



FORECLOSURE SALE 42 UNIT APARTMENT COMPLEX IN NEW ORLEANS, LOUISIANA

GREATER ST. STEPHENS MANOR APARTMENTS



Is offered for sale at foreclosure.

Bids will be accepted orally on:
May 19, 2011
at: 1:00 pm (local time)

at: U. S. Dept. of Housing and Urban
Development
Hale Boggs Building
Training Room, 9th Floor
500 Poydras Street
New Orleans, LA 70130



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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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PROCEDURES AND FORMS REQUIRED TO COMPLETE BID AND PURCHASE

New Procedure Requirements – Previous Participation Certification

Participants are now allowed the option to file the required Previous Participation Certification (aka Form HUD-2530) in digital (electronic) or paper format. Bidders must comply with registration and 2530 requirements as outlined in ATTACHMENT B, TERMS AND REQUIREMENTS OF FORECLOSURE SALE - ACKNOWLEDGMENT BY BIDDER, Rider 1. For more information see Section 1 – Introduction and General Information, Section 2 – Previous Participation Certification and Section 4 – Submission of Post Bid Documents.

THESE FORMS ARE AVAILABLE AT <http://www.hud.gov/offices/adm/hudclips/forms/> OR USE THE URL PROVIDED 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

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

SECTION 1 - INTRODUCTION AND GENERAL INFORMATION

1. **DEFINITION OF INVITATION FOR BID** - This document, including attachments, exhibits, and any amendment thereto, constitute the Invitation for Bid (Invitation) for Greater St. Stephens Manor, FHA Number; 064-EE083. PROPERTY AT A GLANCE, Attachment A to this Invitation, contains a summary of facts, figures, and most terms of the sale. This Invitation also includes **information concerning Previous Participation Certification (Form HUD-2530) requirements** and a list of the forms necessary to complete a responsive bid.
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 the Invitation for Bid, especially the Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder (Acknowledgment) and Foreclosure Sale Use Agreement. Lack of 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.
4. **NO REDEMPTION PERIOD** - This sale is not subject to redemption by the previous owner.
5. **BID ACCEPTANCE OR REJECTION** - 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 the project and to provide management acceptable to HUD.
6. **CANCELLATION OF SALE** - HUD reserves the right to cancel this Invitation for Bid and/or reject any and all bids.
7. **BIDDER'S DUE DILIGENCE** - Bidders are encouraged to perform their own due diligence to gain a full understanding of the project and the conditions of sale before submitting a bid.
8. **POST-CLOSING REQUIRED REPAIRS** - HUD is not requiring post closing repairs.

While care has been exercised to assure accuracy, all information provided is solely for the purpose of permitting parties to determine whether or not the property is of such type and general character as might interest them in its purchase, and 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 all or any portion of the property being offered, or condition of sale, will not constitute grounds for any claim, demand, adjustment, or withdrawal of a bid.

9. **RECORDATION OF CERTAIN DOCUMENTS** - Attachment C, Use Agreement, with riders, will be recorded with the Deed.
10. **SOURCE FOR ADDITIONAL INFORMATION** - Should you need further information, please call the contact Debie Bolin, Realty Specialist, at (817) 978-5822.

SECTION 2 - PREVIOUS PARTICIPATION CERTIFICATION

PREVIOUS PARTICIPATION FOR PARTICIPANTS IN THE MULTIFAMILY PROGRAMS- New Procedure Requirements - Participants in Multifamily foreclosure sales, either as purchasers or management agents are required to register in HUD's Active Partners Performance System (APPS) which allows for the electronic submission of Previous Participation Certification Form HUD-2530 on HUD's Secure Systems Internet site. **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 (2) weeks prior to the sale. For instructions on registering in the APPS and HUD's Secure System click on the following link:**
<http://www.hud.gov/offices/hsg/mfh/pd/genbkits.cfm>

Participants have the option to file the required Previous Participation Certification (aka Form HUD-2530) in digital (electronic) or paper format. For more information, contact a Realty Specialist.

Be advised, that if a Management Agent will be participating in the management of the property, or if you are changing principals, adding principals, changing the name, or changing tax identification from information already recorded in APPS, **it is the high Bidder's responsibility to ensure that all participants register and complete the 2530 process within the prescribed time frames.**

Failure of any participant to submit a Previous Participation Certification (HUD Form 2530) or other required documents within the indicated time frame shall be grounds for rejection of the bid.

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 indicated in this Section, and the additional documents/items, as indicated in Section 4, Paragraph 2.
2. **BIDDING AT THE FORECLOSURE SALE** -
 - (a) The foreclosure sale is an oral, open bid sale that takes place at the date, time and place indicated in the attached Property at a Glance. HUD has contracted with a Foreclosure Commissioner to act as their agent for this foreclosure sale.
 - (b) The Bidder must either:
 - (i) State a bid price orally at the sale, **or**
 - (ii) Submit a written bid to the person that conducts the sale two (2) business days before the date of sale. Written bids, if received, will be read aloud at the sale before oral bids are accepted. Only the person that submitted the written bid, or an agent thereof may raise a written bid price. Please call the contact person indicated in Section 1, Paragraph 10 above, for details regarding submitting a written bid.

3. ITEMS THAT MUST BE SUBMITTED AT THE FORECLOSURE SALE

- (a) Earnest Money Deposit:
 - (i) The earnest money deposit, for not less than the amount specified in the Property at a Glance, must be submitted prior to presenting an oral or written bid.
 - (ii) The deposit must be in the form of a money order, certified, cashier’s or other banker’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 a separate financial organization.
 - (v) Lack of proper deposit will be cause for rejection of the bid by HUD.
 - (vi) Immediately following the sale, earnest money will be returned to those whose bids have been rejected.
 - (b) Acknowledgment - Immediately after the foreclosure sale has been completed, the high Bidder must submit **ONE** signed copy of the Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder to the person that conducts the foreclosure sale.
- 4. **CORRECTIONS** - Any changes or erasures made to a written bid may be made by the Bidder only and must be initialed.
 - 5. **TELEGRAPHIC OR FACSIMILE BIDS** - Telegraphic or facsimile bids and/or bid modifications will not be considered for award.
 - 6. **VERBAL NOTIFICATION TO THE HIGH AND SECOND HIGH BIDDER** - The high and second high Bidder will be notified verbally of their bidding positions by the person that conducts the foreclosure sale immediately after the foreclosure sale is completed.
 - 7. **REJECTION OF LOWER BIDS** - All bids, other than the high bid and second high bid, will be rejected verbally at the foreclosure sale by the person that conducts the foreclosure sale.

SECTION 4 - POST FORECLOSURE SALE PROCEDURES

- 1. **CONTINUATION OF OFFERS** - The high bid shall be deemed to be a continuing offer from the time of the foreclosure sale until closing or bid rejection by HUD. The second high bid shall be deemed to be a continuing offer until execution of the Foreclosure Sale Use Agreement or until thirty (30) days after the foreclosure sale, whichever occurs first, unless HUD and the second high Bidder mutually agree to extend the offer. After the above activities have occurred, or the extension agreement has ended, the bid will be deemed to have expired.
- 2. **SUBMISSION OF POST-BID DOCUMENTS**
 - **TWO (2) DAYS AFTER FORECLOSURE SALE (FEDERAL GOVERNMENT BUSINESS DAYS) –**
 - (a) **Previous Participation Certification:**
 - (i) **Electronic filing - APPS and Secure Systems (e2530)**
 - a. **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 (e2530), **and** the HUD’s Multifamily Secure Systems **not later than two (2) Federal Government business days** after being verbally notified at the foreclosure sale of being the high Bidder. Please refer to SECTION 2, PREVIOUS PARTICIPATION above for instructions,
 - b. **Bidders previously registered in APPS and Secure Systems:** The high Bidder must enter the APPS system and print a copy of the *Participant Detail* page. That copy must be faxed to the Realty Specialist at (817) 978-6018.
 - (ii) **Paper Filing – not later than two (2) Federal Government business days** after being verbally notified at the foreclosure sale of being the high Bidder, the following must be submitted:
 - a. **Form HUD 2530** - The completed paper Form HUD-2530s, with original signatures, for the purchasing entity and all principals must be received in the Fort Worth HUD office. **Only existing entities with tax identification numbers will be accepted.** A “to be formed” entry will not be accepted.
 - b. **Organizational Chart** –an organization chart, reflecting all principals of the purchasing entity and each principal’s percentage of ownership.
 - (b) **Certification of Substantial Compliance** – the **complete and original** (Attachment F) must be received in the Fort Worth HUD office within two (2) Federal Government business days of the foreclosure sale date.
 - **TEN (10) DAYS AFTER FORECLOSURE SALE - (FEDERAL BUSINESS DAYS)** Not later than ten (10) Federal Government business days after being verbally notified at the foreclosure sale of being the High Bidder, the Bidder must, submit additional information to the contact person listed above in Section 1, Paragraph 10.

<input checked="" type="checkbox"/>	Form HUD- 2530 for Purchasing Entity, if different from bidding entity, See Section 2 for procedure
<input checked="" type="checkbox"/>	Personal Financial and Credit Statement (Form HUD 92417)-for each proposed principal/general partner

- **FIFTEEN (15) DAYS AFTER FORECLOSURE SALE** – If the High Bidder (owning entity) elected to file the required Form HUD-2530 electronically (e2530) and did not submit the paper Form HUD-2530s within the time frames specified above, the High Bidder must electronically file the e2530 within fifteen (15) Federal Government business days of the foreclosure sale and fax a printed copy of the 2530 Submission Package to

the HUD Office at (817) 978-6018. Please refer to SECTION 2, PREVIOUS PARTICIPATION above for instructions.

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

3. QUALIFICATION, ACCEPTANCE, REJECTION OF BID

- (a) HUD will review all post bid documents to determine, in its sole discretion, if the high Bidder has demonstrated the capacity to own and operate the property in accordance with the standards set by HUD.
 - (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.

4. HANDLING OF THE EARNEST MONEY DEPOSIT

- (a) The earnest money deposit of the high Bidder will be held by HUD. If HUD determines the high bid/Bidder to be acceptable and the high Bidder complies with the provisions outlined in Attachment B, the earnest money deposit will be applied to the sales price at closing. If HUD does not accept the high bid, the high Bidder's earnest money deposit will be refunded, unless Bidder has failed to comply with the provisions outlined in Attachment B, Acknowledgment by Bidder, Rider 1, "Previous Participation Certification and Submission of Documents Prior to Closing".
- (b) Interest will not be paid on earnest money deposits.

5. CLOSING DATE REQUIREMENT - The closing date will take place within the time period specified, in accordance with the Acknowledgment, Attachment B.

6. EXTENSION OF CLOSING - The right to extend the sales closing is expressly reserved by HUD as set forth in the Acknowledgment, Attachment B.

SECTION 5 - CLOSING

1. EXECUTION OF USE AGREEMENT - The Bidder must execute Attachment C, "Foreclosure Sale Use Agreement," at closing. HUD will have the Foreclosure Commissioner's Deed, Use Agreement and all attachments recorded

2. CLOSING DATE AND PLACE - The closing date and place shall be as determined by the person that conducts the foreclosure sale and/or HUD. The Bidder will be notified of said date and place by the person conducting the foreclosure sale.

3. CASH DUE AT CLOSING - Cash due at closing is the remainder of the purchase price less the earnest money deposit received, plus or minus any prorations, if any. Cash due at closing includes all initial deposits to reserve accounts, if applicable.

4. PRORATIONS - There will be no prorations except for the proration of property taxes prepaid by HUD, if any. High bidder is responsible for paying all outstanding property taxes and utility bills including, but not limited to, water/sewer, gas, electric, etc, as well as any other liens/assessments encumbering the property not extinguished by the foreclosure sale action.

5. CLOSING EXPENSES - Irrespective of local custom, the High Bidder/Purchaser shall pay all 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 High Bidder/Purchaser. HUD will pay recording fees for the transfer of title and recordation of the Use Agreement.

6. METHOD OF PAYMENT - Cash due at closing shall be paid in the form of a money order, certified, cashier's or other bank check made payable to: **THE SECRETARY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**, in accordance with the Acknowledgment, Attachment B.

7. CONVEYANCE - Conveyance of the project shall be by Foreclosure Commissioners Deed from the person that conducts the foreclosure sale. The deed will not contain any warranty of title.

8. RECORDATION OF DEED - HUD shall record the Deed and all other recordable documents. All recordation costs for the transfer of title and the Use Agreement shall be at the expense of HUD.

9. DOCUMENTS TO BE FURNISHED OR EXECUTED AT CLOSING

- Foreclosure Sale Use Agreement Closing Statement

SECTION 6 – DISCLAIMERS

1. DISCLAIMER

- (a) Bidders interested in purchasing this project are expected to acquaint themselves with the property, and to arrive at their own 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 valuation of the property. Any bid submitted shall be deemed to have been made with full knowledge of all the terms, conditions and requirements contained in this Invitation for Bid and in any Addendum hereof.
- (b) While care has been exercised to assure accuracy, all information provided is solely for the purpose of permitting parties to determine whether or not the property is of such type and general character as might interest them in its purchase, and 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 all or any portion of the property being offered, or condition of sale, will not constitute ground for any claim or demand or 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 for Bid or Addendum hereof, or any condition hereof, is unauthorized and shall confer no right upon the Bidder (Purchaser).

3. HUD LIABILITY - In any case, with respect to any claim against HUD, the extreme measure of HUD's liability shall not, in any event, exceed refund of the purchase price, or such portion thereof as HUD may have received.

USE RESTRICTIONS

Property is being sold "all-cash", "as-is".

HUD is not requiring specific repairs.

TERMS OF SALE

- This is an "All-Cash" – "As-Is" sale. HUD is not providing financing for this sale. Payment of the full bid price must be presented at closing.
- Purchaser to determine future use of property.
- 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 24 CFR, 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 C.F.R. 200.215.)
- Bids for this property will only be considered for acceptance if properly submitted by following the bidding instructions which includes submitting the required earnest money, forms and statements as required in the bid kit. High Bidder will be reviewed to determine if qualified to purchase, own and manage the project being offered.
- The High Bidder must certify to HUD that any/all projects that are owned by the bidder or its affiliates and are located in the same jurisdiction (City or Town) where the project is located are in substantial compliance with applicable State and local housing statutes, regulations, ordinances and codes. See Attachment F, Certification of Substantial Compliance.
- High Bidder has the option to file the required Previous Participation Certification (Form HUD-2530) in electronic or paper format. **For questions concerning APPS contact the Multifamily Housing Systems Help Desk at 1-800-767-7588. For questions concerning Secure Systems contact the REAC Help Desk at 1-888-245-4860.**
- Closing is to be held thirty (30) days after HUD notifies the High Bidder that they are qualified to purchase the Project being offered.
- If HUD authorizes an extension of the closing, the Purchaser must pay a fee which is the greater of 1.5% of the bid price or HUD's holding costs of \$28.74 per unit, per day for each thirty (30) day period.
- Riders placed in the Deed will include the following: Hazards, Nondiscrimination Against Section 8 Certificate Holders and Voucher Holders.
- **OUTSTANDING ENCUMBRANCES THAT SURVIVE FORECLOSURE:** Purchaser is responsible for paying all outstanding encumbrances and expenses, including, but not limited to, taxes, assessments, utility bills and any liens not extinguished by the foreclosure. Bidders are advised to determine outstanding expenses, taxes, utilities, assessments, and liens as part of the due diligence process and take them into consideration when bidding.

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

INFORMATION AND BID KIT

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

<http://www.hud.gov/subscribe/signup.cfm?listname=Multifamily%20Property%20Disposition&list=mfpd-l>. If you do not have access to the internet or cannot download a PDF file, you may contact the Realty Specialist identified below to obtain a copy of the bid kit.

Bids for Greater St. Stephens Manor Apartments:

MUST BE PRESENTED ON: May 19, 2011

At: 1:00 pm (local time)

Location of Foreclosure Sale:

U. S. Department of Housing and Urban Development
Hale Boggs Building
Training Room, 9th Floor
500 Poydras Street
New Orleans, LA 70130

HUD Office and Contact Information for submission of documents:

Fort Worth HUD Office
Multifamily Property Disposition Center, 6AHMLAT
801 Cherry Street, Unit #45, Ste. 2500
Fort Worth, TX 76102

Realty Specialist: Debie Bolin

Phone: (817) 978-5822

Fax: (817) 978-6018

Email: debie.f.bolin@hud.gov

INSPECTION OF PROPERTY

HUD does not own or operate this facility and cannot grant access for viewing. Viewing is at the discretion of the current owner.

ATTACHMENT B

TERMS AND REQUIREMENTS OF FORECLOSURE SALE - ACKNOWLEDGMENT BY BIDDER

PART I

BID PRICE - The Undersigned, _____, (the "Bidder") submits a bid of dollars (\$) _____ at the foreclosure sale of Greater St. Stephens Manor (the "Project"), the legal description of which is included as Exhibit A, to be paid as follows:

1. \$ 25,000 in the form of a money order, cashier's or other bank check, as earnest money, which has been paid at the foreclosure sale to the person that conducts the foreclosure sale, and which shall not earn interest (the "Deposit"), **and**
2. \$ _____ the balance, to be paid by the Bidder at Closing, in the form of a cashier's or other bank check in accordance with this Acknowledgment. The Closing will be held at a place, date and time established in accordance with Section 5 below (the "Closing").
3. In addition to the above, the Bidder will be required to pay at Closing all closing costs, regardless of local custom, and, where applicable, other deposits to reserve and/or letters of credit as described in Riders incorporated herein, the Invitation for Bid (Invitation), and the Foreclosure Sale Use Agreement (Use Agreement).

PART II

If selected as the high Bidder at or after the foreclosure sale, the Bidder, by executing this document (the "Acknowledgment"), acknowledges that the Bidder must comply with the following requirements as a condition to purchasing the Project:

1. **ACKNOWLEDGMENT OF TERMS** - Bidder affirms to have full knowledge of the all terms, conditions and requirements contained in this Acknowledgment and documents referred to herein, the invitation and Attachments, and the Notice of Default and Foreclosure Sale. Bidder must execute this document.
2. **EXECUTION OF USE AGREEMENT** - At Closing, Bidder will, in addition to any other documents, execute the Foreclosure Sale Use Agreement and all of the Exhibits to the Use Agreement as contained in the Invitation to Bid. Such documents will control the use of the Project for a specified period and will be recorded with the Deed and run with the land.
3. **CERTIFICATION OF SUBSTANTIAL COMPLIANCE** - The high bidder must also provide Certification to HUD (within two days of the foreclosure sale date) that any other projects that are owned by the high bidder or its affiliates and are located in the same jurisdiction as the project are in substantial compliance with applicable State and/or 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. 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 (see Attachment F).
4. **PREVIOUS PARTICIPATION CERTIFICATION** -
 - (a) **Two Days following Foreclosure Sale:** The high Bidder must submit **within two** (2) Federal Government business days of the foreclosure sale either:
 - (i) a completed paper form HUD-2530s with original signatures for the purchasing entity and all principals (see Section 4, paragraph 2 for complete instructions.), **or**
 - (ii) certification to HUD that the Bidder has registered in APPS and Secure Systems. This certification can be in the form of a copy of the 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 16, for printing instructions). The high Bidder is also responsible for submitting any changes necessary for principals, tax ID, and ownership in the APPS system. (see Section 4, paragraph 2 for complete instructions.)
 - (b) **Ten Days following Foreclosure sale: If the owning entity will be different than the bidding entity,** not later than ten (10) Federal Government business days after being verbally notified at the foreclosure sale of being the High Bidder, the Bidder must, submit either:
 - (i) a completed paper form HUD-2530s with original signatures for the owning entity and all principals (see Section 4, paragraph 2 for complete instructions.), **or**
 - (ii) certification to HUD that the owning entity has registered in APPS and Secure Systems. This certification can be in the form of a copy of the 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 16, for printing instructions). The High Bidder is also responsible for submitting any changes necessary for principals, tax ID, and ownership in the APPS system. (see Section 4, paragraph 2 for complete instructions.)
 - (c) **Fifteen Days following Foreclosure Sale:** If the High Bidder (owning entity) elected to file the required Form HUD-2530 electronically (e2530) and did not submit the paper Form HUD-2530s within the time frames specified above, the high Bidder and/or Management Agent must electronically file the e2530 within fifteen (15) days of the foreclosure sale and fax a printed copy of the 2530 Submission Package to the HUD Office at (817) 978-6018 (see APPS User Guide-Industry, Chapter 16, for printing instructions). Please refer to Section 4, paragraph 2 for complete instructions.
5. **ESTABLISHMENT OF CLOSING DATE, TIME AND PLACE**
 - (a) Time is of the essence.
 - (b) HUD will notify the Bidder and the person conducting the foreclosure sale (the "Foreclosure Commissioner") after HUD determines that the Bidder is eligible to purchase the property. The

eligibility may be conditioned upon the Bidder obtaining HUD approval of a professional management firm to operate the property, prior to closing. Approval to purchase is subject to review and approval of HUD forms as required for purchase in Section 4 (Post Foreclosure Sale Procedures), and in Attachment B, Terms and Requirements of Foreclosure Sale, Acknowledgement by Bidder, specifically the Rider "Submission of Documents Prior to Closing" and applied as checked. The Foreclosure Commissioner will establish a time and date for the Closing. The Closing **shall be within thirty (30) days of such notification**, unless extended pursuant to Section 9.

- (c) The Closing will take place at the HUD office stated in the Invitation or at such other place as may be agreed upon between HUD and the Foreclosure Official.
- 6. CLOSING, CLOSING EXPENSES AND TRANSFER OF POSSESSION
 - (a) The sale shall be effective upon Closing.
 - (b) Bidder (Purchaser) shall pay all closing costs and expenses, excluding fees for the transfer of title and recordation of the Use Agreement, irrespective of local custom.
 - (c) Transfer of title to and possession of the Property shall become effective as of the Closing.
- 7. PAYMENT OF PURCHASE PRICE AT CLOSING - The Bidder (Purchaser) shall pay the balance at Closing in the form of a cashier's or other bank check made out to:

THE SECRETARY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The Closing will be held at a place, date and time established in accordance with Section 5 above.

- 8. LIQUIDATED DAMAGES - Should Bidder fail or refuse to perform all obligations under this Acknowledgement for any reason including, but not limited to, failure to establish the legal entity that is to take title in a timely manner that permits Closing within the deadline set forth in Section 5, the earnest money deposit and any extension fees, paid under Section 9, shall be remitted to and retained by HUD as liquidated damages.
- 9. EXTENSION FEES – Extensions of time to close the sale are within HUD's sole and absolute discretion. Any extensions, if granted, will be on the following conditions:
 - (a) A written request for an extension must be received within ten (10) days prior to the prescribed closing date, or within any extension period and **must be accompanied by the payment** of the required extension fee. The request must be submitted to the HUD office located at:

Department of Housing and Urban Development
Attn: Ruth E. Pompa, Director
Fort Worth Multifamily PD Center
801 Cherry Street, Unit #45, Ste. 2500
Ft. Worth, TX 76102

The request must state the reason for Bidder's inability to close the sale within the initial period or any extended period.

- (b) Extensions shall be for thirty (30) days.
- (c) For each thirty (30) day period requested by Bidder and approved by HUD, extension fees shall be equal to \$ 28.74, per unit, per day, which is \$ 1,207.08 daily, a cost of \$ **36,212.40**, which covers the 30-day period (the holding cost for such period) or one and one-half percent (1.5%) of the purchase price, whichever is greater.
- (d) These fees shall be retained by HUD and shall not be credited to the amount due from Bidder at Closing. However, if Bidder closes prior to the expiration of an extension period, the prorated amount of the extension fee, for the unused portion of the extension period, shall be credited toward the amount due from Bidder 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, an extension fee must be paid for this period.
- (g) Extension Fees must be submitted by money order, certified, cashier's or other bank check acceptable to HUD.
- 10. BIDDER RESTRICTIONS
 - (a) No Member of/or Delegate to Congress, resident commissioner, or local elected official, shall be admitted to 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 with a corporation for the corporation's general benefit.
 - (b) If Bidder is, or becomes suspended, debarred, or temporarily denied from participating in HUD programs prior to closing, this sale shall be terminated. In addition, if such suspension, debarment or temporary denial of participation occurs either before or after Bidder's execution of this Acknowledgment, any extension fees paid under Section 9 shall be retained by HUD as liquidated damages.
 - (c) Pursuant to 24 CFR Part 27, 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 the Department under this subpart or any other provision of law. A "principal" and an "affiliate" are defined as provided at 24 CFR 200.215.
- 11. AS-IS SALE; NO REPRESENTATIONS
 - (a) Bidder shall accept the Property "as is." HUD makes no representations or warranties concerning the physical condition of the Property. 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 Property.
 - (b) Bidder acknowledges that the purchase price set forth in this Acknowledgment is based on Bidder's evaluation of the project and not upon any representations by HUD. Bidder's failure to inspect, or to be fully informed as to any

factor bearing upon the valuation of the Property, shall not affect the liabilities, obligations or duties of HUD, nor be a basis for termination of this sale or for the return of any extension fees paid pursuant to Section 9.

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 other than willful acts or neglect, HUD, in its sole discretion, may negotiate with the Bidder for a reduction in the sales price corresponding to the estimated amount of damages. Such damages shall be added to the Post-Closing repair requirements, HUD Form – 9552 if included in the Invitation. If HUD and the Bidder are unable to agree on the amount by which the purchase price should be reduced or on the amendment to the repair requirements, Bidder may withdraw the bid, in which case HUD will direct the return of the earnest money deposit and any extension fee(s) will be returned.
13. PRORATIONS
- (a) Except, as set forth in paragraph (b) below, there will be no prorations at Closing. The Bidder will be responsible **not only** for those expenses incurred at the Project after Closing, but also expenses which may be due and payable at the time of Closing.
Please note that expenses after closing may be inclusive of prior or unpaid services for utilities, Assessments and/or liens which are not extinguished by the foreclosure actions. Prospective purchasers are required to determine outstanding expense/assessments/liens as part of their due diligence and take those outstanding expenses into consideration when submitting bids.
- (b) At Closing, the Bidder will pay the Foreclosure Official a prorata share of any property taxes on the Project which have been previously paid for by HUD for a period of time ending after the date of Closing. The Bidder will be responsible for paying in full, all taxes.
- (c) No later than fifteen (15) days before Closing, HUD will notify the Bidder of the amount the Bidder is to pay the Foreclosure Official as the prorata share of taxes.
14. SECURITY DEPOSITS - APPLICATION AS CHECKED:
- Notwithstanding State or local law, the Bidder will receive only those security deposits which are on hand at the Project on the date of Closing. The Bidder will assume all liability under State and local law with respect to deposits.
15. LIMITATION OF LIABILITY - Notwithstanding any other provisions of this sale, HUD's liability shall not exceed the amount of funds paid by Bidder to HUD and/or the Foreclosure Official hereunder.
16. ANTI-COLLUSION CERTIFICATION
- (a) The 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 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 Bidder to induce any other Bidder to submit or not to submit a bid price for the purpose of restricting competition.
- (b) If the bid procedure requires or permits written bids, each signature on the offer is considered to be certification by the signatory that the signatory:
- (i) Is the person in the Bidder's organization responsible for determining the bid price being offered in this bid 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
or determining price _____
- a. As an authorized agent, does certify that the principals named in the above have not participated, and will not participate, in any action contrary to paragraph (a) above; and
- b. As 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 Bidder to comply with any of the requirements listed above, HUD may declare the Bidder ineligible to purchase the Project, in which case Bidder shall forfeit the 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, 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. FORMS - All forms and instruments referred to in this Acknowledgment are the standard Form HUD and instruments prepared by HUD and used by HUD in the jurisdiction in which the Property is located and shall contain such additional covenants and conditions required by the Invitation for Bid or Request for Proposals.

20. EXECUTION

- (a) By signature below, Bidder indicates acknowledgment of and agreement to the terms and requirements of this foreclosure sale.
- (b) In the case of a bid submitted by an agent or representative of the Bidder, the signatory attests to be duly authorized to submit the bid on behalf of the Bidder and to execute this Acknowledgment.

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.

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

Witness: _____
Typed Name: _____

By: _____
Typed Name: _____

Address: _____

City, ST Zip: _____

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

PREVIOUS PARTICIPATION CERTIFICATION AND SUBMISSION OF DOCUMENTS PRIOR TO CLOSING

1. Certification of Substantial Compliance

Required within two (2) Federal business days of the foreclosure sale date: The high bidder must provide Certification to HUD that any other projects that are owned by the high bidder or its affiliates and are located in the same jurisdiction as the project are in substantial compliance with applicable State and/or 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. 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 (see Attachment F).

2. Previous Participation Certification Requirements

Required within two (2) Federal business days of the foreclosure sale date:

(a) The high bidder must file with the Fort Worth HUD office a detailed organizational chart reflecting all principals and their ownership interest in the purchasing entity. The high bidder must also submit completed paper form HUD-2530s, with original signatures, for the purchasing entity and all principals,

Or

(b) The high bidder must file the electronic 2530 submissions and comply with the requirements and time frames specified below.

Required within ten (10) Federal Government business days of the foreclosure sale date:

If the owning entity will be different than the bidding entity, the owning entity must submit:

(a) The owning entity must file with the Fort Worth HUD office a detailed organizational chart reflecting all principals and their ownership interest in the purchasing entity. The owning entity must also submit completed paper form HUD-2530s, with original signatures, for the purchasing entity and all principals,

Or

(b) The owning entity must file the electronic 2530 submissions and comply with the requirements and time frames specified below.

For First Time Participants: If you or your company are not registered in HUD’s Active Partners Performance System (APPS) and/or HUD’s Secure Systems, not later than **two (2)** Federal business days after verbally notified at the foreclosure sale of being the high Bidder, the Bidder must register in APPS, which allows for the electronic submission of the Previous Participation Certification Form HUD 2530 and Secure Systems as outlined in Section 2 of the Invitation to Bid. Bidder must fax a copy of the Participant Successfully Registered page from the APPS system and a copy of the Multifamily Coordinator and User Registration page from the Secure Systems registration to the Realty Specialist identified in the Property at a Glance to (817) 978-6018.

After receiving a Coordinator/User ID, participant must reenter the APPS system and complete the 2530 application process. Not later than **fifteen (15)** Federal business days after verbally notified at the foreclosure sale of being the high Bidder, the high Bidder must fax a copy of the 2530 Submission Package from the APPS system to the Realty Specialist identified in the Property at a Glance to (817) 978-6018.

For Participants Registered in APPS and Secure Systems:

Not later than **two (2)** Federal business days after verbally notified at the foreclosure sale of being high Bidder, the Bidder must fax a copy of the Participant Detail page to the Realty Specialist identified in the Property at a Glance to (817) 978-6018.

Required within fifteen (15) Federal business days of the foreclosure sale date:

Not later than **fifteen (15)** Federal business days after verbally notified at the foreclosure sale of being the High Bidder, the High Bidder/Owning Entity must fax a printed copy of the 2530 Submission Package from the APPS system to the Realty Specialist identified in Section 1, Paragraph 10 of the Invitation to (817) 978-6018.

NOTE: Any change in ownership entity will require changes (updating) in the APPS system. Participants (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.

3. Submission of Documents Prior to Closing

Not later than **ten (10)** Federal business days after verbally notified at the foreclosure sale of being the high bidder, the **Bidder must demonstrate the ability to meet HUD requirements** for purchase of the Project by submitting the documents checked below to the Realty Specialist identified on the Property At A Glance.

- Personal Financial and Credit Statement (Form HUD 92417) for each principal and general partner

By initialing hereunder, the Bidder acknowledges that this Rider is incorporated into and is a part of the Terms and Requirements of Foreclosure Sale – Acknowledgement by Bidder

Bidder _____

ATTACHMENT C
FORECLOSURE SALE USE AGREEMENT

This 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. (the "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 Greater St. Stephens Manor, HUD Project No. 064-EE083, (the "Project" or the "Property") 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 1715z-11a(a), Management and Preservation of HUD-Owned Multifamily Housing Projects, and the Department of Housing and Urban Development regulations thereunder at 24 CFR Part 290, the Secretary has authority to impose certain use restrictions, as set forth in this Agreement, on the property subject to a mortgage held by the Secretary that is 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 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 for this property
During the term of this Agreement, any conveyance of the project must have prior written approval of HUD. Any request for HUD's approval of conveyance must include the entity and all principals obtaining 2530 Previous Participation Clearance, a Signed Certification of Substantial Compliance (if a conveyance), and a Agreement to Abide by Use Agreement (if a conveyance). Conveyance is defined as any sale, assignment, transfer, leasehold estate, or conveyance of the property or any ownership interest. In addition, a merger, conversion, share exchange, long term leasehold estate, interest exchange of corporate or partnership interest is also considered a transfer/conveyance of the property and require prior written approval from HUD.
The preceding provisions shall be applicable and in full force and effect notwithstanding that any applicable statutory law or case decision provide that any such merger or conversion or share (or interest) exchange, or leasehold estate transaction does not constitute or involve the occurrence of a "transfer" or "assignment" of real estate interest or other assets of a constituent party to any such transaction.
3. **SUBJECT TO EXAMINATION – If redeveloped as rental housing, the Project shall at all times,**
 - (a) Be maintained in decent, safe and sanitary condition and in good repair to the greatest extent possible,
 - (b) Maintain full occupancy to the greatest extent possible,
 - (c) Be maintained as rental housing for the term or the remainder of the term of this Agreement.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 being met.
4. **NON-DISCRIMINATION REQUIREMENTS** - The Purchaser will comply with the provisions of all federal, state, or local laws prohibiting discrimination in housing.
5. **HAZARD INSURANCE – If redeveloped as rental housing,** hazard insurance shall be maintained in an amount to ensure that the Purchaser is able to meet the rental housing requirements described in this Agreement.
6. **DEMOLITION OF PROJECT PROPERTY – If redeveloped as rental housing,** the Purchaser will not demolish any part of the Project or withdraw any part of the Project from use (except as temporarily necessary for routine repairs), without the prior written approval of HUD.
7. **REMEDIES FOR NONCOMPLIANCE** - Upon any violation of any provision of this Agreement by the Purchaser, HUD may give written notice thereof to the Purchaser by registered or certified mail, addressed to the address stated in this Agreement, or such other address as subsequently, upon appropriate written notice thereof to the Secretary, may be designated by the Purchaser 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 Agreement and may apply to any court, State or Federal, for specific performance of this Agreement, for an injunction against any violation of this agreement, for the appointment of a receiver to take over and operate the Project in accordance with the terms of this 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 Agreement would be irreparable and the amount of damage would be difficult to ascertain.

The availability of any remedy under the 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.

- 8. **SUCCESSORS AND ASSIGNS** -This 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 Agreement, the Purchaser will require its purchaser to assume in writing its obligations under this Agreement.
- 9. **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.
- 10. **CONTRADICTORY AGREEMENTS** - The Purchaser certifies that it has not, and agrees that it will not, execute any other agreement with provisions contradictory of, or in opposition to, the provisions of this agreement, and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations set forth herein and supersede any other requirements in conflict with this Agreement.
- 11. **SEPARABILITY** - The invalidity of any provision of this Agreement shall not affect the validity of the remaining provisions hereof.
- 12. **AMENDMENT** - This Agreement may be amended by the mutual written consent of the parties, except those provisions required by statute.
- 13. **RIDERS TO THE USE AGREEMENT** - The Riders checked and initialed by the parties are attached to and incorporated into this Use Agreement and will be placed in the Deed to run with the land.

- Hazards
- Nondiscrimination Against Multifamily Section 8 Cert/Voucher Holders

IN WITNESS WHEREOF:

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

WITNESS:

FOR: THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

BY: _____

Official's Typed Name

Title

Exhibit A
Legal Description

LOT E, SQUARE 511, CITY OF NEW ORLEANS, LOUISIANA

A certain portion of ground together with all the buildings and improvements thereon, and all the rights, ways privileges, servitudes, appurtenances and advantages thereunto belonging or in anywise appertaining, situated in the State of Louisiana, Parish of Orleans, Sixth Municipal District, City of New Orleans, designated as LOT E, SQUARE 511, bounded by Loyola Street (side), Toledano Street, (side), South Saratoga Street and Louisiana Avenue, and is more fully described as follows:

Begin and the intersection of the northerly right-of-way line of South Saratoga Street, and the easterly right-of-way line of Louisiana Avenue;

Thence, go along the aforesaid easterly right-of-way line, in a northerly direction a distance of 114.00 feet to a point;

Thence, turn an interior angle to the left of 90 degrees, 00 minutes, 00 seconds, a distance of 128 feet to a point;

Thence, turn an interior angle to the left of 90 degrees, 00 minutes, 00 seconds, a distance of 114.00 feet to a point, marked by an iron rod (set);

Thence, turn an interior angle to the left of 90 degrees, 00 minutes, 00 seconds, a distance of 128 feet to the POINT OF BEGINNING, said point forms an interior angle of 90 degrees, 00 minutes, 00 seconds.

Said property is composed of the whole of original Lots 20, 21, 22 and 23, according to a survey dated January 18, 1934, annexed to act before Warren V. Miller, N.P., dated January 29, 1934, and according to a survey made by Adloe Orr, Jr. and Associates, dated June 30, 1967, redated November 2, 1967, said portion is designated as Lot E, which survey was approved by City Planning Commission on November 3, 1967 and recorded in C.O.B. 679, FOLIO 210 on November 28, 1967.

The improvements on said property bearing Municipal 2101-03 Louisiana Avenue.

Acquired by Greater St. Stephens Ministries by Act of Credit Sale and Assignment of Rents dated 6/29/95 before Leon H. Rittenberg, Jr. N.P. recorded at CIN 106920, Orleans Parish on 6/30/95.

Further acquired by Credit Sale from Dillard University to Smith Hall Foundation by act before Leon H. Rittenberg, Jr., Notary Public, dated May 19, 1994, registered in the conveyance records of Orleans Parish as Instrument Number 87481.

FURNISHED AS INFORMATION ONLY; INTERESTED PARTIES MUST ASCERTAIN LEGAL DESCRIPTION THROUGH THEIR OWN DUE DILIGENCE.

NONDISCRIMINATION AGAINST MULTIFAMILY SECTION 8 CERTIFICATE HOLDERS AND VOUCHER HOLDERS
(If redeveloped for rental housing)

The Use Agreement shall contain 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, any/all 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 application, for tenants or applicants with Section 8 Certificates or Vouchers, to those units that 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 are in violation of 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 2
HAZARDS

The Use Agreement includes the following provisions:

1. **Lead-based Paint:**

In order to comply with 42 USC §§4821-4886 and the regulations thereunder, 24 CFR Part 35 (the "Regulations"):

- 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 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.

Purchaser understands and agrees that the Secretary'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.

Purchaser agrees to indemnify, defend, and hold the Secretary 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.

Purchaser agrees to comply with Section 35.88 "Disclosure Requirements for Sellers and Lessors" and Section 35.92 "Certification and Acknowledgement of Disclosure" of 24 CFR – *Lead-Based Paint Poisoning Prevention in Certain Residential Structures*.

2. **Asbestos:**

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.

Purchaser shall develop and maintain on the site at all times an Operations and Maintenance Plan which will identify areas which involve asbestos hazards and establish work/repair guidelines.

3. **Mold:**

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 mold health hazards, and Purchaser's responsibility for complying with applicable Environmental Protection Agency's regulations and state and local laws and regulations.

Purchaser covenants that the Project will be inspected and tested for mold and mold conditions, and any hazards will be remediated. The purchaser will remediate the mold or mold conditions in accordance with the relevant provisions of the Environmental Protection Agency regulatory standards and guidelines.

Purchaser covenants that any mold hazards will be remediated in accordance with applicable federal state, and local laws, regulatory standards and guidelines, including without limitation the Environmental Protection Agency (EPA) Guidelines.

4. **Harmful Chemical Hazards:**

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 **potential Harmful Chemical Health Hazards**, and Purchaser's responsibility for complying with applicable Environmental Protection Agency's regulations and state and local laws and regulations.

Purchaser covenants that the Project will be inspected and tested for **Harmful Chemical Hazards** and any hazards will be remediated. The Purchaser will remediate the **Harmful Chemical Hazards** in accordance with the relevant provisions of the Environmental Protection Agency regulatory standards and guidelines.

Purchaser covenants that any potential **Harmful Chemical Hazards** will be remediated in accordance with applicable federal, state, and local laws, regulatory standards and guidelines, including without limitation the Environmental Protection Agency (EPA) Guidelines.

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 E
PHASE I
ENVIRONMENTAL SITE ASSESSMENT
Greater St. Stephens Manor
2101 Louisiana Avenue
New Orleans, LA 70115

1.0 EXECUTIVE SUMMARY

A Phase I ESA was performed at the above-referenced property (hereinafter, the site) to assess the environmental condition of the site in accordance with our Proposal No. 09-0502ESA, dated May 2, 2009 in general accordance with ASTM E1527-05 Standard Practice for Phase I Environmental Site Assessments. The scope of work included review of historical use information, review of physical setting information, review of federal and state regulatory databases, review of local government records, historical and on-site interviews, and a visual reconnaissance of the site and adjoining properties. Further details regarding the scope, objectives, extent and limitations of our services are detailed in the text of this report. Please note that this Executive Summary is only a brief summary of these Phase I ESA services, and the entire report should be read for a comprehensive and accurate understanding of Findings, Conclusions and Recommendations.

1.1 Findings and Opinions

1.1.1 Site Description

The site is located at 2101 Louisiana Avenue, New Orleans, LA 70115. Adjoining streets include Louisiana Avenue towards the west and Saratoga Street towards the south. The site is currently occupied by Greater St. Stephens Manor Apartments.

Greater St. Stephens Manor is currently vacant. The building has a stucco and CMU brick exterior with concrete flooring, metal studs and concrete ceilings. All materials have been removed during a mold remediation activity that occurred after Hurricane Katrina.

1.1.2 Findings & Opinions (*de minimus*, suspect or known RECs)

Based upon this assessment, the following de minimus, known or suspect RECs were identified:

Site was listed as a manufacturing plant as depicted on the 1909 Sanborn Map. Based upon the period of time since the manufacturing plant was last in place and it not being labeled on the Federal or State Database sites, this does not appear to be an REC for the site at this time.

1.1.4 Other Services

➤ **ACM Sampling Program**

Limited asbestos survey of the site. A total of 6 samples were collected from various locations of the building. Of the six samples collected five were considered to be positive for asbestos. The positive samples were identified as CMU block and the stucco.

➤ **Fungal Growth Sampling Program**

A limited number of fungal growth samples in areas where visual fungal growth was observed. A total of four samples were collected in various areas of the site. These samples were collected from the site and submitted for analysis. The samples contained the following types of fungal growth or mold spores: aspergillus/penicillium, Chaetomium and stachybotrys.

➤ **Radon Sampling Program**

A limited radon screening was performed to check radon gas levels. A total of two samples were collected from the site. The samples were collected on activated charcoal and were submitted for analysis. Radon analytical results were below the EPA action level of 4.0 pCi/L.

1.2 Recommendations

The following Recommendations apply to the Findings listed above:

➤ **ACM Identified:** For ACMs identified, it is recommended that they be placed under an Operations & Maintenance (O&M) Program. Note that this was a limited survey; a comprehensive ACM inspection would be necessary to more fully evaluate the presence of ACM throughout the site structure(s) prior to any future renovation and/or demolition activities for this site (that would disturb ACMs). Such activities should be undertaken by licensed personnel in accordance with applicable federal, state and local rules and regulations.

➤ **Fungal Growth Assessment:** Areas that were identified as containing fungal growth will be required to be removed and replaced or thoroughly cleaned during renovation activities. Although, inspector tries to observe all areas that are visible for fungal growth areas, please be advised that some areas were inaccessible or fungal growth was not apparent during the site reconnaissance

Certification of Substantial Compliance

Attachment F

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/or local housing statutes, regulations, ordinances and codes and are listed on Schedule A attached hereto.

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

Title

Address

Telephone Number

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