE SALE:

- Bidders Property Management Statements: Please see "**SECTION 4 – POST FORECLOSURE SALE PROCEDURES**", "**2. QUALIFICATION, ACCEPTANCE, REJECTION OF BID**" of the "**Invitation for Bid**" for detailed instructions on how to comply with this requirement.

By signature below, High Bidder acknowledges and agrees to the terms and requirements of this foreclosure sale. In the case of a bid submitted by an agent or representative of the High Bidder, the signatory attests to be duly authorized to submit the bid on behalf of the High Bidder and to execute this Acknowledgment by Bidder.

WARNING: It is a crime to knowingly make false statements to the United States in this document or any other document related to this sale. Penalties upon conviction can include a fine or imprisonment. Title 18 U.S. Code, Section 1001 and Section 1010.

Executed by the High Bidder on the _____ day of _____, 20_____.

Witness: _____

By: _____

Typed Name: _____

Typed Name: _____

Address: _____

City, ST Zip: _____

Phone No. with Area Code(____)____ - _____

FORECLOSURE SALE USE AGREEMENT

The High Bidder acknowledges the receipt of the Use Agreement applicable to this Project's sale and the inclusion of the following Riders in that Use Agreement:

- Nondiscrimination against Multifamily Section 8 Certificate Holders and Voucher Holders
- Tenant-Based Section 8 Restriction
- Affordability of Units
- Post-Closing Repair Escrow Requirements
- Relocation
- Asbestos Hazards
- Lead-Based Paint Hazards
- Historic Preservation
- Projects Primarily Occupied by the Elderly

The Use Agreement, with the above noted Riders, is to be incorporated into and recorded as part of the Deed.

High Bidder acknowledges that this Rider is incorporated into and is a part of the Terms and Requirements of Foreclosure Sale – Acknowledgment by Bidder
Bidder _____

ATTACHMENT C
FORECLOSURE SALE USE AGREEMENT

This Foreclosure Sale Use Agreement ("Use Agreement") is entered into by _____ ("Purchaser") and the Secretary of Housing and Urban Development ("Secretary" or "HUD").

WHEREAS, pursuant to the provisions of the Multifamily Mortgage Foreclosure Act, 12 U.S.C. Sections 3701 et seq. ("Act"), and the Department of Housing and Urban Development's regulations thereunder at 24 C.F.R. Part 27, the Secretary has elected to exercise the nonjudicial power of sale provided under the Act, or pursuant to a judicial foreclosure the Secretary has elected to apply Section 367(b) of the Act, with respect to Elders Place, Elders Place II, FHA Project No. 034-EH403, 034-EE086, ("Project") a legal description of which is attached as Exhibit "A"; and

WHEREAS, pursuant to the Act and to provisions of 12 U.S.C. Section 1701z-11a, Disposition of HUD-Owned Properties, and the Department of Housing and Urban Development regulations thereunder at 24 C.F.R. Part 290, the Secretary has authority to impose certain use restrictions, as set forth in this Use Agreement, on the Project which has been subject to a mortgage held by the Secretary and has been sold at foreclosure to a purchaser other than HUD; and

WHEREAS, by Deed executed this _____ day of _____, 20____, by _____, the Project has been conveyed to the Purchaser; and

NOW THEREFORE, in consideration of the mutual promises set forth herein and in further consideration of the sale of the Project to the Purchaser, the parties agree as follows:

1. **TERM OF AGREEMENT:** This Use Agreement shall be in effect, twenty years from the date of this Agreement or until _____.
2. **CONVEYANCE OF PROJECT:**
This paragraph **is** **is not** applicable to this Project.
During the term of this Use Agreement, any conveyance of the Project, or change in management of the Project, must have prior written approval of HUD. HUD's approval of conveyance and/or the proposed Purchaser's management of the Project will be based on information provided in written statements of how the Purchaser, or any subsequent Purchaser, in consideration of any and all existing use restrictions, will:
 - (a) implement sound financial and physical management program;
 - (b) respond to the needs of the residents and work cooperatively with resident organizations;
 - (c) provide adequate organizational staff and resources to manage the Project; and
 - (d) provide evidence of a minimum of five years substantive experience owning and managing multifamily properties for the elderly.
3. **SUBJECT TO EXAMINATION:** The Project shall at all times be maintained in decent, safe and sanitary condition. If required to be maintained as rental housing, the Project shall at all times maintain full occupancy to the greatest extent possible. At the request of the Secretary, Purchaser must supply evidence by means of occupancy reports, physical condition reports, reports on operations, or any evidence as requested to ensure that the above requirements are met.
4. **UNIT NUMBER OR USE CHANGE:** Changes to the use, number, size, or configuration of residential units in the Project; e.g., apartment units, beds in a care facility, from the use as of the date of this Use Agreement, must receive the prior written approval of HUD.
5. **NON-DISCRIMINATION REQUIREMENTS:** The Purchaser will comply with the provisions of all Federal, State, or local laws prohibiting discrimination in housing.
6. **HAZARD INSURANCE:** Hazard insurance shall be maintained in an amount to ensure that the Purchaser is able to meet the rental housing requirements described in this Use Agreement in the event of damage to the Project.
7. **DESTRUCTION OF PROJECT:** In the event that any portion or the entire Project is destroyed or damaged by fire or other casualty, the money derived from any insurance on the Project shall be applied to rebuild or replace the property destroyed or damaged, unless the Secretary gives written approval to use insurance proceeds for other purposes.
8. **DEMOLITION OF PROJECT:** If the Project is required by HUD to be maintained as rental housing, the Purchaser will not demolish any part of the Project or withdraw any part of the Project from such use (except as temporarily necessary for routine repairs), without the prior written approval of HUD.
9. **REMEDIES FOR NONCOMPLIANCE:** Upon any violation of any provision of this Use Agreement by the Purchaser, HUD may give written notice thereof to the Purchaser by registered or certified mail, to the address stated in this Agreement, or such other address as subsequently provided to the Secretary as its legal business address. If such violation is not corrected to the satisfaction of the Secretary within thirty (30) days after the date such notice is mailed or within such further time as HUD reasonably determines is necessary to correct the violation, without further notice HUD may declare a default under this Use Agreement. HUD may apply to any court, State or Federal, for specific performance of this Use Agreement, for an injunction against any violation of this Use Agreement, for the appointment of a receiver to take over and operate the Project in accordance with the terms of this Use Agreement, and/or such other relief as may be appropriate, since the injury to the Secretary arising from a default of the terms of the Use Agreement would be irreparable and the amount of damage would be difficult to ascertain.

The availability of any remedy under the Use Agreement shall not preclude the exercise of any other remedy under any provision of the law, nor shall any action taken in the exercise of any remedy be considered a

waiver of any other rights or remedies. Failure to exercise any right or remedy shall not construe a waiver of the right to exercise that or any other right or remedy at any time.

- 10. **SUCCESSORS AND ASSIGNS:** This Use Agreement is binding upon the Purchaser's heirs, successors and assigns. The Purchaser agrees that if title to the Project is conveyed during the term of this Use Agreement, the Purchaser will require its purchaser to assume in writing its obligations under this Use Agreement.
- 11. **CONTRADICTORY AGREEMENTS:** The Purchaser certifies that it has not, and agrees that it will not, execute any other agreement with provisions contradictory, or in opposition to, the provisions of this Use Agreement, and that, in any event, the requirements of this Use Agreement are paramount and controlling as to the rights and obligations set forth herein and supersede any other requirements in conflict with this Use Agreement.
- 12. **SEPARABILITY:** The invalidity of any provision of this Use Agreement shall not affect the validity of the remaining provisions hereof.
- 13. **AMENDMENT:** This Use Agreement may be amended with the mutual written consent of the parties, except for those provisions required by statute.
- 14. **RESTRICTIONS:** No Member of Congress or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of the benefits of the Use Agreement, but this provision shall not be construed to extend to this Use Agreement if the Use Agreement is made with a corporation for its general benefit.

IN WITNESS WHEREOF:

The Purchaser has executed this Use Agreement in triplicate this _____ day of _____, 20__.

WITNESS:

PURCHASER:

By: Signature

Typed Name of Purchaser

Street Address

City, State, Zip Code

The U.S. Department of Housing and Urban Development (HUD) has executed this Use Agreement in triplicate this _____ day of _____, 20__.

WITNESS:

FOR: THE SECRETARY OF HOUSING
AND URBAN DEVELOPMENT

BY: _____

Official's Typed Name

Title

Legal Description

Elders Place

Block 54 N 3 Lot 165

ALL THAT CERTAIN parcel of ground.

SITUATE in the 12th Ward of the City of Philadelphia, described according to a Plan of Survey made for Elders Place by James M. Stewart, Land Surveyor, Lic. No. 26105E, dated 11/23/1992, to wit;

BEGINNING at a point on the Northerly side of Wister Street (40 feet wide) said point being located 299.000 feet along the Northerly side of Wister St. from the intersection of the Eastern side of Germantown Avenue (60 feet wide); thence at right angles to Wister Street North 46 degrees 03 minutes, 00 seconds West 174.229 feet to a point; thence North 43 °, 57 minutes, 00 seconds East 169.375 feet to a point; thence parallel to Lena Street South 47 °, 37 minutes, 01 seconds East 174.292 feet to a point on the Northerly side of Wister Street thence by same South 43 °, 57 minutes, 00 seconds West 174.135 feet to the point and place of beginning.

BEING NO. 37-57 East Wister Street.

Elders Place II

The land referred to in the Commitment is described as follows:

ALL THAT CERTAIN lot or piece of ground with the buildings and improvements erected thereon, SITUATE in the 21st Ward of the City of Philadelphia and described according to a ALTA/ACSM Land Title Survey and Plain of Property (Poc. 1-Fol. 6-267 C) made by Joel S. Cirello, P.L.S., Surveyor and Regulator of the Ninth Survey District. Dated October 26, 1999, and augmented October 24, 2000 and September 21, 2001:

BEGINNING at the point of intersection of the Northeasterly side of Lena Street (30' wide, legally open); and the southeasterly side of Collom Street (32' wide, legally open); THENCE extending along the said southeasterly side of Collom Street N. 43 ° 57'00" E. the distance of 93.608' to a point; THENCE extending S. 46 ° 03'00" E. the distance of 132.149 to a point; THENCE extending S. 43 ° 55'30" W the distance of 30.491 to a point; THENCE extending S. 47 degrees 33'00" E. the distance of 62.355' to a point on the northwesterly side of a certain 2'-6" wide alley that extends southwestwardly to said Lena Street and northeastwardly communicating with a certain 2'-7" wide alley that extends southeastwardly to a dead end; THENCE; extending along the said northwesterly side of the 2'-6" wide alley S. 42 ° 27'00" W. The distance of 59.636' to a point on the said northeasterly side of Lena Street; THENCE extending along the said northeasterly side of Lena Street N. 47 ° 33'00" W. the distance of 196.125' to a point on the said southeasterly side of Collom Street, the first mentioned point and place of beginning.

Containing in Area 15908 sq. ft. or 0.36519 Acres.

NONDISCRIMINATION AGAINST MULTIFAMILY SECTION 8 CERTIFICATE HOLDERS AND VOUCHER HOLDERS

The Use Agreement shall include the following provisions:

Nondiscrimination

In order to comply with Section 204 of the Housing and Community Development Amendments of 1978, 12 USC §1701z-12, as amended, the Purchaser, for itself, its successors and assigns, agrees not to unreasonably refuse to lease a dwelling unit offered for rent, offer or sell cooperative stock, or otherwise discriminate in the terms of tenancy or cooperative purchase and sale because any tenant or purchaser is the holder of a Certificate of Family Participation or a Voucher under Section 8 of the United States Housing Act of 1937 (42 USC §1437f), or any successor legislation (hereinafter referred to as Section 8). This provision is limited in its application, for tenants or applicants with Section 8 Certificates or their equivalent (other than Vouchers), to those units which rent for an amount not greater than the Section 8 fair market rent for a comparable unit in the area as determined by HUD.

If the Purchaser breaches this provision, HUD and/or one or more third-party beneficiaries, shall be entitled to institute legal action to enforce performance and observance of such provision and to enjoin any acts which violate such provision. For the purposes of this provision, a third-party beneficiary shall be any person who holds a Certificate of Family Participation or a Voucher under Section 8 or any equivalent document under successor legislation.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER _____

SECRETARY OF HOUSING AND URBAN DEVELOPMENT _____

RIDER 2 OF 9
TENANT-BASED SECTION 8 RESTRICTION

The Use Agreement includes the following provisions:

Section 8 Unit Maintenance (Certificates or Vouchers)

In order to assure compliance with Section 203 of the Housing and Community Development Amendments of 1978, as amended, 12 USC §1701z-11, the Secretary will provide housing assistance under the Section 8 Housing Choice Voucher Program to eligible residents of the Project as of the date of this Use Agreement ("Tenant Based Assistance"). A resident may choose to use the Tenant Based Assistance at either the Project or at another property. If the resident moves, his or her Tenant Based Assistance will not be available to the Project.

The Tenant Based Assistance shall be available to the appropriate local housing authority on, or shortly after, the date of execution of this Use Agreement. Subsequently, the housing authority will make assistance payments to the Purchaser, on a per unit basis, after it determines that the resident is eligible for the Tenant Based Assistance and the unit is in compliance with Housing Quality Standards (24 CFR Part 982.401). Prior to receipt of the Tenant Based Assistance, purchasers may not charge residents eligible to receive Tenant Based Assistance more than the amount of rent paid by the resident on the date of execution of this Use Agreement.

For as long as any such resident remains eligible for Tenant Based Assistance, remains in occupancy at the Project, and funds are available from HUD through the housing authority for this purpose, the Purchaser shall maintain the resident's unit in accordance with the Section 8 Housing Choice Voucher Program (24 CFR Part 982).

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER _____

SECRETARY OF HOUSING AND URBAN DEVELOPMENT _____

RIDER 3 OF 9
AFFORDABILITY OF UNITS

The Use Agreement shall contain the following provisions:

Use Restriction (applicable if checked)

- The Purchaser covenants that ~~eighty-seven~~ (87) units in the Project will be maintained as *affordable rental housing for the elderly* for a period of ~~twenty~~ (20) years after the date of this Deed or such earlier time as the Secretary may specify in writing (the "Restricted Period"). Any change to the number or configuration of residential units required to be maintained as affordable housing must receive prior written approval from HUD. The Purchaser will not unreasonably refuse to lease units to, or discriminate against, very low-income elderly families.
- The Purchaser covenants that it will market affirmatively ~~87~~ of the units in the project to very low-income elderly families, whose income at the time of initial occupancy does not exceed fifty (50%) percent of the area median income with adjustments for smaller or larger families.

Income Eligibility Limitation

- During the Restricted Period, the Purchaser must rent ~~87~~ dwelling units for affordable housing purposes, unless otherwise approved by HUD. The Purchaser may only rent the affordable units to elderly families with adjusted gross annual incomes that do not exceed 50% percent of the area median income, adjusted for smaller and larger family size.

Maintenance of Rents at Affordable Levels

(1) For current tenants, affordable rent means **the lesser of:**

- (a) For a unit occupied by a very-low income family, the unit rent does not exceed 30 percent (30%) of 50 percent (50%) of the area median income (not the income of the family), as determined by HUD, with adjustments for smaller and larger families, less a reasonable utility allowance for utilities paid by the tenant; or
- (b) For a unit occupied by a low-income family that is not a very low-income family, the unit rent does not exceed 30 percent (30%) of 80 percent (80%) of the area median income (not the income of the family), as determined by HUD, with adjustments for smaller and larger family size, less a reasonable utility allowance for utilities pad by the tenant; or
- (c) The Section 8 Voucher Payment Standard less the utility allowance established by the voucher provider; or
- (d) Market Rent in the immediate area established by a Rent Comparability Study prepared, at the Purchaser's expense, in accordance with HUD requirements.

(2) For post-Closing tenants, affordable rent means **the lesser of:**

- (a) The unit rent does not exceed 30 percent (30%) of 50 percent (50%) of the area median income (not the income of the family), as determined by HUD, with adjustments for smaller and larger families size, less a reasonable utility allowance for utilities paid by the tenant; or
- (b) The Section 8 Voucher Payment Standard less utility allowance established by the voucher provider; or
- (c) Market Rent in the immediate area established by a Rent Comparability Study prepared, at the Purchaser's expense, in accordance with HUD requirements.

Annual Certification

The Purchaser shall certify to HUD annually, in a manner acceptable to HUD, that the requirements in the above paragraphs have been fulfilled.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER ____

SECRETARY OF HOUSING AND URBAN DEVELOPMENT _____

RIDER 4 OF 9
POST-CLOSING REPAIR ESCROW REQUIREMENTS

The Use Agreement shall include the following provisions:

- (1) Purchaser covenants to complete required repairs within twenty-four (24) months of Closing. To ensure completion, the Purchaser shall provide to HUD, at Closing, one of the following:
 - (a) an unconditional, irrevocable and non-documentary Letter of Credit (LOC) in the amount of \$233,990, with an expiration date at least six (6) months beyond HUD's estimated date for completion of repairs; or
 - (b) if repairs are performed in stages, as agreed between Purchaser and HUD prior to Closing, up to five (5) LOCs may be provided to HUD. The first LOC shall be equal to at least ten percent (10%) of the total cost of the repairs. The remaining LOCs shall be in equal dollar amounts, the sum of all must equal the required LOC amount specified in paragraph 1(a) above; or
 - (c) a cash escrow in the amount of \$233,990, to be held by HUD in a non-interest bearing escrow account. The cash escrow will be returned to the Purchaser after repairs have been satisfactorily completed, except for ten (10) percent which will be held for an additional six (6) months.
- (2) It is within HUD's sole discretion to allow one LOC, multiple LOCs or a cash escrow.
- (3) The LOC(s) shall have expiration dates of at least six (6) months beyond the estimated completion date of the repairs. The LOC(s) will be returned to the Purchaser after the repairs have been completed to HUD's satisfaction, except for ten (10) percent, which will be held for six months after the work has been completed to HUD's satisfaction. In the case of multiple LOC's, the first LOC of ten percent will be held for six months after the work has been completed to HUD's satisfaction.
- (4) The LOC(s) or cash escrow will be released on a prorated basis as the work is satisfactorily completed.
- (5) In the event an extension for completion of repairs is granted, the LOC(s) and/or cash escrow will be extended accordingly.
- (6) If the Purchaser is unable or unwilling to perform the repairs, HUD may cash the LOC(s) or use the cash escrow to complete the repairs or correct latent defects in the completed repairs, or for such purposes as HUD deems appropriate.
- (7) After Closing the Purchaser may, at HUD's discretion, replace the LOC(s) with Performance and Payment Bonds meeting State and local codes as assurance of completion for post-closing repair requirements, as listed on Form HUD-9552 and its exhibits, or form HUD 9822.

Purchaser must use HUD Form-92452 for the payment bond and a form for the performance bond that is acceptable to HUD.

 - (a) Evidence of the existence of payment and performance bonds each in the amount of \$935,961 [the total cost of repairs] must be provided to HUD.
 - (b) Purchaser must follow the following requirements:
 - i. The surety entity issuing the bonds must be included on the accredited U.S. Treasury list, Circular 570, published annually in the Federal Register on or about July 1 of each year;
 - ii. The payment and performance bonds must not exceed limits listed in the Circular;
 - iii. The payment and performance bonds must show HUD as payee, along with Purchaser's mortgagee, at the mortgagee's request.
- (8) If the Purchaser fails to complete repairs in accordance with this Agreement, the Secretary will not exercise the remedies described in paragraph 4, above, or request payment on the bonds secured under paragraph 6, above, if any lender holding a lien or security interest on the Project:
 - (a) Gives written notice to HUD within the period provided for repairs, that it intends to complete the repairs, and
 - (b) Completes such repairs within 30 days of the notice or within such longer periods that HUD approves in writing.
- (9) The Purchaser covenants not to increase the rent for any unit, from the rent HUD is requiring a tenant to pay on the Closing date, until such unit meets all the rehabilitation requirements set forth above.

By initialing hereunder, the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER ____

SECRETARY OF HOUSING AND URBAN DEVELOPMENT ____

RIDER 5 OF 9
RELOCATION

The Use Agreement shall include the following provisions:

Relocation Restriction The Purchaser covenants that it will operate the Project pursuant to paragraphs 2 through 4 below to ensure compliance with Section 203(f) of the Housing and Community Development Amendments of 1978, as amended, 12 USC §1701z-11(f), Section 215 of the Consolidated Appropriations Act, 2009, P.L. 110-161, and any subsequent legislation affecting tenant relocation. Additionally, the Purchaser covenants it will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 USC §4601, and the Regulations thereunder, 49 CFR Part 24. The Purchaser is responsible for ensuring compliance with the Act and Regulations, notwithstanding any contractual obligations with third parties to comply with the Act and Regulations.

- (1) The Purchaser covenants that the Project will be rehabilitated within twenty-four (24) months from the date of this Use Agreement in accordance with all applicable State and local laws, codes, ordinances and regulations [and Housing Quality Standards pursuant to 24 CFR Part 886, Subpart C, and other requirements set forth in any Property Improvements Requirements sheet, attached hereto].
- (2) If temporary or permanent relocation is necessary because of such rehabilitation, Purchaser covenants that it will provide advance written notice of the expected displacement. The notice shall be provided as soon as feasible, describe the assistance and the procedures for obtaining the assistance, and contain the name, address and phone number of an official responsible for providing the assistance.
- (3) If temporary relocation is necessary because of such rehabilitation, Purchaser covenants that it will provide assistance to tenants in locating a decent, safe and sanitary dwelling/housing unit which, to the extent feasible, shall be in a location not generally less desirable than the Project, and reimburse tenants for:
 - (a) Expenses of moving and any net increase in monthly housing cost (rent and reasonable utility costs) during the temporary displacement period; and
 - (b) Expenses of returning to a repaired unit at the Project.
- (4) If permanent relocation is necessary because of such rehabilitation, Purchaser covenants that it will provide assistance, as described below, to tenants, as may be appropriate:
 - (a) Advisory services necessary to locate decent, safe and sanitary and affordable replacement housing which, to the extent feasible, shall be in a location not generally less desirable than the Project; and
 - (b) Reimbursement for reasonable moving expenses, which need not exceed an amount determined by HUD to be reasonable considering the size of the household and the circumstances surrounding the move.

HUD will not provide the Purchaser with any funds or subsidy with which to make the payments required by this paragraph.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER _____

SECRETARY OF HOUSING AND URBAN DEVELOPMENT _____

RIDER 6 OF 9
ASBESTOS HAZARDS

The Use Agreement shall include the following provisions:

- (1) Purchaser agrees to indemnify, defend, and hold HUD harmless from any liability arising by reason of Purchaser's failure to perform Purchaser's obligations under this Deed with respect to the elimination of asbestos health hazards, the prohibition against the use of asbestos and Purchaser's responsibility for complying with applicable State and local asbestos laws and regulations.
- (2) If temporary or permanent relocation is necessary because of such rehabilitation, Purchaser covenants that it will comply with Section 203(f)(7) of the Housing and Community Development Amendments of 1978, as amended, 12 USC §1701z-11(f)(7), Section 215 of the Consolidated Appropriations Act, 2009, P. L. 110-161 and all other subsequent legislation affecting tenant relocation. Additionally, the Purchaser covenants that it will comply with the Uniform Relocation Assistance and Real Project Acquisition Policies Act of 1970, as amended, 42 USC §4601, and the regulations thereunder, 49 CFR Part 24, when Project-based Section 8 assistance is provided by the Seller. The Purchaser is responsible for ensuring compliance with the Act and Regulations, notwithstanding any contractual obligations with third parties to comply with the Act and Regulations. Purchaser covenants that it will provide advance written notice of the expected displacement. The notice shall be provided as soon as feasible, describe the assistance and the procedures for obtaining the assistance, and contain the name, address and phone number of an official responsible for providing the assistance.
- (3) If temporary relocation is necessary because of such rehabilitation, Purchaser covenants that it will provide assistance to tenants in locating a decent, safe and sanitary dwelling/housing unit which, to the extent feasible, shall be in a location not generally less desirable than the Project, and reimburse tenants for:
 - (a) Expenses of moving and any net increase in monthly housing cost (rent and reasonable utility costs) during the temporary displacement period.
 - (b) Expenses of returning to a repaired unit in the Project.
- (4) If permanent relocation is necessary because of such rehabilitation, Purchaser covenants that it will provide assistance, as described below, to tenants, as may be appropriate:
 - (a) Advisory services necessary to locate decent, safe and sanitary and affordable replacement housing which, to the extent feasible, shall be in a location not generally less desirable than the Project.
 - (b) Reimbursement for reasonable moving expenses, which need not exceed an amount determined by the Secretary to be reasonable considering the size of the household and the circumstances surrounding the move.
- (5) The Purchaser covenants not to increase the rent for any unit until such unit meets all the rehabilitation requirements. In addition, rent for units to be covered by a Housing Assistance Payments Contract may be increased only pursuant to and following execution of such Contract.
- (6) If Purchaser fails to comply with (1), above, and no extension by written agreement has been granted by the Secretary, the Secretary and his successors in office shall be entitled to:
 - (a) Cash Purchaser's LOC(s) and apply the funds to perform or correct such work, or for such purposes as HUD deems appropriate, or
 - (b) Request payment or performance under any payment and/or performance bonds as described in the Post Closing Repair Escrow Requirements Rider.
- (7) Notwithstanding 6(a) and (b) above, the Secretary will not exercise those remedies, if any lender holding a lien or security interest on the Project:
 - (a) Gives written notice to HUD within the period provided for repairs, that it intends to complete the repairs, and
 - (b) Completes such repairs within 30 days of the notice or within such longer period(s) that HUD may approve in writing.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER _____

SECRETARY OF HOUSING AND URBAN DEVELOPMENT _____

RIDER 7 OF 9
LEAD-BASED PAINT HAZARDS

The Use Agreement shall include the following provisions:

- (1) In order to comply with 42 USC §§4821-4886 and the regulations thereunder, 24 CFR Part 35 (the "Regulations"), (applicable as checked)
 - Purchaser covenants that the Project will be inspected and tested for lead-based paint, and any hazards will be abated in accordance with the Regulations.
 - Purchaser covenants that any lead-based paint hazards will be abated in accordance with the Regulations.

Purchaser shall certify to the Secretary (in a form acceptable to the Secretary) and the Secretary shall determine, through its inspection (or at its discretion, the inspection and certification of a local government official) that all lead based-paint hazards have been removed from the Project in accordance with the Regulations.
- (2) Purchaser understands and agrees that HUD's inspection and finding of satisfactory performance is not intended to and does not constitute a guarantee that all lead based-paint and all potential lead-based paint hazards have been eliminated from the Project and does not relieve Purchaser of its ongoing responsibility for complying with all applicable State and local lead based-paint laws and regulations.
- (3) Purchaser agrees to indemnify defend, and hold HUD harmless from any liability arising by reason of Purchaser's failure to perform Purchaser's obligations under this Deed with respect to the elimination of lead based-paint health hazards, the prohibition against the use of lead based-paint, and Purchaser's responsibility for complying with applicable State and local lead based-paint laws and regulations.
- (4) If temporary or permanent relocation is necessary because of such abatement, Purchaser covenants that it will comply with paragraphs 5 through 8, below. Additionally, the Purchaser covenants that it will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("Act"), as amended, 42 USC §4601, and the regulations thereunder, 49 CFR Part 24, when Project-based Section 8 assistance is provided by the HUD. The Purchaser is responsible for ensuring compliance with the Act and regulations thereunder, notwithstanding any contractual obligations with third parties to comply with the Act and regulations. Purchaser covenants that it will provide advance written notice of the expected displacement. The notice shall be provided as soon as feasible, describe the assistance and the procedures for obtaining the assistance, and contain the name, address and phone number of an official responsible for providing the assistance.
- (5) If temporary relocation is necessary because of such abatement, Purchaser covenants that it will provide assistance to tenants in locating a decent, safe and sanitary dwelling/housing unit, which to the extent feasible, shall be in a location not generally less desirable than the Project, and reimburse tenants for:
 - (a) Expenses of moving and any net increase in monthly housing cost (rent and reasonable utility costs) during the temporary displacement period.
 - (b) Expenses of returning to a repaired unit in the Project.
- (6) If permanent relocation is necessary because of such abatement, Purchaser covenants that it will provide assistance, as described below, to tenants, as may be appropriate:
 - (a) Advisory services necessary to locate decent, safe and sanitary and affordable replacement housing which, to the extent feasible, shall be in a location not generally less desirable than the Project.
 - (b) Reimbursement for reasonable moving expenses, which need not exceed an amount determined by HUD to be reasonable considering the size of the household and the circumstances surrounding the move.
- (7) The Purchaser covenants not to increase the rent for any unit until such unit meets all the rehabilitation requirements. In addition, rent for units to be covered by a Housing Assistance Payments Contract may be increased only pursuant to and following execution of such Contract.
- (8) Purchaser agrees to comply with Section 35.88 "Disclosure Requirements for Sellers and Lessors" and Section 35.92 "Certification and Acknowledgment of Disclosure" of 24 CFR - *Lead-Based Paint Poisoning Prevention in Certain Residential Structures*.
- (9) If Purchaser fails to comply with (1), above, and no extension by written agreement has been granted by the Secretary, the Secretary and his successors in office shall be entitled to:
 - (a) cash Purchaser's LOC(s) and apply the funds to perform or correct such work, or for such purposes as HUD deems appropriate, or
 - (b) request payment or performance under any payment and/or performance bonds described in the Post-Closing Repair Escrow Requirements.

- (10) Notwithstanding 6(a) and (b) above, the Secretary will not exercise those remedies, if any lender holding a lien or security interest on the Project:
- (a) Gives written notice to HUD within the period provided for repairs, that it intends to complete the repairs, and
 - (b) Completes such repairs within 30 days of the notice or within such longer periods that HUD may approve in writing.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER _____

SECRETARY OF HOUSING AND URBAN DEVELOPMENT _____

RIDER 8 OF 9
HISTORIC PRESERVATION

The Use Agreement shall include the following provisions:

Historic Preservation Restriction

- (1) In order to assure compliance with the National Historic Preservation Act of 1966, 16 USC §470, and the regulations thereunder, 36 CFR Part 800, the Purchaser covenants that the Project, located at 80 E. Collom St., shall be preserved and maintained in accordance with the recommended approaches in "The Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitation of Historic Buildings" (U.S. GPO: 1983 0-416-688).
- (2) The State Historic Preservation Officer, in his or her sole discretion for good cause, may modify or cancel any or all of the foregoing restriction upon written application of the Purchaser, his/her successors and assigns.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER _____

SECRETARY OF HOUSING AND URBAN DEVELOPMENT _____

RIDER 9 OF 9
PROJECTS PRIMARILY OCCUPIED BY THE ELDERLY

The Use Agreement shall include the following provisions:

The Purchaser covenants that 100% of the units in the Project will be maintained as rental housing for elderly families and individuals for a period of (20) years after the date of the Deed or such earlier time as the Secretary may specify in writing (the "Restricted Period"). Any change in the number of units for the elderly must receive the prior written approval of the Secretary.

The Purchaser covenants that it will market affirmatively 100% of the units in the Project to families whose head, spouse or sole member is a person aged 62 or older.

If the Purchaser has made reasonable efforts to lease units to eligible families and is unable to achieve or maintain an adequate level of occupancy sufficient to operate the Project, the Purchaser may permit occupancy of units in the Project to persons aged 55 or older with the prior written approval of the Secretary.

By initialing hereunder the parties acknowledge that this Rider is incorporated into and is a part of the Use Agreement.

PURCHASER ____

SECRETARY OF HOUSING AND URBAN DEVELOPMENT _____

ATTACHMENT D
LETTER OF CREDIT (LOC) SAMPLE

(ISSUING BANK'S LETTERHEAD)

IRREVOCABLE UNCONDITIONAL LETTER OF CREDIT NO. _____
_____, 20____

U.S. Department of Housing and Urban Development
Five Points Plaza, 40 Marietta Street
Atlanta, GA 30303-2186

Attention: Mr. William H. Melvin, Director
Atlanta Multifamily Property Disposition Center

Dear Sir:

For the account of _____
(name of account party/customer)
we hereby authorize you to draw on us at sight up to an aggregate amount of U.S. \$ _____,
effective immediately and expiring on _____, 20____.

This Letter of Credit is irrevocable and unconditional.

Funds under this Credit are available to you against your sight draft(s) on us, substantially in the form attached as Exhibit A, for all or any part of this Credit.

This Letter of Credit sets forth in full the terms of our obligations to you, and such undertaking shall not in any way be modified or amplified by any agreement in which this letter is referred to or to which this letter of credit relates, and any such reference shall not be deemed to incorporate herein by reference any agreement.

We will promptly honor all drafts in compliance with the terms of this credit if received on or before the expiration date at

(address of bank)

This Credit is governed by the laws of _____.

Sincerely,

(Issuing Bank)

By: _____

SAMPLE SIGHT DRAFT

(HUD LETTERHEAD)

(Name and address of bank) _____
(City, State)

_____, 20____

Pay to the order of the U.S. Department of Housing and Urban Development the sum of
\$_____. This draft is drawn under your Irrevocable Letter of Credit

NO. _____.

U.S. Department of Housing and Urban Development

By: _____

Attachment E

NOTE: All work required to make 5% of the units accessible must be in accordance with the Uniform Federal Accessibility Standards!

Post-Closing Repair Requirements

U.S. Department of Housing and Urban Development
Office of Housing Multifamily Sales Program

Project Name ELDERS PLACE	Project Number FHA Case No.: 034-EH403	Location PHILADELPHIA, PA
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The Purchaser must repair the property to meet the following requirements within the time frame noted in the Contract of Sale or Terms and Requirements of Foreclosure Sale- Acknowledgement by Bidder

Applicable State & Local Codes Housing Quality Standards (HQS) as set forth in CFR 886, Subpart C Additional repairs required by HUD

HUD will monitor repairs to assure compliance. Repairs shall be considered completed only after: (1) Purchaser provides written Certification that repairs are completed; (2) Purchaser requests final inspection by HUD; and, (3) HUD verifies in writing completion and compliance with the requirements stated herein.

Trade Item Cost Breakdown: HUD's estimate of repairs is broken out by trade item. Detailed descriptions of repairs are stated in this form's exhibits. Unless checked as MANDATORY on this form, repairs may begin upon conveyance. For repair items listed in this form as MANDATORY, the purchaser, prior to beginning work, must submit specifications for approval to the HUD office with jurisdiction over this project.

The repairs listed herein represent HUD's estimate of the property's repair needs. These repairs may not represent all repairs needed to satisfy HUD's requirements and/or requirements other than HUD's. HUD does **NOT** warrant that the list is either comprehensive or sufficient. The purchaser accepts responsibility for: (1) developing his/her own repair cost estimate, (2) determining what, if any, repairs are needed in excess of those listed herein, and (3) providing funding for such repairs.

Item	Mandatory	Est. Cost	Item	Mandatory	Est. Cost																		
Repairs to Residential Structures (including commercial areas)																							
1. Concrete	<input checked="" type="checkbox"/>	\$3,700.00	17. Wood Flooring	<input type="checkbox"/>	\$0.00																		
2. Masonry	<input type="checkbox"/>	\$150.00	18. Resilient Flooring	<input checked="" type="checkbox"/>	\$9,300.00																		
3. Metals	<input type="checkbox"/>	\$0.00	19. Painting & Decorating	<input checked="" type="checkbox"/>	\$7,000.00																		
4. Rough Carpentry	<input type="checkbox"/>	\$0.00	20. Specialties	<input type="checkbox"/>	\$0.00																		
5. Finish Carpentry	<input checked="" type="checkbox"/>	\$88.00	21. Special Equipment	<input type="checkbox"/>	\$0.00																		
6. Waterproofing	<input type="checkbox"/>	\$0.00	22. Cabinets	<input checked="" type="checkbox"/>	\$16,600.00																		
7. Insulation	<input type="checkbox"/>	\$0.00	23. Appliances	<input checked="" type="checkbox"/>	\$5,600.00																		
8. Roofing	<input checked="" type="checkbox"/>	\$121,500.00	24. Blinds & Shades	<input type="checkbox"/>	\$0.00																		
9. Sheet Metal	<input checked="" type="checkbox"/>	\$2,620.00	25. Carpets	<input checked="" type="checkbox"/>	\$23,480.00																		
10. Doors	<input checked="" type="checkbox"/>	\$5,340.00	26. Special Construction	<input checked="" type="checkbox"/>	\$16,000.00																		
11. Windows	<input checked="" type="checkbox"/>	\$5,000.00	27. Elevators	<input type="checkbox"/>	\$0.00																		
12. Glass	<input type="checkbox"/>	\$0.00	28. Plumbing & Hot Water	<input checked="" type="checkbox"/>	\$174,100.00																		
13. Lath & Plaster	<input type="checkbox"/>	\$0.00	29. Heat & Ventilation	<input checked="" type="checkbox"/>	\$46,025.00																		
14. Drywall	<input type="checkbox"/>	\$0.00	30. Air Conditioning	<input checked="" type="checkbox"/>	\$58,800.00																		
15. Tile Work	<input type="checkbox"/>	\$0.00	31. Electrical	<input checked="" type="checkbox"/>	\$34,690.00																		
16. Acoustical	<input checked="" type="checkbox"/>	\$200.00	Residential Structures Subtotal		\$530,193.00																		
Repairs to Accessory Structures (community, maintenance, mechanical, garages, carports, etc.)																							
32. Accessory Structures	<input type="checkbox"/>	\$0.00	Accessory Structures Subtotal		\$0.00																		
Site Work																							
33. Earth work	<input type="checkbox"/>	\$0.00	36. Site Improvements	<input type="checkbox"/>	\$0.00																		
34. Site Utilities	<input checked="" type="checkbox"/>	\$1,500.00	37. Lawns & Plantings	<input checked="" type="checkbox"/>	\$3,000.00																		
35. Roads & walks	<input checked="" type="checkbox"/>	\$14,645.00	38. Unusual Site Conditions	<input type="checkbox"/>	\$0.00																		
			Site Work Subtotal		\$19,145.00																		
Environmental Mitigation																							
39. Lead Containing Materials	<input type="checkbox"/>	\$0.00	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align:center;">Totals</td> <td align="right">\$556,838.00</td> </tr> <tr> <td colspan="2">Inflation Factor (2.4%)</td> <td align="right">\$13,364.11</td> </tr> <tr> <td colspan="2">Est. Total Hard Cost</td> <td align="right">\$570,202.11</td> </tr> <tr> <td>Contingency =Hard Cost x 10%</td> <td></td> <td align="right">\$57,020.21</td> </tr> <tr> <td>Ovrhd/Gen.Req=Hard cost x 15%</td> <td></td> <td align="right">\$85,530.32</td> </tr> <tr> <td colspan="2">Est. Total Repair Cost</td> <td align="right">\$712,752.64</td> </tr> </table>			Totals		\$556,838.00	Inflation Factor (2.4%)		\$13,364.11	Est. Total Hard Cost		\$570,202.11	Contingency =Hard Cost x 10%		\$57,020.21	Ovrhd/Gen.Req=Hard cost x 15%		\$85,530.32	Est. Total Repair Cost		\$712,752.64
Totals		\$556,838.00																					
Inflation Factor (2.4%)		\$13,364.11																					
Est. Total Hard Cost		\$570,202.11																					
Contingency =Hard Cost x 10%		\$57,020.21																					
Ovrhd/Gen.Req=Hard cost x 15%		\$85,530.32																					
Est. Total Repair Cost		\$712,752.64																					
40. Asbestos	<input type="checkbox"/>	\$0.00																					
41. Mold/Extermination/Environ.	<input checked="" type="checkbox"/>	\$7,500.00																					
Environmental Mitigation Subtotal		\$7,500.00																					

Previous edition is obsolete

Form HUD-9552 (5/93)

COST ESTIMATE SUMMARY

ELDERS PLACE - PHILADELPHIA, PA CONSTRUCTION ITEMS ISSUE DATE: 08/21/09 FHA CASE NO.: 034-EH403		HEALTH AND SAFETY	FORM 9552	UNIT	PER ITEM COST	QUAN.	TOTAL COST PER ITEM	TOTAL COST PER DIVISION
DIVISION 1 - NO ENTRY								\$0.00
DIVISION 2 - SITEWORK								\$26,645.00
02001E*	Additional environmental testing	YES	41	LS	\$7,500.00	1	\$7,500.00	
02500E*	Resurface and restripe asphalt paving		35	SY	\$15.00	693	\$10,395.00	
02501E*	Repair asphalt paving and base		35	SF	\$8.00	500	\$4,000.00	
02502E*	Provide handicap accessible parking space & signage to comply with UFAS		35	EA	\$250.00	1	\$250.00	
02700E*	Repair storm drainage structure		34	EA	\$1,500.00	1	\$1,500.00	
02900E*	Landscaping upgrade allowance		37	LS	\$3,000.00	1	\$3,000.00	
DIVISION 3 - CONCRETE								\$3,700.00
03300E*	Replace damaged sidewalk presenting trip hazards	YES	1	SF	\$12.00	100	\$1,200.00	
03301E*	Provide concrete pad for dumpsters		1	LS	\$2,500.00	1	\$2,500.00	
DIVISION 4 - MASONRY								\$150.00
04400E*	Fill open joints between masonry and windows		2	EA	\$150.00	1	\$150.00	
DIVISION 5 - METALS - NO ENTRY								\$0.00
DIVISION 6 - WOODS AND PLASTICS								\$88.00
06200A	Replace baseboard trim		5	LF	\$2.00	44	\$88.00	
DIVISION 7 - THERMAL & MOISTURE PRO.								\$124,120.00
07500E*	Replace roof		8	SF	\$15.00	8100	\$121,500.00	
07501E*	General repair of siding, flashings, trim, and shingles on mansards		9	LS	\$2,500.00	1	\$2,500.00	
07700E	Replace downspouts		9	LF	\$4.00	30	\$120.00	
DIVISION 8 - DOORS AND WINDOWS								\$10,340.00
08200A	Replace apartment entry door	YES	10	EA	\$300.00	8	\$2,400.00	
08201A	Replace apartment interior swinging door		10	EA	\$100.00	4	\$400.00	
08500A*	General window repair allowance		11	LS	\$5,000.00	1	\$5,000.00	
08710A	Replace apartment entry door hardware	YES	10	EA	\$150.00	8	\$1,200.00	
08711A*	Adjust apartment entry door or replace spring hinges to self-latch	YES	10	EA	\$50.00	24	\$1,200.00	
08712A	Replace apartment interior swinging door hardware		10	EA	\$35.00	4	\$140.00	
DIVISION 9 - FINISHES								\$39,980.00
09510I	Replace acoustical lay-in tile ceilings in common areas		16	SF	\$4.00	50	\$200.00	
09650A*	Replace resilient flooring in apartments		18	SF	\$1.50	6200	\$9,300.00	
09680A*	Replace carpet in apartments		25	SY	\$20.00	866	\$17,320.00	
09681I*	Replace carpet in common areas		25	SY	\$20.00	308	\$6,160.00	
09900E	General exterior painting of doors, frames, lintels, handrails, etc.		19	LS	\$3,000.00	1	\$3,000.00	
09901I	General interior common area painting allowance		19	LS	\$4,000.00	1	\$4,000.00	
DIVISION 10 - SPECIALTIES - NO ENTRY								\$0.00
DIVISION 11 - EQUIPMENT								\$5,600.00
11450A*	Replace stove		23	EA	\$500.00	4	\$2,000.00	
11451A*	Replace refrigerator		23	EA	\$650.00	4	\$2,600.00	
11452A*	Replace garbage disposal		23	EA	\$125.00	4	\$500.00	
11453A*	Replace rangehood		23	EA	\$125.00	4	\$500.00	
DIVISION 12 - FURNISHINGS								\$16,600.00
12300A*	Repair plastic laminate on cabinet door and drawers		22	APT	\$250.00	24	\$6,000.00	
12301A*	Replace countertop backsplash		22	EA	\$150.00	4	\$600.00	
12302A*	Replace kitchen cabinets and countertops		22	APT	\$2,500.00	4	\$10,000.00	
DIVISION 13 - SPECIAL CONSTRUCTION								\$16,000.00
13001A*	Modify apartments for handicap accessibility to comply with UFAS		26	APT	\$4,500.00	3	\$13,500.00	
13002A*	Modify apartments for the hearing and vision impaired to comply w/ UFAS		26	APT	\$2,000.00	1	\$2,000.00	
13003I*	Modify common areas for handicap accessibility to comply with UFAS		26	LS	\$500.00	1	\$500.00	

COST ESTIMATE SUMMARY

	HEALTH AND SAFETY	FORM 9552	UNIT	PER ITEM COST	QUAN.	TOTAL COST PER ITEM	TOTAL COST PER DIVISION
ELDERS PLACE - PHILADELPHIA, PA CONSTRUCTION ITEMS ISSUE DATE: 08/21/09 FHA CASE NO.: 034-EH403							
DIVISION 14 - CONVEYING SYSTEMS - NO ENTRY							\$0.00
DIVISION 15 - MECHANICAL							\$278,925.00
15260I Insulate piping in mechanical room		28	LS	\$2,500.00	1	\$2,500.00	
15407A Replace kitchen sink and fittings		28	EA	\$400.00	4	\$1,600.00	
15450I* Provide a new domestic water heating system		28	LS	\$90,000.00	1	\$90,000.00	
15550I* Replace hot water boilers		28	LS	\$80,000.00	1	\$80,000.00	
15671I* Replace building fresh air ventilation system	YES	29	LS	\$37,500.00	1	\$37,500.00	
15684A* Provide stove top fire protection in apartment	YES	29	APT	\$75.00	47	\$3,525.00	
15770I* Replace air conditioning system in Comm. Room and Admin. Spaces		30	LS	\$15,000.00	1	\$15,000.00	
15771A* Replace air conditioning system in Maintenance Manager's Apartment		30	LS	\$15,000.00	1	\$15,000.00	
15772A* Replace packaged terminal air-conditioning units		30	APT	\$1,200.00	24	\$28,800.00	
15830A Replace hot water radiator covers	YES	29	LS	\$5,000.00	1	\$5,000.00	
DIVISION 16 - ELECTRICAL							\$34,690.00
16000I Inspect, clean, and adjust service switchgear and distribution breakers		31	LS	\$6,500.00	1	\$6,500.00	
16130I Repair/replace damaged receptacles & covers in general bldg. areas	YES	31	LS	\$550.00	1	\$550.00	
16131A* Provide arc fault breakers for each bedroom	YES	31	APT	\$150.00	47	\$7,050.00	
16132A Repair/replace damaged standard switches, receptacles, & plates in apts.	YES	31	APT	\$45.00	47	\$2,115.00	
16511I* Replace main entry light fixtures as needed		31	LS	\$750.00	1	\$750.00	
16512I* Relamp/repair/replace corridor light fixtures as needed		31	LS	\$2,500.00	1	\$2,500.00	
16513I* Repair/replace stair light fixtures as needed		31	LS	\$400.00	1	\$400.00	
16514I* Repair/replace common area light fixtures on first floor as needed		31	LS	\$500.00	1	\$500.00	
16515A Replace damaged apartment light fixtures as needed		31	APT	\$75.00	47	\$3,525.00	
16535I Test and replace batteries for egress lighting	YES	31	LS	\$1,500.00	1	\$1,500.00	
16536I* Provide battery type exit signs	YES	31	LS	\$4,500.00	1	\$4,500.00	
16721A* Provide smoke detectors in bedrooms	YES	31	EA	\$150.00	32	\$4,800.00	
SUBTOTAL							\$556,838.00
Inflation 2.4%							\$13,364.11
SUBTOTAL							\$570,202.11
O.H. & Profit, A&E (15%)							\$85,530.32
Contingency (10%)							\$57,020.21
GRAND TOTAL							\$712,752.64

NOTES FOR QUICK INTERPRETATION OF THIS WORKSHEET: E=Exterior A=Per Apartment I= Common areas (These are suffixes to construction item numbers)
 When suffix E is used, the associated quantity refers to exterior items not directly associated with an individual unit.
 When suffix A is used, the associated quantity refers to items associated with individual apartments.
 When suffix I is used, the associated quantity refers to items associated with the common areas of the building that cannot be associated with an individual apt.
 * after the suffix indicates a corresponding remark in COST ESTIMATE REMARKS following the COST ESTIMATE SUMMARY
 ABBREVIATIONS: CY = CUBIC YARD SY = SQUARE YARD SF = SQUARE FOOT L F= LINEAR FOOT LS = LUMP SUM EA = EACH HC = HANDICAP UNIT
 BLDG = BUILDING SEC = BUILDING SECTION APT = APARTMENT FLR = FLOOR OPNG = OPENING

Attachment E Part II

NOTE: All work required to make 5% of the units accessible must be in accordance with the Uniform Federal Accessibility Standards!

Post-Closing Repair Requirements

U.S. Department of Housing and Urban Development
Office of Housing Multifamily Sales Program

Project Name ELDERS PLACE II	Project Number FHA Case No.: 034-EE086	Location PHILADELPHIA, PA
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The Purchaser must repair the property to meet the following requirements within the time frame noted in the Contract of Sale or Terms and Requirements of Foreclosure Sale- Acknowledgement by Bidder

Applicable State & Local Codes Housing Quality Standards (HQS) as set forth in CFR 886, Subpart C Additional repairs required by HUD

HUD will monitor repairs to assure compliance. Repairs shall be considered completed only after: (1) Purchaser provides written Certification that repairs are completed; (2) Purchaser requests final inspection by HUD; and, (3) HUD verifies in writing completion and compliance with the requirements stated herein.

Trade Item Cost Breakdown: HUD's estimate of repairs is broken out by trade item. Detailed descriptions of repairs are stated in this form's exhibits. Unless checked as MANDATORY on this form, repairs may begin upon conveyance. For repair items listed in this form as MANDATORY, the purchaser, prior to beginning work, must submit specifications for approval to the HUD office with jurisdiction over this project.

The repairs listed herein represent HUD's estimate of the property's repair needs. These repairs may not represent all repairs needed to satisfy HUD's requirements and/or requirements other than HUD's. HUD does NOT warrant that the list is either comprehensive or sufficient. The purchaser accepts responsibility for: (1) developing his/her own repair cost estimate, (2) determining what, if any, repairs are needed in excess of those listed herein, and (3) providing funding for such repairs.

Item	Mandatory	Est. Cost	Item	Mandatory	Est. Cost
Repairs to Residential Structures (including commercial areas)					
1. Concrete	<input checked="" type="checkbox"/>	\$2,980.00	17. Wood Flooring	<input type="checkbox"/>	\$0.00
2. Masonry	<input type="checkbox"/>	\$0.00	18. Resilient Flooring	<input type="checkbox"/>	\$0.00
3. Metals	<input type="checkbox"/>	\$0.00	19. Painting & Decorating	<input checked="" type="checkbox"/>	\$9,200.00
4. Rough Carpentry	<input type="checkbox"/>	\$0.00	20. Specialties	<input type="checkbox"/>	\$0.00
5. Finish Carpentry	<input type="checkbox"/>	\$0.00	21. Special Equipment	<input type="checkbox"/>	\$0.00
6. Waterproofing	<input type="checkbox"/>	\$0.00	22. Cabinets	<input type="checkbox"/>	\$0.00
7. Insulation	<input type="checkbox"/>	\$0.00	23. Appliances	<input type="checkbox"/>	\$0.00
8. Roofing	<input checked="" type="checkbox"/>	\$5,000.00	24. Blinds & Shades	<input type="checkbox"/>	\$0.00
9. Sheet Metal	<input type="checkbox"/>	\$0.00	25. Carpets	<input checked="" type="checkbox"/>	\$22,000.00
10. Doors	<input checked="" type="checkbox"/>	\$75.00	26. Special Construction	<input checked="" type="checkbox"/>	\$30,500.00
11. Windows	<input checked="" type="checkbox"/>	\$2,500.00	27. Elevators	<input type="checkbox"/>	\$0.00
12. Glass	<input type="checkbox"/>	\$0.00	28. Plumbing & Hot Water	<input checked="" type="checkbox"/>	\$4,000.00
13. Lath & Plaster	<input type="checkbox"/>	\$0.00	29. Heat & Ventilation	<input checked="" type="checkbox"/>	\$3,800.00
14. Drywall	<input checked="" type="checkbox"/>	\$1,536.00	30. Air Conditioning	<input checked="" type="checkbox"/>	\$85,000.00
15. Tile Work	<input type="checkbox"/>	\$0.00	31. Electrical	<input checked="" type="checkbox"/>	\$18,650.00
16. Acoustical	<input type="checkbox"/>	\$0.00	Residential Structures Subtotal		\$185,241.00
Repairs to Accessory Structures (community, maintenance, mechanical, garages, carports, etc.)					
32. Accessory Structures	<input type="checkbox"/>	\$0.00	Accessory Structures Subtotal		\$0.00
Site Work					
33. Earth work	<input type="checkbox"/>	\$0.00	36. Site Improvements	<input checked="" type="checkbox"/>	\$2,720.00
34. Site Utilities	<input type="checkbox"/>	\$0.00	37. Lawns & Plantings	<input checked="" type="checkbox"/>	\$1,750.00
35. Roads & walks	<input checked="" type="checkbox"/>	\$950.00	38. Unusual Site Conditions	<input type="checkbox"/>	\$0.00
			Site Work Subtotal		\$5,420.00
Environmental Mitigation					
39. Lead Containing Materials	<input type="checkbox"/>	\$0.00	Totals		
40. Asbestos	<input type="checkbox"/>	\$0.00	\$198,161.00		
41. Mold/Extermination/Environ.	<input checked="" type="checkbox"/>	\$7,500.00	Inflation Factor (2.4%)		
Environmental Mitigation Subtotal		\$7,500.00	\$4,755.86		
			Est. Total Hard Cost		
			\$202,916.86		
			Contingency =Hard Cost x 10%		
			\$20,291.69		
			Est. Total Repair Cost		
			\$223,208.55		

Previous edition is obsolete

Form HUD-9552 (5/93)

COST ESTIMATE SUMMARY

ELDERS PLACE II - PHILADELPHIA, PA CONSTRUCTION ITEMS ISSUE DATE: 08/21/09 FHA CASE NO.: 034-EE086		HEALTH AND SAFETY	FORM 9552	UNIT	PER ITEM COST	QUAN.	TOTAL COST PER ITEM	TOTAL COST PER DIVISION
DIVISION 1 - NO ENTRY								\$0.00
DIVISION 2 - SITEWORK								\$12,920.00
02001E*	Additional environmental testing	YES	41	LS	\$6,000.00	1	\$6,000.00	
02200I*	Extermination of rodents	YES	41	LS	\$1,500.00	1	\$1,500.00	
02500E*	Restripe asphalt paving		35	LS	\$750.00	1	\$750.00	
02501E*	Restripe handicap accessible parking space		35	EA	\$100.00	2	\$200.00	
02800E	Replace chainlink fence		36	LF	\$40.00	68	\$2,720.00	
02900E	Clean vines from chainlink fencing		37	LS	\$750.00	1	\$750.00	
02901E	Remove underbrush		37	LS	\$1,000.00	1	\$1,000.00	
DIVISION 3 - CONCRETE								\$2,980.00
03300E*	Replace damaged sidewalk presenting trip hazards	YES	1	SF	\$12.00	40	\$480.00	
03301E*	Provide concrete pad for dumpsters		1	LS	\$2,500.00	1	\$2,500.00	
DIVISION 4 - MASONRY - NO ENTRY								\$0.00
DIVISION 5 - METALS - NO ENTRY								\$0.00
DIVISION 6 - WOODS AND PLASTICS - NO ENTRY								\$0.00
DIVISION 7 - THERMAL & MOISTURE PRO.								\$5,000.00
07500E*	Roof repair allowance		8	LS	\$5,000.00	1	\$5,000.00	
DIVISION 8 - DOORS AND WINDOWS								\$2,575.00
08300I	Repair trash chute hopper door	YES	10	EA	\$75.00	1	\$75.00	
08500A*	General window repair allowance		11	LS	\$2,500.00	1	\$2,500.00	
DIVISION 9 - FINISHES								\$32,736.00
09250A	Repair/replace gypsum board walls and ceilings in apartments		14	SF	\$12.00	128	\$1,536.00	
09680A*	Replace carpet in apartments		25	SY	\$20.00	685	\$13,700.00	
09681I*	Replace carpet in common areas		25	SY	\$20.00	365	\$7,300.00	
09682I*	Clean carpet in common areas		25	LS	\$1,000.00	1	\$1,000.00	
09900E	Prepare and paint decorative metal fence		19	LF	\$10.00	70	\$700.00	
09901I	General interior common area painting allowance		19	LS	\$2,500.00	1	\$2,500.00	
09902E	General exterior painting of doors, frames, lintels, bollards, etc.		19	LS	\$1,000.00	1	\$1,000.00	
09903E	Pressure clean and paint exterior stucco		19	LS	\$5,000.00	1	\$5,000.00	
DIVISION 10 - SPECIALTIES - NO ENTRY								\$0.00
DIVISION 11 - EQUIPMENT - NO ENTRY								\$0.00
DIVISION 12 - FURNISHINGS - NO ENTRY								\$0.00
DIVISION 13 - SPECIAL CONSTRUCTION								\$30,500.00
13001A*	Modify apartments for handicap accessibility to comply with UFAS		26	APT	\$12,000.00	2	\$24,000.00	
13002A*	Modify apartments for the hearing and vision impaired to comply w/ UFAS		26	APT	\$2,000.00	1	\$2,000.00	
13003I*	Modify common areas for handicap accessibility to comply with UFAS		26	LS	\$4,500.00	1	\$4,500.00	
DIVISION 14 - CONVEYING SYSTEMS - NO ENTRY								\$0.00
DIVISION 15 - MECHANICAL								\$92,800.00
15400A*	Repair plumbing leaks	YES	28	EA	\$1,000.00	4	\$4,000.00	
15681I*	Add an air-conditioning system for building core	YES	30	LS	\$70,000.00	1	\$70,000.00	
15684A*	Provide stove top fire protection in apartment	YES	29	APT	\$75.00	40	\$3,000.00	
15770I*	Replace air conditioning system in Comm. Room and Admin. Spaces		30	LS	\$15,000.00	1	\$15,000.00	
15830A*	Replace baseboard heater covers	YES	29	LF	\$10.00	80	\$800.00	

COST ESTIMATE SUMMARY

ELDERS PLACE II - PHILADELPHIA, PA CONSTRUCTION ITEMS ISSUE DATE: 08/21/09 FHA CASE NO.: 034-EE086		HEALTH AND SAFETY	FORM 9552	UNIT	PER ITEM COST	QUAN.	TOTAL COST PER ITEM	TOTAL COST PER DIVISION
DIVISION 16 - ELECTRICAL								\$18,650.00
16000I	Inspect, clean, and adjust service switchgear and distribution breakers		31	LS	\$4,500.00	1	\$4,500.00	
16130I	Repair/replace damaged receptacles & covers in general bldg. areas	YES	31	LS	\$150.00	1	\$150.00	
16131A*	Provide arc fault breakers for each bedroom	YES	31	APT	\$150.00	40	\$6,000.00	
16132A	Repair/replace damaged standard switches, receptacles, & plates in apts.	YES	31	APT	\$35.00	40	\$1,400.00	
16512I*	Relamp/repair/replace corridor light fixtures as needed		31	LS	\$1,500.00	1	\$1,500.00	
16513I*	Repair/replace stair light fixtures as needed		31	LS	\$200.00	1	\$200.00	
16514I*	Repair/replace common area light fixtures on first floor as needed		31	LS	\$500.00	1	\$500.00	
16515A	Replace damaged apartment light fixtures as needed		31	APT	\$50.00	40	\$2,000.00	
16535I*	Test and replace batteries for egress lighting	YES	31	LS	\$2,000.00	1	\$2,000.00	
16720I	Provide a horn/strobe fire alarm device in exercise room	YES	31	LS	\$400.00	1	\$400.00	

SUBTOTAL	\$198,161.00
Inflation 2.4%	\$4,755.86
SUBTOTAL	\$202,916.86
Contingency (10%)	\$20,291.69
GRAND TOTAL	\$223,208.55

NOTES FOR QUICK INTERPRETATION OF THIS WORKSHEET: E=Exterior A=Per Apartment I= Common areas (These are suffixes to construction item numbers)

When suffix E is used, the associated quantity refers to exterior items not directly associated with an individual unit.

When suffix A is used, the associated quantity refers to items associated with individual apartments.

When suffix I is used, the associated quantity refers to items associated with the common areas of the building that cannot be associated with an individual apt.

* after the suffix indicates a corresponding remark in COST ESTIMATE REMARKS following the COST ESTIMATE SUMMARY

ABBREVIATIONS: CY = CUBIC YARD SY = SQUARE YARD SF = SQUARE FOOT LF = LINEAR FOOT LS = LUMP SUM EA = EACH HC = HANDICAP UNIT

BLDG = BUILDING SEC = BUILDING SECTION APT = APARTMENT FLR = FLOOR OPNG = OPENING

Attachment E Continued Environmental Summary

Elders Place

Cost Estimate Summary

Division 2 Site Work-02001E Additional Environmental Testing.
HUD had a Phase I Environmental Site Assessment conducted. The Phase I Report noted an on-site concern.

On-site

Former Germantown Dye Work Facility: 37 to 55 East Wister Street. The Phase I assessment has revealed evidence of potential recognized environmental conditions in connection with the subject property. The purchaser must conduct further environmental assessment by having soil samples performed at three locations around the building. Constituents of concern for Dye processes are as follows: Copper, Heavy Metals, Sulfates, Chlorides, Aluminum.

Elders Place II

Cost Estimate Summary

Division 2 Site Work-02001E Additional Environmental Testing.
HUD had a Phase I Environmental Site Assessment conducted. The Phase I Report noted an off-site concern.

Off-site

A historic furniture manufacturing shop existed to the northeast of the subject property and is currently a vacant lot. The Phase I assessment has revealed evidence of potential recognized environmental conditions in connection with the subject property. The purchaser must conduct further environmental assessment by having soil samples performed at three locations (two northeast and one east) on two sides of the building. Constituents of concern are solvents and Volatile Organic Compounds (VOCs).

Attachment F
Certification of Substantial Compliance

TO: The United States Department of Housing and Urban Development

FROM: _____

I Certify to HUD that any and all project(s) that are owned by _____, or its affiliates, and located in _____ (City or Town where project being purchased is located) is/are in substantial compliance with applicable State and local housing statutes, regulations, ordinances and codes and are listed on Schedule A attached hereto. If HUD determines, in its sole discretion, that such other projects are not in substantial compliance, HUD will have the right to refuse to sell the Project to the High Bidder and retain the Earnest Money Deposit.

WARNING: It is a crime to knowingly make false statements to the United States in this document or any other document related to this sale. Penalties upon conviction can include a fine or imprisonment. For details see: Title 18 U.S. Code, Section 1001 and Section 1010.

By: _____
Purchaser Name

Verified by: _____

Title

Typed Name

Address

Title

Address

Telephone Number

Date

Phone

Date

STATE OF:)
COUNTY OF:)

Came before me this _____ day of _____, 20____.

Notary Seal

Schedule A: All projects owned by _____ or affiliates.

List each project name	List name of principal or affiliate with ownership of project.	List project address

ATTACHMENT G

PROTECTING TENANTS AT FORECLOSURE ACT OF 2009

Applicable to all foreclosure sales taking place from May 21, 2009, through December 31, 2012

In the case of foreclosure involving any multifamily residential dwelling, the purchaser at foreclosure shall be subject to the following:

1. Any bona fide tenant occupying a unit as of the date of the notice of foreclosure must be given 90 days prior notice to vacate the unit; and
2. Any tenant retains all of its rights as of the date of the notice of foreclosure. These rights include:
 - a) Any tenant who, on or after the date of the notice of foreclosure, is under a lease agreement entitling the tenant to occupy the premises until the end of the remaining term of the lease, will continue to maintain his/her rights under the lease agreement, except that a purchaser at foreclosure *who will occupy a unit as a primary residence* may, terminate a tenant's lease for that unit, effective on the date of sale, by issuing notice of the termination of tenancy to the tenant at least 90 days prior to the effective date of the notice.
 - b) Any tenant who is a tenant at will under State law or occupies the unit without a lease retains all of its rights regarding occupancy of the unit, except such tenant may be required by a purchaser at foreclosure to vacate the unit provided that the tenant is given 90 days prior notice by the purchaser at foreclosure.
 - c) Nothing contained in paragraphs 1 and 2 herein shall affect the requirements for termination of any Federal or State subsidized tenancy or of any State or local law that provides longer time periods or additional protections for tenants, those rights will be retained by the tenant.
3. If the tenant holds a Section 8 voucher and has a lease agreement, the purchaser at foreclosure may terminate the tenancy effective as of the date of the transfer of ownership to the purchaser if (1) the purchaser will occupy the unit as a primary residence and (2) provides the tenant with a notice to vacate at least 90 days before the effective date of the notice.
4. The purchaser at foreclosure will assume its interest in the property subject to: (1) the existing leases between the prior owner and the current tenants; and (2) the existing Housing Assistance Payments contract between the prior owner and the public housing agency for any occupied unit, except that requirements contained in this paragraph 4 and in paragraph 3 shall not affect any State or local law that provides longer time periods or other additional protections for tenants.