

Unsubsidized



U. S. Department of Housing and Urban Development
Multifamily Property Disposition
307 W. 7th Street, Suite 1000
Fort Worth, TX 76102

FORECLOSURE SALE

The following property is offered for sale at foreclosure in the manner specified below:

Name: **Paul Brown Lofts**

Address: 206 N 9th Street, Saint Louis, MO 63101-1417

No. of Units/Type: 222 Unit Multi-Family Residential / Commercial

Use Restrictions / Conditions of Foreclosure Sale

Foreclosure Sale Use Agreement with the following Riders attached:

- Two Year Rent Protection For Pre-Existing Very Low-Income Tenants.
- Non-Discrimination Against Section 8 Certificate and Voucher Holders.
- Repair and Rehabilitation - requires \$11,922,370.00 in Capital improvements
- Environmental Hazards.
- Historical Preservation.

And Tenant's Protection Against Foreclosure (Attachment H)

Special Conditions/Announcements:

Open House: Tuesday, June 10, 2025

Location: Paul Brown Lofts - 206 N 9th Street Saint Louis, MO 63101

Time 11:00 AM - 2:00 PM

Written bids will be accepted no later than two **(2) business days** prior to the date of the Foreclosure Sale. Mail bids to: ATTN: Kelly Derryberry 504 Autumn Springs Court, Suite 26, Franklin, TN 37067 by Thursday, July 10, 2025, at 12pm (local time).

Oral Bids will be accepted **on the day** of the foreclosure. The Foreclosure Sale will commence promptly at ~~11:00 am~~ (local time) on. Monday, July 14, 2025, and located at:

East Front Door of the City of Saint Louis Court House - the Civil Courts Building, 11th and Market Streets: 10 N. Tucker Boulevard, St. Louis, Missouri

Realty Specialist Contact Information:

Ms. Wil'Lwin Wallace Chochola
Multifamily Property Disposition Division
307 W 7th Street, Suite 1000
Ft. Worth, TX 76102
817-978-6023

willwin.wallacechochola@hud.gov (preferred contact) or mfpd.incoming@hud.gov

INVITATION TO BID

Consistent with and subject to the terms and conditions herein, there is an opportunity to make an offer to purchase the Project, more particularly described below. This document, titled Invitation to Bid, sometimes referred to herein as the "Invitation," and commonly known as the "Bid Kit," sets forth the terms and conditions for the submission of a bid to acquire the Project at the foreclosure sale of the Project. This Invitation also includes information concerning Previous Participation Certification requirements, terms, conditions, and a list of the forms necessary to submit a complete, responsive bid.

DEFINITIONS

1. *Act*: The Multifamily Mortgage Foreclosure Act, 12 U.S.C. §3701-17, as amended.
2. *Acknowledgment*: The contract executed at the Foreclosure Sale by the High Bidder, obligation the High Bidder to the terms and conditions of the Foreclosure Sale. The form is attached to this Invitation as Attachment A.
3. *Affiliate*: An individual or entity as defined in 2 C.F.R. §180.905 - Affiliate. An individual or entity is an affiliate of each other if, directly or indirectly, when either one controls or has the power to control the other or a third person controls or has the power to control both. The ways HUD may determine control include, but are not limited to, (a) interlocking management or ownership; (b) identity of interests among family members; (c) shared facilities and equipment; (d) common use of employees; or (e) a business entity which has been organized following the exclusion of a person which has the same or similar management, ownership, or principal employees as the excluded person. Affiliates of the defaulting borrower are prohibited from being the High Bidder.
4. *Approved High Bidder*: The High Bidder who, after the Foreclosure Sale, submits the Post-Bid Documents, demonstrates its eligibility to purchase the Property, and is approved by HUD to proceed to Closing.
5. *Balance*: The amount of money the High Bidder must pay at Closing. Balance is calculated by taking the High Bid amount less the Earnest Money Deposit plus all initial deposits to escrows and/or reserve accounts HUD may require as a condition of sale, less the proration of any Extension Fees and any outstanding encumbrance that survived the Foreclosure. Funds shall be paid only in the form of certified funds or cashier's check made payable to: THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.
6. *Bidder*: An individual or entity that meets the eligibility requirement of this Invitation and registers with the Foreclosure Commissioner.
7. *Bid*: A legal offer from a Bidder of a certain amount to purchase the Property, submitted to the Foreclosure Commissioner either; (1) in writing two business days prior to the sale, or (2) orally during the Foreclosure Sale. No offers submitted via email, facsimile, orally to HUD staff prior to, during, or after the Foreclosure Sale will be considered valid bids.
8. *Closing*: The date where the obligations of HUD and High Bidder in the Acknowledgment are completed, including the transfer of title to the Property and the personal property to the High Bidder, which shall take place at a time specified by HUD.
9. *Controlling Participants*: Any individual and entity HUD determines to exercise financial or operational control over the owner, operator, borrower, management agent, landlord, construction manager, and general contractor. See 24 CFR §200.212 and §200.216.
10. *Earnest Money Deposit*: The amount identified in Section III, Subsection 4, that a Bidder must provide during the Foreclosure Sale to be eligible to submit a Bid.

11. *Electronic Registration:* Electronic Registration refers to the Business Partner Registration system HUD uses to register all new partners we do business with. Through this system, a partner can register to do business with HUD, submit their Form HUD 2530, and obtain a WASS User ID to enable the processing and receipt of subsidies, including Section 8 vouchers for relocations. Please refer to Section II.
10. *Extension Fees:* A fee HUD assesses when the High Bidder requests an Extension Period for Closing. If authorized, the Approved High Bidder must pay for the entire Extension Period, the amount of which HUD determines, consistent with current policies and procedures.
11. *Extension Period:* An additional thirty (30) calendar day period that HUD may give for the Closing to occur.
12. *Foreclosure Commissioner:* An individual or entity HUD designates to conduct the Foreclosure Sale, pursuant to 12 U.S.C. §3704 and 24 C.F.R. §27.10. A Foreclosure Commissioner is designated for each sale due to varying circumstances.
13. *Foreclosure Deed:* A no warranty deed that gives the High Bidder title to the Property. Form of the deed must comply with the Act.
14. *Foreclosure Sale:* Sale of the Property pursuant to 12 U.S.C. §3710.
15. *Grantee:* Also known as the successful high bidder, the buyer, or the new owner.
16. *High Bid:* The highest responsive bid amount received by the Foreclosure Commissioner at the Foreclosure Sale.
17. *High Bidder:* The bidder at Foreclosure Sale that submits the highest responsive bid amount to the Foreclosure Commissioner.
18. *Invitation:* This Invitation to Bid including all the accompanying exhibits, sets forth the terms and conditions of the sale of the Property at the Foreclosure Sale and includes information about the documents and actions necessary to submit a complete and responsive bid and for HUD to approve a bidder as qualified.
19. *Letter of Credit (LOC):* A document issued by a bank authorizing the bearer to draw a certain amount of money to cover repairs the bearer is contractually obligated to make.
20. *Owner:* The individual or entity that owns the Property after Closing. The terms Owner, High Bidder, and Approved High Bidder often refer to the same individual or entity but are used separately to designate the point of the Foreclosure Sale.
21. *Previous Participation Certification:* This Certification is also referred to its form number, Form HUD-2530 or e-2530, is required pursuant to HUD Notice H 2016-15 Processing Guide for Previous Participation Reviews of Prospective Multifamily Housing and Healthcare Programs' Participants. It's used to disclose current and previous property ownership and management experience to HUD. Any Controlling Participant who is engaged to do business with HUD is required to submit this form, either electronically or paper copy, and receive an approval prior to conducting business with HUD.
22. *Post-Bid Documents:* All documents, statements, and forms listed in the Invitation that must be submitted by the High Bidder and its principals and management company, if any, in order to be considered for HUD-approval.

23. *Post-Closing Repairs*: All HUD-required repair and/or rehabilitation work that the Approved High Bidder/Owner must perform after Closing in a workmanlike manner, and compliant with state and local codes, laws, ordinances, regulations, and HUD's Physical Condition Standards found in 24 C.F.R. § 5.703. If Post-Closing Repairs are required, this information will be disclosed in the attachments to this Invitation, with a list of HUD-required repairs on Form HUD-9552. HUD has estimated the cost of these repairs. Actual costs ultimately incurred by the Approved High Bidder/Owner may be more or less than the estimates.
24. *Principal*: (a) an officer, director, owner, partner, principal investigator, or other person within an entity with management or supervisory responsibilities related to a covered transaction; or (b) a consultant or other person, whether or not employed by the participant or paid with Federal funds, who (1) is in a position to handle Federal funds; (2) is in a position to influence or control the use of those funds; or, (3) occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction; or (c) a person who has a critical influence on, or substantive control over, a covered transaction, whether or not employed by the participant. For a complete definition, see 2 C.F.R. §180.995 — Principal, as supplemented by 2 C.F.R. §2424.995.
25. *Property (aka Project)*: The multifamily housing property for sale in this Invitation and all real and personal property appurtenant thereto.
26. *Property Summary*: Exhibit C to the Invitation that contains summarized information about the Property and contact information for the Realty Specialist. The information contained therein is intended to help Bidders perform due diligence and is the extent of information that HUD will give about the Property.
27. *Realty Specialist*: HUD staff member, identified on the cover page and the Property Summary, who can be contacted concerning the Property or the Foreclosure Sale.
28. *Second High Bidder*: The responsive Bidder with the second highest Bid at the Foreclosure Sale. If sale to the High Bidder is not completed, HUD may contact the Second High Bidder to accept its Bid.
29. *Use Agreement*: The Foreclosure Sale Use Agreement, if applicable, will be attached to this Invitation. The Approved High Bidder will execute at Closing, and which will run with the land to bind the Owner and any permitted successors and assigns, to purchase and/or manage the Property. This may be an addition to any Deed restrictions.

SECTION I: INTRODUCTIONS AND GENERAL INFORMATION

1. *All Cash, As-Is Sale*: The Foreclosure Sale is an "All Cash, As-Is" sale. All Bidders are expected to perform their own due diligence to reach 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 on the valuation of the Property. While HUD has exercised care to provide accurate information, all information provided herein is solely for interested Bidders to determine whether or not the Property is of such type and general character to purchase. HUD makes no warranty as to the accuracy of this information. A Bidder's failure to be fully informed as to the conditions of the Property, including its value, or any conditions of the Foreclosure Sale do not constitute ground for any claim or demand against HUD or the adjustment or withdrawal of any Bid, including the High Bid. HUD shall consider all Bids to have been made with full knowledge of the terms, conditions, and requirements contained in this Invitation.

Unsubsidized

2. *Contingencies:* HUD will not consider Bids that are contingent upon a Bidder obtaining financing to purchase the Property or any other contingency. By signing the Acknowledgement, the High Bidder represents that its High Bid is assured.
3. *Modification to the Invitation:* Any oral modification by any HUD representative that changes or supplements this Invitation, or any conditions hereof, is unauthorized, unenforceable, and shall confer no right upon a Bidder, including the Approved High Bidder. All modifications to the Invitation will be in writing.
4. *Bid Acceptance or Rejection:* At any time prior to Closing and upon its sole discretion, HUD reserves the right to reject any and all Bids, to waive any informality in any received Bid, and to reject the Bid of any Bidder HUD determines is ineligible, lacks the experience, ability, or financial responsibility necessary to own and manage the Property in a manner acceptable to HUD.
5. *Cancellation of Sale:* HUD reserves the unconditional right to cancel this Invitation and reject any and all Bids at any time prior to Closing without recourse to HUD. HUD is not liable for any expenses incurred by a Bidder or its related parties.

SECTION II: PRIOR TO THE FORECLOSURE SALE

1. *General:* In accordance with the intent of the National Housing Act, participants of HUD's housing programs must be responsible individuals and organizations who honor their legal, financial, and contractual obligations. HUD will review and approve the Previous Participation Certification of High Bidder's Controlling Participants before Closing.
2. *Due Diligence:* Interested parties, their agents, and advisors should carefully review the information in this Invitation and any additional information HUD makes available prior to the Foreclosure Sale. As a general policy, HUD will not release the most current financial information for the Property other than what has been disclosed in this Invitation and the Property Summary. Bidders should undertake their own investigation to evaluate the Property and independently assess the benefits and risks associated with the Property. Bidders should be confident in their Bid amount and be prepared to follow through Closing. HUD will not negotiate to reduce any Bid amount after accepted at the Foreclosure Sale.
3. *Bidders Pre-Foreclosure Sale Conference Call:* HUD may decide to hold a conference call for all interested parties prior to the Foreclosure Sale. If a call is scheduled, information will be found on the Property Disposition website. On the call, HUD will discuss the Invitation, review the rules of the Foreclosure Sale, provide updates on the Property, and answer any questions interested parties may have. Following the conference call, all questions and answers will be posted to the same website to ensure that all interested parties receive the same information.
4. *Site Visit:* To give interested parties additional information and view portions of the Property, HUD may choose to conduct an Open House or a Virtual Tour. If a tour is available, information will be found on the Property Disposition website. HUD is not always in a position to provide a tour prior to a Foreclosure Sale. If an in-person tour is scheduled, a HUD representative will be present to walk through the Property. HUD will establish the scope of the site visit. Not all areas of the Property may be available for viewing. **HUD will not accept Bids, nor provide information outside of this bid kit, during a Site Visit.**

5. *Electronic Registration:* Registration in HUD's Business Partner Registration prior to the Foreclosure Sale is not mandatory to submit a Bid. **However, Electronic Registration will be required before Closing.** A Bidder may complete this step prior to the Foreclosure Sale to reduce the amount of time between the Foreclosure Sale and Closing. HUD can take up to two (2) weeks to process registration requests. While the High Bidder is the only Bidder required to complete the Previous Participation Certification (e-2530), every Bidder may register in the event they become the High Bidder.

a. If a Bidder **has not previously conducted business with HUD**, the Bidder must first register with HUD's Business Partner Registration before submitting a Previous Participation Certification (e-2530) application. The Bidder should follow these steps:

- i. A Bidder accesses HUD's [Business Partner Registration](#) to register a new entity with HUD. Wait twenty-four (24) hours to access the Secure Systems [Coordinator or User Registration link](#) to complete the registration for the individual that will have access to Secure Systems. The applicant will receive a Coordinator/User ID within two (2) weeks. With these credentials, a Bidder can complete the required Previous Participation Certification (e-2530) in the next step.
- ii. A Bidder then completes a Previous Participation Certification (e-2530) application in HUD's single sign-on page then select [Active Partners Performance System \(APPS\)](#).

b. Bidders that **have previously conducted business with HUD** can complete the Previous Participation Certification (e-2530) application prior to the Foreclosure Sale by accessing [Active Partners Performance System \(APPS\)](#).

6. *Questions:* Please direct questions related to this Invitation and the Foreclosure Sale to the Realty Specialist identified in the Property Summary, after you have read this packet in its entirety. The Realty Specialist cannot provide information other than information in this Bid Kit or information posted on the Property Disposition Website.

SECTION III: DURING THE FORECLOSURE SALE - REGISTERING AS A BIDDER AND SUBMITTING BIDS

1. *General:* The Foreclosure Sale is an oral, open bid sale that takes place at the date, time, and place as shown on the cover of this Invitation. HUD designated a Foreclosure Commissioner to conduct the Foreclosure Sale. The Foreclosure Commissioner is empowered with the authority to conduct the Foreclosure Sale in an appropriate manner, using the rules and guidelines herein as the framework for the Foreclosure Sale.
2. *Bidder Eligibility:* Pursuant to 24 CFR §27.20, the defaulting mortgagor or any Principal, successor, Affiliate, or assignee thereof on the multifamily mortgage being foreclosed is not eligible to Bid or otherwise acquire the Property. Additionally, the FHA-lender or any Principal, successor, affiliate, or assignee thereof on the multifamily mortgage being foreclosed is not eligible to Bid or otherwise acquire the Property.
3. *Bidder Enrollment:* At the Foreclosure Sale and prior to the commencement of bidding, a Bidder must enroll with the Foreclosure Commissioner. The Foreclosure Commissioner will ask for the name of the Bidder, the name of the individual representing the Bidder, and the Bidder's address and contact information. The Foreclosure Commissioner will also collect the Bidder's Earnest Money Deposit and assign each enrolling Bidder a unique number. The unique number will be used to identify each Bidder during the Foreclosure Sale. The Foreclosure Commissioner will commence the Foreclosure Sale when all Bidders in attendance are enrolled. Enrollment as a Bidder does not mean that Bidder is qualified to purchase the Property.

4. *Earnest Money Deposit:* The Foreclosure Commissioner must receive the Earnest Money Deposit before the Foreclosure Sale commences. The Earnest Money Deposit shall be paid only in the form of certified funds or cashier's check made payable to: THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT. If a Bidder is a financial institution, the Earnest Money Deposit must be drawn from a different financial institution. Deposits will generally be set according to the following schedule:

Project Size	Earnest Money Deposit
200 units or more	\$100,000
100 to 199 units	\$75,000
50-99 units	\$50,000
25-49 units	\$25,000
5-24 units	\$10,000

5. *Bid Requirements:* A responsive Bid must meet all the terms of the Foreclosure Sale. Each Bid shall be firm, unconditional, fixed in an amount certain, and not in the alternative. Special conditions, alterations, or deletions will render a Bid non-responsive. A Bidder must submit a Bid in one of two ways:
- Written Bids:* HUD will only accept a written Bid if received in a sealed envelope and accompanied with the Earnest Money Deposit. The Foreclosure Commissioner must receive a written Bid at least two (2) business days prior to the Foreclosure Sale; the date is stated on the cover page of this Invitation. There is no guaranty written Bids received by the Foreclosure Commissioner less than two (2) business days before the Foreclosure Sale will be accepted, even if the bid has the appropriate postmark. No delay will warrant an exception. If a Bidder desires to modify or alter a written bid after the Foreclosure Commissioner accepts, the Bidder must do so in writing at least twelve (12) hours prior to the time the Foreclosure Sale commences.
 - Oral Bids:* At the Foreclosure Sale and using the assigned number provided, a Bidder orally states a Bid. Oral Bids can be modified orally up until the Foreclosure declares the High Bid.
 - Electronic Bids:* HUD will reject and will cause the Foreclosure Commissioner to reject Bids and Bid modifications received through e-mail, facsimile, or other electronic means. Electronic Bids are not valid Bids. All Bids must be submitted in accordance with this Invitation.
6. *Minimum Bid:* If HUD has a minimum Bid amount, HUD will disclose it in the cover page. If no minimum Bid is listed, HUD does not have a minimum Bid to purchase the property.
7. *High Bidder at the Foreclosure Sale:* After reviewing all Bids, the Foreclosure Commissioner concludes the Foreclosure Sale and orally notifies the High Bidder and Second High Bidder of their respective bidding positions. The Property will be sold to the High Bidder. The Foreclosure Commissioner will retain the Earnest Money Deposit for the High Bidder and immediately cause the High Bidder to execute the Acknowledgment. All collected Earnest Money Deposits from the other Bidders will be returned before the Bidder leaves the Foreclosure Sale. The Foreclosure Commissioner will return the Earnest Money Deposits received for written Bids within seven (7) business days.
8. *Continuance of Offers:* Even though the Earnest Money Deposit is returned to unsuccessful Bidders, HUD considers all received Bids at the Foreclosure Sale as continuing offers until Closing. HUD will keep the contact information of the Second High Bidder in the event that Closing with the High Bidder does not occur. HUD may contact the Second High Bidder to accept the previously submitted Bid.

SECTION IV: AFTER FORECLOSURE SALE AND LEADING UP TO CLOSING

1. *Post-Bid Documents:* The High Bidder must submit the following items ("Post-Bid Documents") to the Realty Specialist within five (5) business days of the Foreclosure Sale so HUD can timely complete its review and approval. The Post-Bid Documents must show the High Bidder's capacity to own and operate the Property. Based on the required information and documents set forth below, as well as any additional information independently obtained and verified by HUD, in its sole discretion, HUD will determine whether the High Bidder is eligible, has the requisite experience, qualification, and financial capacity to purchase the Property.

FAILURE TO SUBMIT THE REQUIRED DOCUMENTS WITHIN THE INDICATED TIME FRAME MAY BE GROUNDS FOR HUD TO REJECT THE HIGH BID AND RETAIN THE HIGH BIDDER'S EARNEST MONEY DEPOSIT.

- a. Previous Participation Certification (HUD 2530): Submit a Previous Participation Certification for the High Bidder and, if applicable, the intended Management Agent.
 - i. *Electronic Submission:* If the High Bidder already has access to Secure Systems, it can submit an electronic Previous Participation Form (e-2530) through APPS and provide proof of the electronic submission to the Realty Specialist. The High Bidder can print the signature page showing all participants listed, the required certifications, and electronic signatures. If the High Bidder has not previously registered, since there will be insufficient time to file electronically, the High Bidder must submit a paper Previous Participation Certification (HUD 2530).
 - ii. *Paper Submission:* The High Bidder will provide a completed paper [Previous Participation Certification \(HUD 2530\)](#) with original signatures for the High Bidder and its controlling participants. The intended ownership entity must have established a tax identification number (TIN) and each individual must list their social security number (SSN). Paper submissions must include:
 1. Organizational chart: a visual chart for the ownership entity that shows each ownership tier, the roles of each controlling participant within the organization who retain more than 25% ownership interest.
 2. Organizational documents including the following as applicable: Articles of Incorporation, Certificate of Incorporation, Operating Agreement, Partnership Agreement, Charter, By-Laws, Agent Certification, proof of TIN.
- b. Certification of Substantial Compliance: The High Bidder must submit a complete and original Certification of Substantial Compliance, located in the attachments to this Invitation. If HUD determines that properties disclosed by the High Bidder are not in substantial compliance with federal regulations and state and local codes, HUD may reject the High Bidder as not qualified to purchase the Property. The High Bidder may forfeit the Earnest Money Deposit as a result of such determination by HUD.
- c. Written Statement of Experience: The High Bidder must submit a written Statement of Experience that demonstrates at least five (5) years of experience successfully owning and managing properties similar to the Property. Please do not exceed five (5) pages per property and provide the following information for all properties owned by the High Bidder:

Unsubsidized

- i. The location of other owned multifamily properties.
 - ii. The number of units and construction type (garden, walk-up, hi-rise, etc.) for each property.
 - iii. The type of management for each property.
 - iv. Whether the properties have government assistance (I.e., project-based or tenant-based assistance, tax-credit, municipal grants, etc.)
 - v. The physical, economic, and social needs of each property and how the High Bidder has addressed them.
 - vi. The High Bidder's plan to satisfy the conditions of the Foreclosure Sale; implement a sound financial and physical management program for the property; respond to the needs of the tenants; work cooperatively with resident organizations; provide organizational staff and financial resources; provide services, maintenance, and utilities to the Property.
 - d. Personal Financial and Credit Statement: The High Bidder must submit [Form HUD 92417](#) for each proposed Principal of the High Bidder.
2. *Acceptance of High Bid*: HUD does not fully accept the High Bid until the High Bidder submits all Post-Bid Documents, HUD reviews the Post-Bid Documents, and HUD, in its sole discretion, determines the eligibility of the High Bidder. HUD will notify the High Bidder of its determination in writing. Upon HUD's determination that the High Bidder is qualified, the High Bidder will be confirmed as the Approved High Bidder.
3. *Rejection of High Bid*: After review of the Post-Bid Documents, HUD may determine that the High Bidder is not qualified to purchase the Property. HUD may reject the bid due to High Bidder's ineligibility, lack of qualifications, or failure to comply with the Invitation. HUD will notify the High Bidder of this determination in writing, as promptly as possible and generally, within thirty (30) days after the Foreclosure Sale. HUD may then contact the Second High Bidder.
4. *Impact on Earnest Money Deposit*:
- a. If HUD accepts the High Bid, the Approved High Bidder's Earnest Money Deposit will be credited toward the Purchase Price.
 - b. If HUD rejects the High Bid because the amount is unacceptable, HUD will refund Earnest Money Deposit will be refunded.
 - c. If HUD determines the High Bidder is not qualified to purchase the Property and the High Bidder has complied with the requirements of this Invitation, HUD will refund the Earnest Money Deposit.
 - d. If HUD finds that the High Bidder made misrepresentations or material omissions in its submission, or failed to comply with the Invitation, HUD will keep the Earnest Money Deposit.
5. *Extensions*: The Approved High Bidder may request an additional thirty (30) calendar day period to allow more time for the Closing to occur. A written request clearly stating the reason for the Approved High Bidder's inability to close the sale, by the scheduled Closing date or by the end of any Extension Period, must be received within ten (10) days prior to the Closing date or the end of any extension period.
6. *Post Bid Site Visit*: HUD will not grant any High Bidder request to tour, visit, or otherwise have access to the Property prior to closing. To this end, HUD encourages participation in the site visit before the Foreclosure Sale, if available.
7. *Closing Date*: The time and place for the Closing will be determined by HUD. The Closing date will occur within the time specified in the Acknowledgment. HUD reserves the right to extend the Closing date or revise the location.

SECTION V: CLOSING

1. *Conveyance:* In accordance with the Act, HUD will convey the Property to the Approved High Bidder through a Foreclosure Deed. The Foreclosure Deed will not contain any warranties of title. The Foreclosure Deed is not subject to a redemption period by the defaulting owner of the Property. When the Invitation indicates, the Approved High Bidder and HUD will execute the Use Agreement and record as part of the Foreclosure Deed.
2. *Amounts Due at Closing:* The Foreclosure Sale is an all-cash sale. HUD is not offering financing to purchase the Property. At Closing, the Approved High Bidder will pay the Balance. HUD will not proceed with the Closing without acceptable receipt of the Balance, which shall be paid only in the form of certified funds or cashier's check made payable to: THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.
3. *Closing Expenses:* HUD will pay all recordation fees for the Foreclosure Deed, and if applicable, the Use Agreement. Irrespective of local custom, the Approved High Bidder shall pay all remaining expenses including, but not limited to, all documentary stamp taxes, and any costs incurred in connection with a review of title or title insurance.
4. *Proration:* Approved High Bidder is responsible for paying all taxes, assessments, liens, and utility bills including, but not limited to, water, sewer, gas, electric, and any other encumbrances not extinguished by the Foreclosure Sale. These amounts will not be prorated from the High Bid or attributed to the Balance. If HUD received any rental payments from tenants living in the Property on the day of Closing, those rental payments will not be prorated nor credited toward the High Bid or attributed to the Balance.
5. *Extension Fees:* If Approved High Bidder paid Extension Fees and the Closing occurs prior to the expiration of an Extension Period, the prorated amount of the Extension Fees for the unused portion of the Extension Period will be credited toward the Balance at Closing. This is the only amount HUD will prorate.

End of Invitation

EXHIBITS AND ATTACHMENTS

Exhibit 1: Legal Description
Exhibit 2: Property Photos
Exhibit 3: Property Summary

Attachment A: ACKNOWLEDGMENT BY BIDDER TERMS AND REQUIREMENTS OF FORECLOSURE SALE

Attachment B: RESERVED

Attachment C: FORECLOSURE SALE USE AGREEMENT WITH RIDERS

Attachment D: LETTER OF CREDIT

Attachment E: POST CLOSING REPAIR REQUIREMENTS

Attachment F: RESERVED

Attachment G: CERTIFICATE OF SUBSTANTIAL COMPLIANCE

Attachment H: PROTECTING TENANTS AT FORECLOSURE

Attachment I: RESERVED

Attachment J: RESERVED

Attachment K: POST CLOSING REPAIR REPORT

Attachment L: RESERVED

Attachment M: RESERVED

Attachment N: RESERVED

Attachment O: RESERVED

Attachment P: RESERVED

Exhibit 1 Legal Description

Parcel 1

Units 1, 2 and 3 of "Paul Brown Lofts: A Condominium", a condominium recorded in Book 12242003 page 0055 of the City of St. Louis Records, in the City of St. Louis, Missouri, together with an undivided share of common and limited elements and appurtenances thereto belonging, all according to and more particularly described and shown in the "Paul Brown Lofts: A Condominium" declaration of covenants and restrictions (underlying restrictions) recorded in Book 12242003 page 0054 of the City of St. Louis Records and more particularly described as follows:

A Lot in City Block 192 of the City of St. Louis, Missouri, beginning at the intersection of the East line of Ninth Street, 60' wide, with the South line of Olive Street 60' wide; thence along the East line of said Ninth Street, S 17°40' W a distance of 233.52' by record, S 17°38'17" W a distance of 233.33' by survey, to the North line of Pine Street 60' wide; thence East along the North line of said Pine Street 60' wide, S 72°15'00" E a distance of 108.10' by record, S 72°16'52" E a distance of 108.14' by survey, to the West line of property now or formerly of Jane Holding Corporation Lessee; thence North and parallel with the East line of Ninth Street 60' wide, N 17°40' E a distance of 116.74' by record, N 17°38'17" E a distance of 116.76' by survey, to the South line of property formerly of Odd Fellows Company; thence East along the South line of said Odd Fellows Company Property, S 72°15' E a distance of 19.56' by record, a distance of 19.54' by survey, to the Southwest corner of a private alley; thence North along the West line of said private alley, N 17°40' E a distance of 116.74' by record, N 17° 38' 17" E a distance of 116. 52' by survey, to the South line of Olive Street 60' wide; thence West along the South line of said Olive Street 60' wide N 72°15' W a distance of 127.63' by record, a distance of 127.67' by survey, to the intersection with the East line of Ninth Street 60' wide and the point of beginning.

Also Known AS

A Lot in City Block 192 of the City of St. Louis, Missouri, beginning at the intersection of the East line of Ninth Street, 60' wide, with the South line of Olive Street 60' wide; thence along the East line of said Ninth Street, S 17°40' W a distance of 233.52' by record, S 17°38'17" W a distance of 233.33' by survey, to the North line of Pine Street 60' wide; thence East along the North line of said Pine Street 60' wide, S 72°15'00" E a distance of 108.10' by record, S 72°16'52" E a distance of 108.14' by survey, to the West line of property now or formerly of Jane Holding Corporation Lessee; thence North and parallel with the East line of Ninth Street 60' wide, N 17°40' E a distance of 116.74' by record, N 17°38'17" E a distance of 116.76' by survey, to the South line of property formerly of Odd Fellows Company; thence East along the South line of said Odd Fellows Company Property, S 72°15' E a distance of 19.56' by record, a distance of 19.54' by survey, to the Southwest corner of a private alley; thence North along the West line of said private alley, N 17°40' E a distance of 116.74' by record, N 17° 38' 17" E a distance of 116. 52' by survey, to the South line of Olive Street 60' wide; thence West along the South line of said Olive Street 60' wide N 72°15' W a distance of 127.63' by record, a distance of 127.67' by survey, to the intersection with the East line of Ninth Street 60' wide and the point of beginning.

Parcel 2:

An undivided 1/2 interest in and easement rights as to an undivided 1/2 interest in:

A tract in City Block 192 of the City of St. Louis, Missouri, commencing at the intersection of the East line of Ninth Street 60' wide, with the South line of Olive Street 60' wide, thence along the South line of Olive Street 60' wide, S 72°15' E a distance of 127.63' by record, a distance of 127.67' by survey, to the point of beginning of the tract herein described; thence South and parallel to Ninth Street, S 17°40' W a distance of 116.74' by record, S 17°38'17" W a distance of 116.52' by survey; thence S 72°15' E, 7.50'; thence N 17°40' E, 116.76' by record, N 17°38'17" E a distance of 116.52' by survey, to the South line of Olive Street 60' wide; thence N 72°15' W, 7.50' to the point of beginning.

Parcel 3:

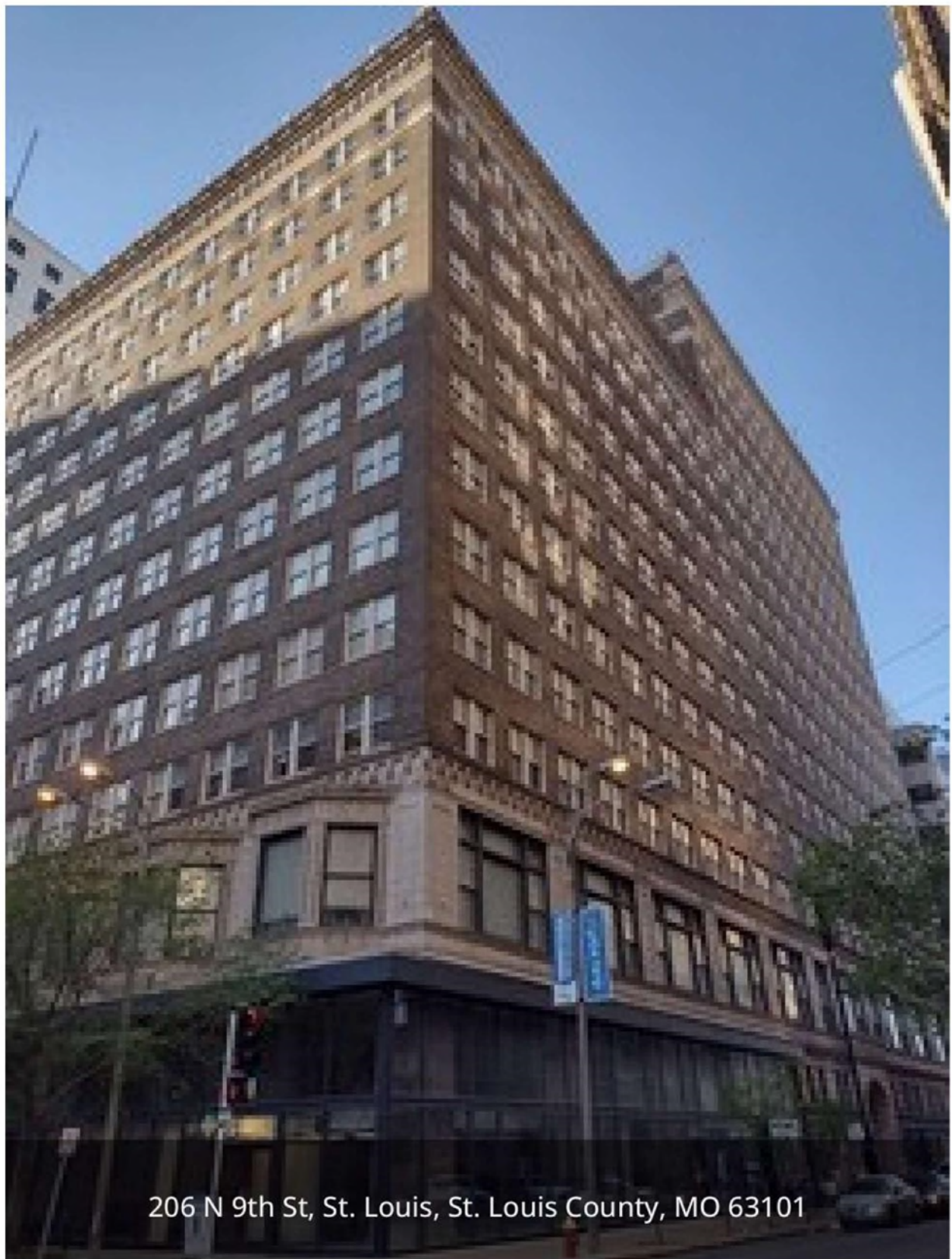
Easement rights over the Eastern 4 feet of 7 feet 6-inch private alley on the North line of Pine Street by a depth of 116.76' to be used in conjunction with 3 feet 6 inches off the East side of property described in Parcel 1 established by instrument recorded in Book 3092 page 543.

LEGAL DESCRIPTIONS ARE PROVIDED AS INFORMATION ONLY. INTERESTED PARTIES MUST ASCERTAIN
LEGAL DESCRIPTIONS THROUGH THEIR OWN DUE DILIGENCE.

Exhibit 2

Photos





206 N 9th St, St. Louis, St. Louis County, MO 63101





Interior Courtyard Finish



Interior Courtyard Finish



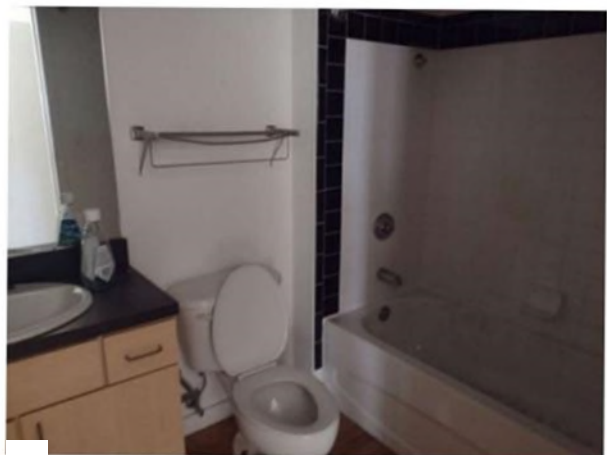
Unit 305



Unit 305



Unit 305



Unit 305



Unit 304



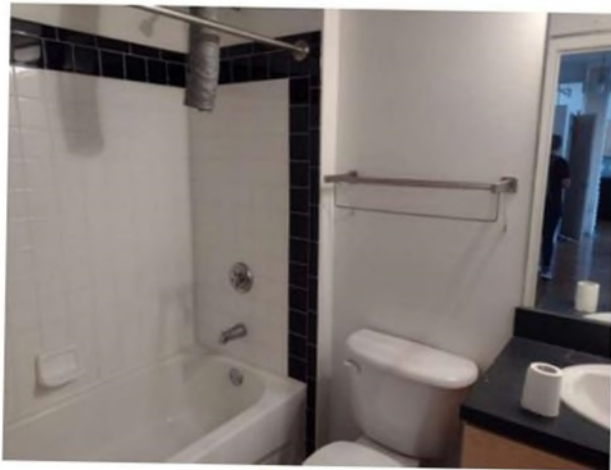
Unit 304



Unit 813



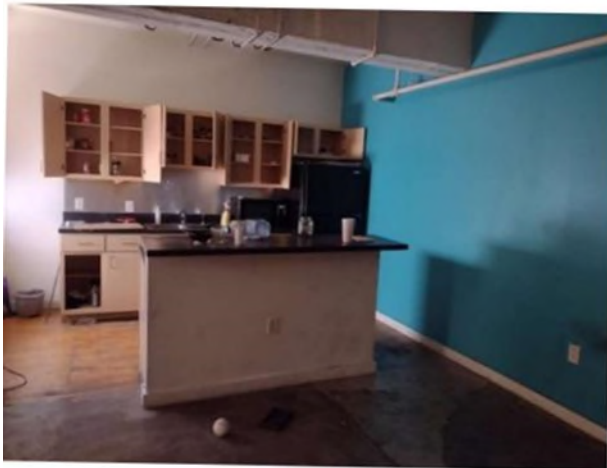
Unit 813



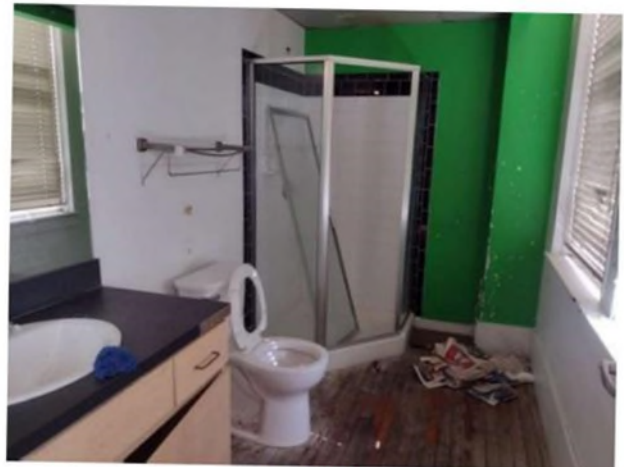
Unit 813



Unit 813



Unit 1101



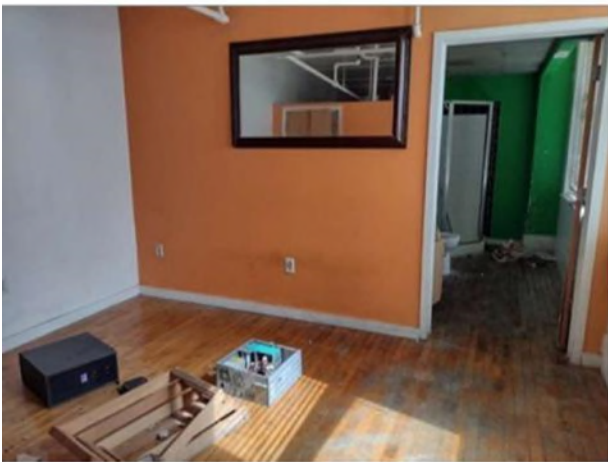
Unit 1101



Unit 1218



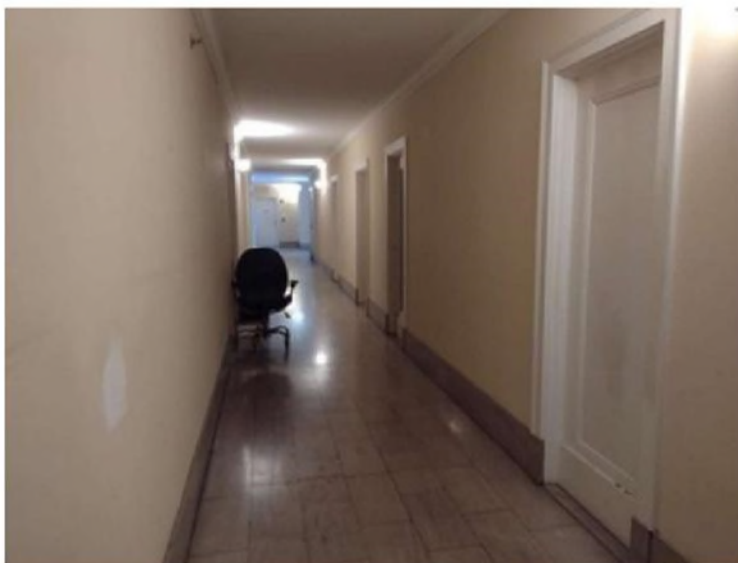
Unit 2109



Unit 1101



Unit 1216



Interior Hallway on Residential Floors



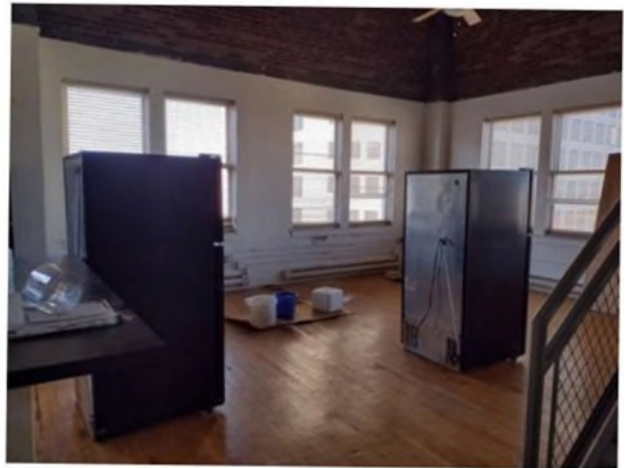
Unit 1401



Unit 1401



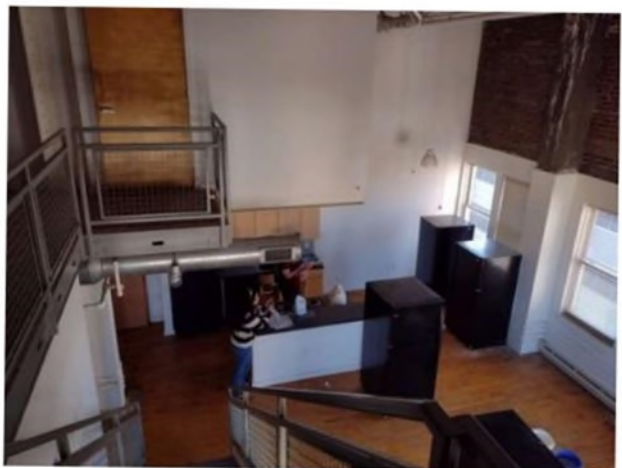
Unit 1401



Unit 1606 ;



Unit 1606



Unit 1606



Unit 1606



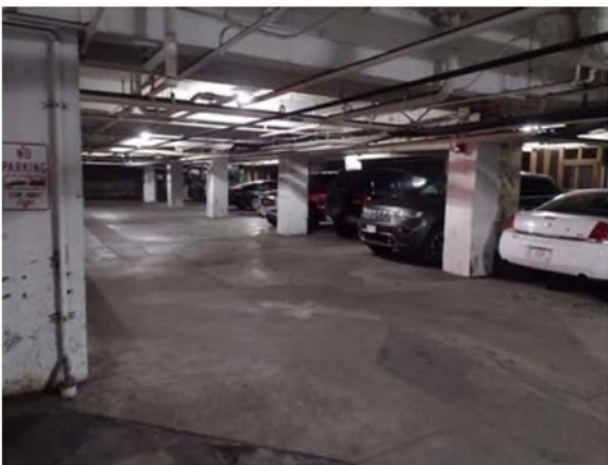
Unit 1606



Unit 1606



Unit 1606

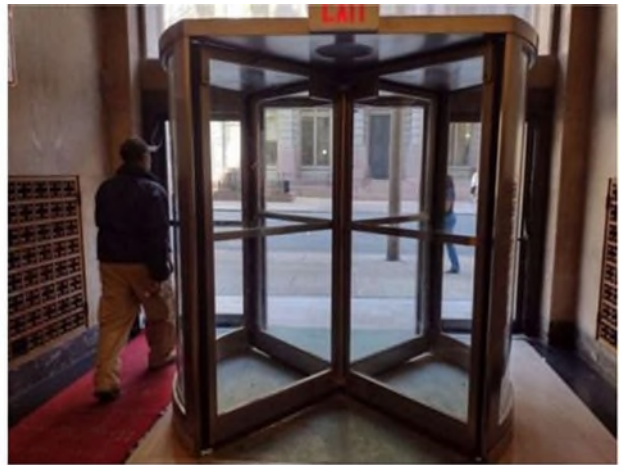




Common Area Laundry

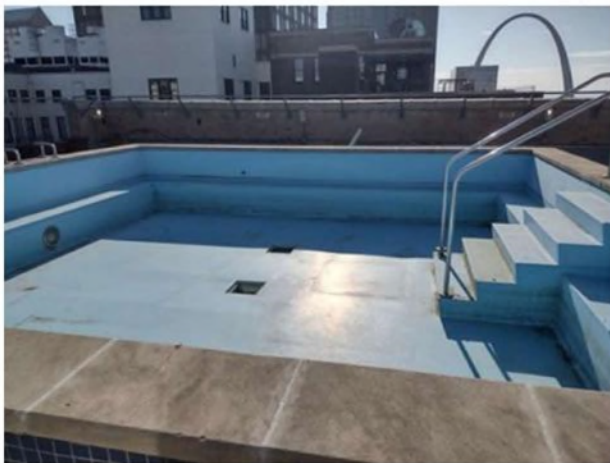
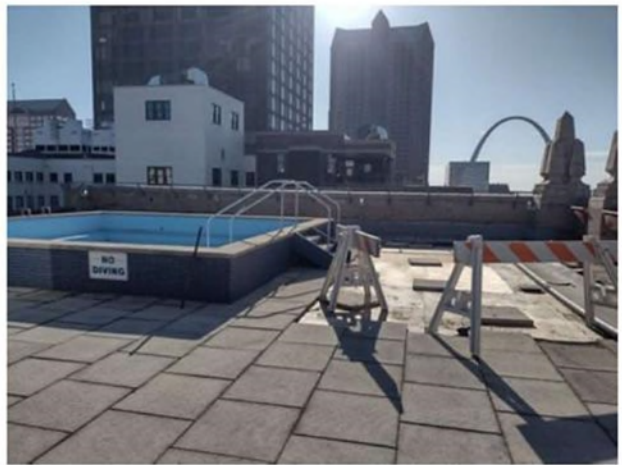


Ground Floor Common Area



Ground Naar Elevators







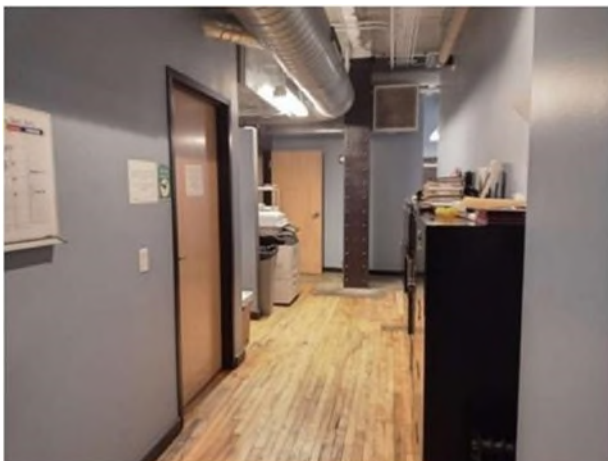
Suite 6 Leasing Office



Suite 6 Leasing Office



Suite 6 Leasing Office



Suite 6 Leasing Office



Suite 6 Leasing Office



Suite 5



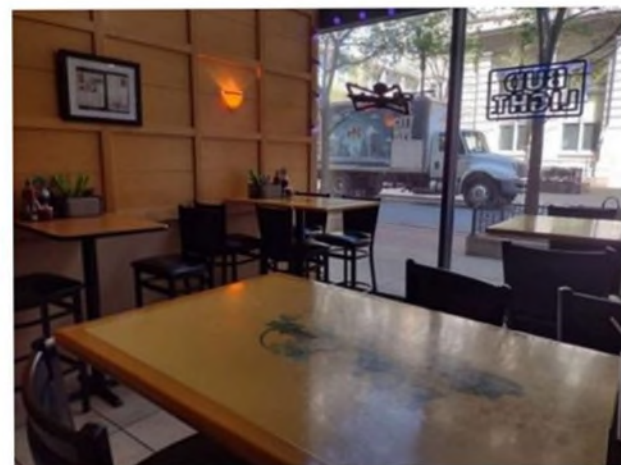
Suite 5



Suite 7



Suite 7





Suite 1



Suite 1



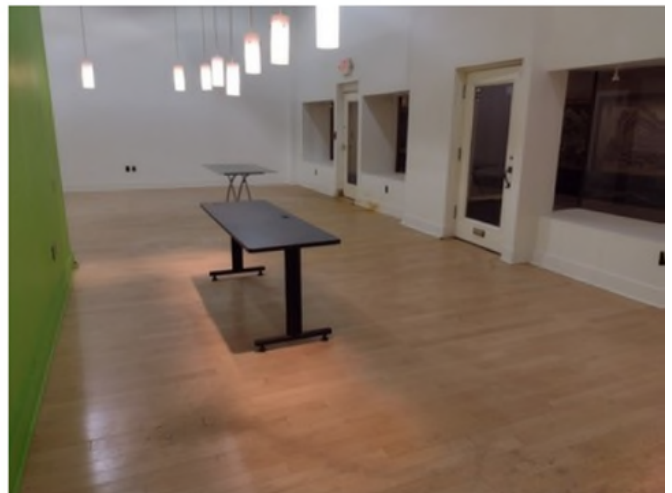
Suite 1



Suite 1



Suite 1



Suite 8



Suite 8



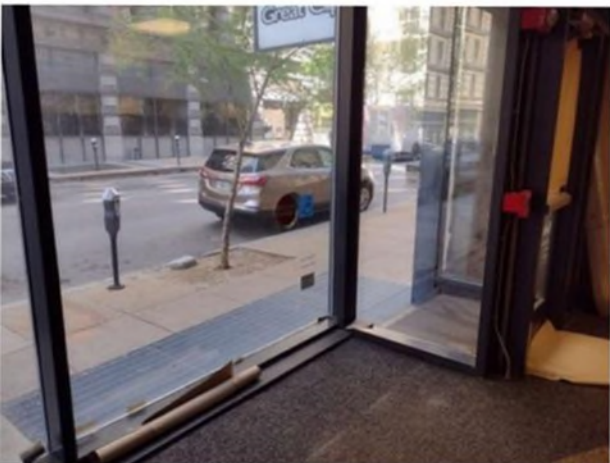
Suite 8



Suite 8



Suite 4



Suite 4



Suite 4



Suite 3



Suite 3



Suite 3



Suite 3



Suite 3

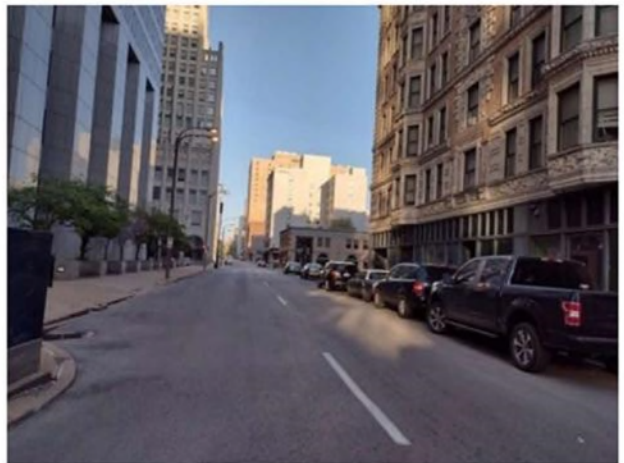
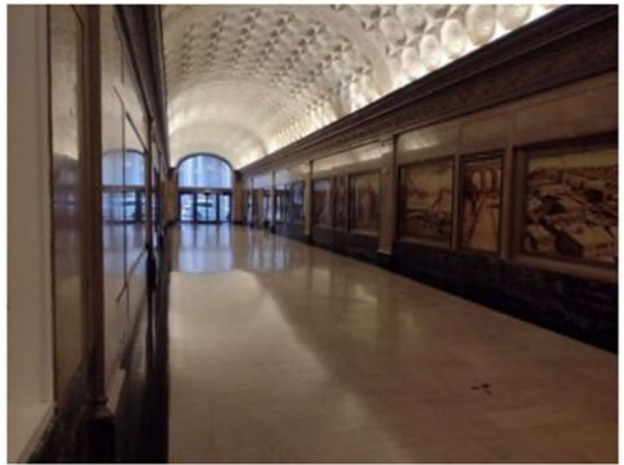


Exhibit 3 Property Summary

Property Name	Paul Brown Lofts
Address	206 N 9th Street, Saint Louis, MO 63101-1417
County	St. Louis City
Resident Type	Multi-Family Residential with Commercial Space

Unit Count/Rentable Square Footage

Total Residential Units 222	Subsidized Units 0	No. Commercial Spaces 8
Revenue Units 222	Unsubsidized Units 222	Commercial Rentable Sq ft 20,449
Non-Revenue Units 0	Staff Unit(s) 0	Total Rentable Sq ft 189,655

Building/Site

No. of Buildings: 1	Approx. Site Acreage: 0.62
Stories per Building: 16 story	Foundation: Slab on grade
Type of Building: High-rise	Roof Type/Age: Flat
Elevator(s) per Building: 5	Exterior: Brick
Year Built: 1924	Flooring: Hardwood/Stone/Tile
Rehabilitation Year: 2003 - 2005	Type of Rehabilitation: Partial Rehab

Mechanical Systems	Utilities	Parking
Heating: Gas	Water: City	Assigned: Self-Park
Air Conditioning: Central	Sewer: City	Covered: Off-Site:
Hot Water: Gas	Garbage: City	Garage: Under Building Total: 106

Apartment Features	Available	Community Features	Available
Air Conditioning		Laundry Room	
Dishwasher		Parking	
Microwave Garbage		Exercise Room	
Disposal Range/Oven		Picnic Area	
Refrigerator		Playground Equip	
Blinds/Drapes		Swimming Pool	
Patio/Balcony		Jacuzzi/Whirlpool	
Washer/Dryer (in unit) W/D		Dog Park	
Connections Fireplace		Business Center	
Shared Rooftop Balcony		Community Space	
		Gated/Security	
		Garage Parking Underground 12	

Historical Occupancy														Best Data Available									
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg										
2022								77%	79%	79%	77%	76%											
2023	77%	72%	72%	72%	74%	74%	77%	72%	73%	73%	73%	76%											
2024	73%	77%	72%	72%	73%	75%	77%	78%	79%	81%	80%	80%											
2025	80%	80%	80%	80%	80%																		

Historical Rents					Best Data Available									
Type	No. of Units		Unit Sq ft		Unit Rent (\$ per/mo.)		Market Rent/Comps							
1 bedroom	120		Sizes Vary 600-900 sq ft		-\$741- \$1000									
2 bedroom	102		sizes vary 850 - 1600 sq ft		-\$900- \$1450									
Commercial	8 (sizes vary)		3252 sq. ft.		\$3056.88		(Commercial info from 1 unit)							

Historical Expenses														Data NOT Available									
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg										

Use Restrictions/Subsidy Information

Foreclosure Sale Use Agreement with the following Riders attached:
 Two Year Rent Protection for Pre-Existing Very Low-Income Tenants.
 Non-Discrimination Against Section 8 Holders.

Environmental Hazards

Repair and Rehab Rider requires \$11,922,370.00 in Capital improvements.

Historical Preservation.

Minimum Bid Amount/Announcements

Minimum Bid Unstated.

Contact Information:

HUD Realty Specialist					Foreclosure Commissioner (for written bids only)									
Name: Ms. Wil'Lwin Wallace Chochola					Name: Mr. Kelly Derryberry									
Address: 307 W 7th Street, Suite 1000					Address: 504 Autumn Springs Court, Suite 26									
City/State/Zip: Ft. Worth, TX 76102					City/State/Zip: Franklin, TN 37067									
Phone: 817-978-6023					Phone: 615-807-2351									
Email: willwin.wallacechochola@hud.gov					Email: kelly@mailpdlaw.conn									

Attachment A
Acknowledgement by Bidder
Terms and Requirements of Foreclosure Sale

I. TERMS OF BID:

- A. The undersigned, _____, (the "High Bidder") submitted a bid of _____ dollars (\$ _____) (the "Bid") at the Foreclosure Sale to purchase _____ (the "Property") held at _____ on _____ 2025 at _____ AM/PM).

The legal description for the Property is included as Exhibit A. The Bid shall be calculated as follows:

1. EARNEST MONEY: \$ 100,000 (One hundred thousand dollars) in the form of a money order, certified funds, or cashier's check (the "Earnest Money Deposit") has been collected at the Foreclosure Sale by the Foreclosure Commissioner, and which shall not earn interest, and
2. BALANCE OF THE BID: The High Bidder will pay the difference between the Bid and the Earnest Money Deposit, a sum of \$ _____, (the "Balance") at Closing (as defined below), in the form of a money order, certified funds, or cashier's check as provided in the Acknowledgement.

II. HIGH BIDDER REPRESENTATIONS AND WARRANTIES. The High Bidder hereby represents and warrants to HUD, that as of the execution date of this Acknowledgement and as of the date of the Closing, the following:

- A. High Bidder has full knowledge of all the terms, conditions, and requirements of the Foreclosure Sale contained herein. High Bidder affirms that they are required to follow the terms of the Invitation, including by reference, which are incorporated by reference from the Invitation.
- B. High Bidder has the power and authority to execute, deliver and perform this Acknowledgement and all transactions contemplated herein. High Bidder has taken or will take all actions necessary to perform its obligations under this Acknowledgment and to consummate the Foreclosure Sale. This Acknowledgement and all of the other instruments and agreements executed and delivered by High Bidder in connection with the Foreclosure Sale prior to the Closing Date have been or will be duly executed and delivered by High Bidder to HUD and constitute or will constitute legal, valid and binding obligations of High Bidder. These terms are enforceable against High Bidder, except as such enforcement may be limited law and by general principles of equity (whether considered in a proceeding at law or in equity). The execution, delivery and performance of this Acknowledgement by High Bidder does not violate any provisions of any existing federal, state, or local law or regulation applicable to High Bidder, or violate or contravene any judgment, injunction or decree binding upon High Bidder, or violate, contravene or constitute a default under any provision of the organizational documents, if any, governing High Bidder, or of any agreement, contract or other instrument binding upon High Bidder.
- C. High Bidder will accept the Property "AS IS" and understands HUD makes no representations or warranties concerning the physical condition of the Property.

III. HUD REPRESENTATIONS AND WARRANTIES. HUD makes no representations and warranties concerning the physical condition of the Property. HUD does not represent or warrant the occupancy of revenue producing units or any other factor bearing upon the value of the Property.

IV. HIGH BIDDER OBLIGATIONS BEFORE CLOSING

A. Post Bid Document Submission **within Five (5) Days of Foreclosure Sale:** The High Bidder must submit the following items to HUD within the listed business days of the Foreclosure Sale in order for HUD to begin its review process. The following documents must illustrate the High Bidder's capacity to own and operate the Property:

1. Previous Participation Certification (HUD 2530). Submit one (1) HUD 2530 for the High Bidder and one (1) separate HUD 2530 for any Management Agent.
 - i. Electronic Filers: If the High Bidder has prior access to HUD's Secure Systems, after previously registering through HUD's Business Partner Registration as described in the Invitation, it should submit an electronic Previous Participation Form using the Active Partners System (APPS) and provide proof of the electronic submission to HUD.
 - ii. Paper Filers: If the High Bidder has not previously registered in APPS, the High Bidder should provide a completed paper HUD 2530 with original signatures. The High Bidder entity must have an established tax identification number (TIN) and each individual must list their social security number (SSN). High Bidder should transmit to HUD using an encrypted file. Additionally, High Bidder should include (1) an organizational chart for the ownership entity that shows each ownership tier, the roles of each controlling participant and each member with more than 25% ownership interest; and, (2) the ownership entity's organizational documents, include Articles of Incorporation, Certificate of Incorporation, Operating Agreement, Partnership Agreement, Charter, Bylaws, Agent Certification, and proof of TIN, as applicable.
2. Certification of Substantial Compliance. The High Bidder must submit a complete and original Certification of Substantial Compliance, located in attachments to this Invitation. If HUD determines that properties disclosed by the High Bidder are not in substantial compliance with federal regulations and/or state and local codes, HUD may reject the High Bidder as not qualified to purchase the Property. The High Bidder may forfeit the Earnest Money Deposit as a result of such determination.
3. Written Statement of Experience. The High Bidder must submit a written State of Experience ("Statement"). The Statement must demonstrate approximately five (5) years of experience successfully owning and managing properties similar to the Property and must address future management of the Property. High Bidder shall not exceed five (5) pages per property when providing the following information for each property:
 - i. The location of other owned multifamily properties.
 - ii. The number of units and construction type (garden, walk-up, high-rise, etc.) for each property.
 - iii. Identify type of management for each property.
 - iv. Identify properties that have government assistance and type of assistance, i.e., project-based, tenant-based, etc.
 - v. Identify the initial physical needs of each property and how they were addressed.
 - vi. Identify the social needs of each property and how they were addressed.
 - vii. Identify the economic needs of each property and how they were addressed.

- viii. How, based on experience, the High Bidder will satisfy conditions of the sale, i.e., Post-Closing Repairs, income and rent restrictions, etc.
- ix. How High Bidder will implement a sound financial and physical management Program for the Property.
- x. How High Bidder plans to respond to the needs of the tenants and work cooperatively with resident organizations.
- xi. How High Bidder will provide adequate organizational staff and financial resources to the Property.
- xii. How High Bidder will provide serves, maintenance and utilities to the Property.
- 4. Personal Financial and Credit Statement. The High Bidder must submit Form HUD-92417 for each of its controlling Principal(s).
- 5. Previous Participation Certification for Management Agent, if applicable.
- 6. Additional Documents Required for HUD Subsidized Properties:
 - i. Management Agent Resume
 - ii. Affirmative Fair Housing Marketing Plan (Form HUD-935.2A)
 - iii. Management Entity Profile (Form HUD-9832).
 - iv. Project Owner's/Management Agent's Certification Form HUD [9839-A](#), [9839-B](#) or [9839-C](#). Must choose applicable version.
- B. Changes within five (5) Days to the High Bidder or Management Agent. If the High Bidder, the Management Agent, or any controlling participant thereof changes, the individual or entity shall resubmit a corrected Previous Participation Certification within five (5) days of any such change.
- C. The High Bidder shall ensure compliance with submissions as required herein. Failure to comply with all requirements may result in High Bidder declared ineligible to purchase the Property. In such case, the High Bidder shall forfeit the Earnest Money Deposit and Extension Fees paid.

V. HUD'S REVIEW OF POST-BID SUBMISSION

- A. Before HUD can schedule the Closing, HUD must complete the review of the submitted documents and approve the High Bidder.
- B. HUD will provide a response to the High Bidder, and Management Agent if applicable, within fifteen (15) days of receipt.
- C. Acceptance of High Bid. HUD does not fully accept the High Bid until the High Bidder submits all Post-Bid Documents, HUD reviews the Post-Bid Documents, and HUD, in its sole discretion, determines the eligibility of the High Bidder. HUD will notify the High Bidder of its determination in writing. Upon HUD's determination that the High Bidder is qualified, the High Bidder will be confirmed as the Approved High Bidder.
- D. Rejection of High Bid. After review of the Post-Bid Documents, HUD may determine that the High Bidder is not qualified to purchase the Property. HUD may reject the bid due to High Bidder's ineligibility, lack of qualifications, or failure to comply with the Invitation. HUD will notify the High Bidder of this determination in writing, as promptly as possible and generally within thirty (30) days after the Foreclosure Sale. HUD may then contact the Second High Bidder.

VI. CLOSING

- A. Time is of the essence.
- B. If HUD confirms the High Bidder is qualified to purchase the Property, HUD will notify the High Bidder in writing. The transfer of title to the Property (the "Closing") shall be within thirty (30) calendar days of approval unless the High Bidder requests and HUD grants an Extension Period.
- C. The Closing date and place will be determined by the Foreclosure Commissioner and/or HUD and will occur within thirty (30) days of HUD approval of the High Bidder. HUD and/or the Foreclosure Commissioner will notify the High Bidder of the Closing.
- D. At Closing, the High Bidder will shall assume all responsibilities and obligations as owner of the Property arising on or after the Closing. After the Closing, HUD shall have no further responsibilities or obligations with respect to the Property.
- E. High Bidder shall pay the Balance at Closing in the form of a money order, certified funds, or cashier's check made payable to: THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.
- F. CLOSING COSTS, DEPOSITS, REPAIR ESCROW: In addition to the Balance, the High Bidder will be required to pay all Closing costs, regardless of local custom, and, where applicable, fund deposits to reserve accounts and obtain any Letter(s) of Credit for the Repair Escrow. However, HUD will pay fees for recording the Foreclosure Deed and Use Agreement, if any.
- G. EXECUTION OF USE AGREEMENT: Without limiting the foregoing, at Closing, High Bidder will execute the Use Agreement and required exhibits as contained in the Invitation. The Use Agreement will control the use of the Property for the specified period, be recorded as part of the Foreclosure Deed, and will run with the land.
- H. EXTENSION OF CLOSING DATE
 - 1. High Bidder may request an additional thirty (30) calendar day period (the "Extension Period") for the Closing to occur. High Bidder must submit a written request, which clearly states the reason for the High Bidder's inability to close the sale on or before the Closing date, or within any Extension Period. HUD must receive any extension request no less than ten (10) days prior to the Closing date. The request must be accompanied by the payment of the required Extension Fees and sent to the following address:

Multifamily Property Disposition
ATTN: Jovanna M. Morales, Director
307 W. 7th Street, Suite 1000
Fort Worth, TX 76102

- 2. All payments for an Extension Period must be in the form of a cashier's check or certified check made payable to: The U.S. Department of Housing and Urban Development
- 3. HUD will notify the High Bidder in writing of all approved Extension Periods. HUD will grant an Extension in accordance with the following conditions:
 - i. Extension Fees shall be equal to \$ 34.54 per unit in the Project per calendar day, or one and one-half percent (1.5%) of the Bid, whichever amount is greater.
 - ii. Extension Fees will not be credited against the Balance. However, if the Closing is held prior to the end of the Extension Period, the prorated amount of the Extension Fees for the unused portion of the Extension Period shall be credited toward the Balance.

- iii. HUD shall not be obligated to grant any additional Extension Period because it has previously granted one or more Extension Period.
- iv. If High Bidder does not submit any HUD-required for within sufficient time for HUD's review, and such delay necessitates an Extension Period, Extension Fees shall be paid for this time.

VII. PRORATIONS

- A. **TAXES AND FEES:** High Bidder is responsible for paying all taxes, assessments, liens, and utility bills including, but not limited to, water, sewer, gas, electric, and any other encumbrances not extinguished by the Foreclosure Sale. Any amounts paid will not be prorated to the Balance or used to offset the Bid amount in any way. HUD is responsible for payment of taxes before the closing date.
- B. **PROPERTY RENTS:** Regardless of the Closing Date, rent collected by HUD, if any, will not be prorated toward the Balance.
- C. **EXTENSION FEE:** In the event High Bidder pays Extension Fees, and the Closing occurs before the expiration of the Extension Period, a prorated amount of the unused portion of the Extension Fees shall be credited toward the Balance.

VIII. BREACH

- A. The High Bidder agrees that any breach of these terms shall result in the forfeiture of the Earnest Money Deposit, and the payment of any expenses incurred HUD by in managing the property, including taxes, and utilities, until transfer of ownership in a Closing, as liquidated damages, not a penalty.
 - 1. Failure to pay these funds shall result in a debt to the federal government.
 - 2. Failure to pay these funds may result in the High Bidder being prevented from participation in future HUD foreclosure sales.
- B. Breach by the High Bidder includes withdrawing their bid after signing this document, and any other actions or inactions by the High Bidder that result in failure to close on the sale.
- C. If actions by HUD result in failure to close on the sale, High Bidder's sole remedy shall be the return of any amounts paid by High Bidder pursuant to this Agreement. Without limiting the generality of the foregoing, High Bidder hereby waives any claim for damages (other than amounts paid by High Bidder pursuant to this Agreement) and any right to seek specific performance or other equitable relief.
- D. Upon the failure or refusal of the High Bidder to comply with any of the requirements in this Acknowledgement, HUD may declare the High Bidder ineligible to purchase the Property, in which case the High Bidder shall forfeit the Earnest Money Deposit and any Extension Fees paid.

IX. MISCELLANEOUS

- A. **RISK OF LOSS AND RIGHTS OF RECISSION:** In the event of any substantial damage to the Property prior to Closing by any cause, including but not limited to fire, flood, hurricane, earthquake, tornado, or significant vandalism, HUD, in its sole discretion, may renegotiate with the High Bidder for a reduction in the Bid corresponding to the estimated amount of damages. Such amount shall be added to the Post-Closing Repair amount, if applicable. If the Bid reduction cannot be negotiated or if the High Bidder and HUD are unable to agree on the amount by which the Bid should be

reduced, or on the amendment to any Post-Closing Repair requirements, High Bidder may withdraw the Bid. In such case, HUD will retain the Earnest Money Deposit and any Extension Fees paid.

- B. **EXISTING SECURITY DEPOSITS:** Any security deposits collected from tenants and paid to HUD or in HUD's control prior to Closing shall be assigned to High Bidder within fifteen (15) business days of Closing. In no event shall HUD deliver security deposits forfeited by a tenant in accordance with the terms of the tenant's lease. Notwithstanding state and local law, HUD will not transfer any other security deposit collected from tenants. HUD has no other liability under state and local law with respect to security deposits. High Bidder agrees to assume all responsibility and liability under state and local law with respect to the collection, application, and return of tenant's security deposits.
- C. **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.
- D. **LIMITATION OF LIABILITY:** In no event shall HUD's liability exceed the Earnest Money Deposit and any Extension Fees paid.
- E. **ASSIGNMENT:** High Bidder may not assign its rights and responsibilities under this Acknowledgment without the prior written consent of HUD.
- F. **CONFLICTING TERMS:** If there are terms or conditions herein that conflict with the terms or conditions contained in the Invitation incorporated herein by reference, the terms or conditions of this Acknowledgment shall control.
- G. **REQUIRED FORMS:** The High Bidder acknowledge the receipt of the Use Agreement as a term and condition of the Foreclosure Sale and the inclusion of the riders attached to the Use Agreement in the Invitation.

Signature Page Follows

Unsubsidized

By signature below, High Bidder acknowledges and agrees to the terms and conditions of the Foreclosure Sale. In the case where an agent or representative of the High Bidder submitted the Bid, the signatory attests to be duly authorized to submit the bid on behalf of the High Bidder and to execute this Acknowledgement.

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012, 1014; 31 U.S.C. §3729, 3802).

Executed by the High Bidder on the 14th __day of July , 2025.

Witness Signature:

Printed Name: _____

Address: _____

City: _____

State/Zip: _____

By:

Printed Name: _____

Address: _____

City: _____

State/Zip: _____

ATTACHMENT C
FORECLOSURE SALE USE AGREEMENT

This Agreement is entered into by _____ ("Grantee") 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 Paul Brown Lofts, HUD Project No. 08532017 ("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 1715z-11a, the Secretary has authority to impose certain use restrictions, as set forth in this Agreement, on the Project 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 _____, 2025, by _____, the Project has been conveyed to the Grantee; **and**

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

1. **TERM OF AGREEMENT:** This Agreement shall be in effect for Five (5) **years and no** (0) **months** from the date of this Agreement to _____ (the "Restricted Period"). During the Restricted Period the Project must be maintained as **multifamily rental housing**.
2. **CONVEYANCE:** During the term of this Agreement, any Conveyance of the Project must have the prior written approval of HUD, or such Conveyance will be deemed to be null and void, and a default will exist under this Agreement. Conveyance is defined as any sale, assignment, transfer, creation of a leasehold estate in excess of one (1) year, or any other legal or equitable conveyance or transfer of the Project or an interest therein, or any legal or equitable transfer of an interest in the Grantee or any entities that may comprise the Grantee. Without limiting the foregoing and not intending to be all inclusive, a merger, conversion, share exchange, or exchange of corporate or partnership interests is deemed to be a Conveyance, which requires the 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 provides that any such merger or conversion or share (or interest) exchange, or leasehold estate transaction or other type of Conveyance does not constitute or involve the occurrence of a "transfer" or "assignment" of the Project, any of the assets related thereto, or an interest in the Grantee.

Any request for HUD's approval of Conveyance must include the entity and all principals obtaining Previous Participation Certification approval (clearance), submission of a signed Certification of Substantial Compliance, and a signed Agreement to Abide by Deed Restrictions. HUD's approval of a Conveyance will be based on information provided in written statements of how the Grantee, or any subsequent Grantee, in consideration of any and all existing use restrictions, will:

- a. Implement and/or continue to comply with all existing use restrictions;
- b. implement sound financial and physical management program;
- c. respond to the needs of the residents and work cooperatively with resident organizations;
- d. provide adequate organizational staff and resources to manage the Project; and
- e. provide evidence of a minimum of five (5) years substantive experience owning and managing multifamily rental properties of a similar size, type and complexity as the Project.

The approval of a Conveyance is within the sole discretion of HUD.

3. **CONDITION OF UNITS FOR RENTAL HOUSING:** The Grantee shall comply the Physical Condition Standards and inspection requirements of 24 CFR Part 5, Subpart G, including any changes in the regulation and related Directives. In addition, the Grantee shall comply with HUD's Physical Condition Standards of Multifamily Property of 24 CFR Part 200, Subpart P, including any changes in the regulation and related Directives.

4. **PROJECT MANAGEMENT:** HUD reserves the right to approve management for the Project during the term of this Agreement. Any proposed property manager must demonstrate a minimum of five (5) years substantive experience managing multifamily properties of similar size and complexity. If the Project has project-based Section 8 assistance, any proposed property manager must demonstrate a minimum of five (5) years experience managing multifamily properties with project-based Section 8 assistance.
5. **SUBJECT TO EXAMINATION:** 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 of this Agreement,
 - d. Be subjected to periodic HUD inspections or inspections under REAC protocol (24 C.F.R. parts 5 and 200).
 - e. The Owner will be obligated to provide audited annual financial statements to HUD (24 C.F.R. parts 5 and 200.)
 - f. At the request of the Secretary, Grantee 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.
6. **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 Agreement, must receive the written prior approval of HUD.
7. **NON-DISCRIMINATION REQUIREMENTS:** The Grantee will comply with the provisions of all federal, state, or local laws prohibiting discrimination in housing.
8. **HAZARD INSURANCE:** Hazard insurance shall be maintained in an amount to ensure that the Grantee is able to restore the Project so that it meets the rental housing requirements described in this Agreement after restoration.
9. **DESTRUCTION OF PROJECT:** In the event that any, or all, of the 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 Project destroyed or damaged, unless the Secretary gives written approval to use insurance proceeds for other purposes.
10. **DEMOLITION OF PROJECT:** The Grantee 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.
11. **REMEDIES FOR NONCOMPLIANCE:** Upon any violation of any provision of this Agreement by the Grantee, HUD may give written notice thereof to the Grantee by registered or certified mail, 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 Grantee as its legal business address. If such violation is not corrected to the satisfaction of the Secretary within thirty (30) calendar 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 available 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 be construed as a waiver of the right to exercise that or any other right or remedy at any time.

- 12. CONTRADICTORY AGREEMENTS:** The Grantee 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 provisions or requirements in conflict with this Agreement.
- 13. SEPARABILITY:** The invalidity of any provision of this Agreement shall not affect the validity of the remaining provisions hereof.
- 14. AMENDMENT:** This Agreement may be amended by the mutual written consent of the parties, except those provisions required by statute.
- 15. RIDERS TO THE USE AGREEMENT:** The Riders 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. Capitalized terms used but not defined in a Rider shall have the meaning ascribed to such term in this Agreement. The use of the term Grantee in a Rider shall be deemed to mean the Purchaser.
- 16. PRIORITY:** This Agreement shall be recorded against the Project in a superior position to any post foreclosure liens or mortgage debts.

IN WITNESS WHEREOF:

The Grantee has executed this Use Agreement this ____ day of _____, 2025.

WITNESS: _____ GRANTEE: _____

Print Name: _____
Address: _____
City, State, Zip: _____

The U.S. Department of Housing and Urban Development (HUD) has executed this Use Agreement this _____ day of _____, 2025.

WITNESS:

FOR: The Secretary of the Department of
Housing and Urban Development

Official's Signature

Official's Typed Name and Title

Rider 1 of 6
ENFORCEMENT

The Use Agreement shall contain the following provision:

1. The restrictive covenants set forth in this Agreement shall run with the land hereby conveyed and, to the fullest extent permitted by law and equity, shall be binding for the benefit and in favor of and enforceable by the HUD and any/all successors in office.
2. Without limiting any other rights and remedies available to HUD, the HUD shall be entitled to:
 - a. Institute legal action to enforce performance and observance of these covenants,
 - b. Enjoin any acts which violate these covenants,
 - c. Exercise any other legal or equitable right or remedy with respect to these covenants.
3. In addition, the restrictive covenants, if any, set forth in this Use Agreement relating to Section 8 assistance shall be enforceable by any tenant or applicant eligible for stance under the Section 8 program.

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

Grantee _____

HUD ____

Rider 2 of 6
TWO-YEAR RENT PROTECTION FOR PRE-EXISTING VERY LOW-INCOME TENANTS

The Use Agreement shall contain the following provision:

1. The Grantee agrees that, for any unassisted, very low-income (as defined in 24 CFR 5.603) family which is a pre-existing tenant of a project and who after the acquisition would be required to pay rent in an amount in excess of thirty percent (30%) of the adjusted income (as defined in 24 C.F.R. 5.611) of the family, the rent for the unit occupied by the family may not be increased above the rent charged immediately before the acquisition. The rent protection will be enforceable for a period of two (2) years beginning upon the date of acquisition of the Property by the Grantee.
2. On the date of acquisition, the Grantee must provide notice to all tenants residing in unassisted units that they may qualify for the two-year rent protection.
3. Grantee shall conduct an initial income certification for all tenants within thirty (30) calendar days of the acquisition.
4. For all tenants covered by these provisions, Grantee must include in the lease(s) the terms and conditions of the two (2) year rent protection including a provision for an initial tenant income certification and not more than one (1) tenant income certification a year, except upon reduction of tenant income or upon tenant request.
5. Grantee shall provide to HUD a list of all tenants who are covered by this provision within sixty (60) calendar days of the date of this Use Agreement. The list should include the name of the lease holder, unit type, number of family members residing in the unit, and the amount of rent paid by the tenant. If the income certification is not complete within the sixty (60) calendar days, Grantee must report the progress of the certifications and provide a completion date. Upon completion of the income certifications, Grantee must submit the report in the required format and continue to submit this report quarterly, for a period of two (2) years from the date of Closing, to show protection of the tenants has occurred for two (2) years.

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

Grantee _____

HUD _____

Rider 3 of 6
NONDISCRIMINATION AGAINST SECTION 8
CERTIFICATE HOLDERS AND VOUCHER HOLDERS

The Use Agreement shall contain the following provision:

1. In order to comply with Section 204 of the Housing and Community Development Amendments of 1978, 12 USC §1701z-12, as amended, the Grantee, for self, successors and assigns, shall not unreasonably refuse to lease a dwelling unit offered for rent, refuse to 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, which rent for an amount not greater than one-hundred and twenty percent (120%) of the Section 8 fair market rent for a comparable unit in the area as determined by HUD.
2. This restriction shall bind the Grantee, any/all successors, assigns and Grantees for value, for a period equal to the Restricted Period, which is five (5) years from the date of this Use Agreement. In the event of a breach or a threatened breach of this covenant, HUD, any/all successors in office and/or one or more third-party beneficiaries, shall be entitled to institute legal action to enforce performance and observance of such covenant and to enjoin any acts which are in violation of such covenant. For the purposes of this restriction, 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 part of the Use Agreement.

Grantee _____

HUD _____

Rider 4 of 6

REQUIRED REPAIRS AND REHABILITATION

The Use Agreement shall contain the following provision:

1. **REQUIRED REPAIRS:** All property and property improvement must meet or surpass, at a minimum, all state and local codes and ordinances, the Uniform Federal Accessibility Standards (UFAS), HUD's Physical Condition Standards pursuant to 24 CFR Part 5, the General Repair and Property Standards (listed below), the Post-Closing Repair Requirements (attached), and the Environmental Hazards provision (collectively the "Repairs").

a. **General Repair and Property Standards**

i. **Exterior:**

- Any trip hazards (deviations of $\frac{1}{2}$ in or greater) on all surfaces of the property must be mitigated.
- Repair and/or replace any loose, damaged or deteriorated facade, trim, posts, and cornice.
- All exterior paint must be fully intact, mold and rust free.
- All drainage, water diversion, roofing, and water proofing systems must be performing as originally intended to ensure positive drainage and minimize pooling.
- All windows and exterior doors must be operable, lockable, draft free and water tight.

ii. **Interior/MEPs:**

- All mechanical, plumbing, plumbing fixtures, electrical fixtures, electrical devices, appliances and HVAC must be in "Good" operating condition and hazard free.
- All fire protection devices and systems must be working as originally intended.
- All ventilation systems must be working as originally intended.
- All interior painted surfaces and millwork must be fully intact, free of excessive grease and dirt.
- All floor coverings must be fully attached, free of holes, chips, frays and excessive dirt.
- All interior doors, locks, closures and stops must be operating as originally intended.

iii. **Workmanship and Materials:**

- All work shall be performed in a workmanlike manner and in accordance with generally accepted practices and procedures.
- Materials installed shall be of such kind and quality to ensure that the dwelling will provide acceptable durability for the duration of the Restricted Period.
- All repair/rehabilitation work must be performed in a manner compliant with the essential and material requirements of all state codes, local codes, laws, ordinances, regulations, Physical Conditions Standards pursuant to 24 CFR Part 5.
- All long and short lived building components must be performing as originally designed or intended.

b. **Post-Closing Repair Requirements** (attached) describes additional, specific required Repairs. It is probable that not all units were surveyed. However, units not surveyed must also be rehabilitated to the same level as those units that were surveyed.

c. All Repairs, required by this provision, will not be considered complete until such time as HUD or its designee has inspected the Repairs and HUD has accepted the Repairs.

2. REPAIR PERIOD: The Repair Period begins at Closing and expires **thirty-six (36) months** from the date of this Use Agreement. The Grantee covenants that the Repairs will be completed within Repair Period.
3. EXTENSION OF THE REPAIR PERIOD: If the Grantee cannot complete the Repairs within the Repair Period, Grantee shall submit a written request for an extension to HUD stating the reason(s) for Grantee's inability to complete the Repairs. Grantee's request must be received not less than thirty (30) calendar days prior to the expiration of the Repair Period.
 - a. In the event an extension for completion of repairs is granted, the Grantee shall extend expiration of the LOCs, or Payment and Performance Bonds accordingly,
 - b. Extensions of time to complete Repairs are within HUD's sole and absolute discretion, and
 - c. The granting of one or more extensions shall not obligate HUD to grant additional extensions.
4. REPAIR ESCROW: To ensure completion of the Repairs by the Grantee, at Closing the Grantee shall deliver to HUD:
 - a. Letter(s) of Credit (LOCS): A minimum of one (1), and a maximum of four (4) unconditional, irrevocable and non-documentary Letters of Credit (LOCs):
 - i. which total **\$2,980,592.50[25% of total cost Repairs]**, and
 - ii. which shall remain in effect and may be drawn on by HUD for at six (6) months beyond the Repair Period as stated above), **and**
 - iii. LOCs may be returned or amended as the Grantee completes Repairs and HUD has inspected and accepted the Repairs.
 - b. Payment and Performance Bond: **After Closing, and with prior approval by HUD**, the LOC may be replaced with a 100%/0 Payment and Performance Bond:
 - i. Grantee must use HUD Form-92452 for the payment bond and a form for the performance bond that is acceptable to HUD. Evidence of the existence of payment and performance bonds each in the amount of \$11,922,370 (the total cost of Repairs) must be provided to HUD.

Provide HUD with a fully executed copy of the approved The Plans and Specifications and Construction Contract which specifically address items, quantities and timelines specified in paragraphs 1 and 2 of this provision, and the Use Agreement or Deed, as applicable to the sale of the Project prior to the release of the LOC.
 - iii. Grantee must ensure the bonds comply with the following requirements:
 - (a) 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;
 - (b) The payment and performance bonds must not exceed limits listed in the Circular;
 - (c) The payment and performance bonds must show HUD as an Obligee.
 - iv. This Required Repair and Rehabilitation Rider and the Repair List (Form HUD 9552 and/or Cost Estimate Repair Summary) must be attached to and referenced in article 9.1.7 of the construction contract (AIA A101).

This obligation will be deemed satisfied by the Letter(s) of Credit, or a 100% Payment and Performance Bonds provided by the Contractor to the Owner with HUD listed as Obligee, all in a form prescribed by HUD.

5. **REPORTING:** HUD will monitor the progress of the Repairs using reports from the Grantee and inspections performed by HUD or a designee.
- a. Quarterly Reports: Grantee must submit quarterly reports (Post-Closing Repair Report) to HUD on the status of Repairs. The first report is due 90 days after Closing and must include:
- i. the number and type of units completed,
 - ii. a list of major Repairs and percentage completed, and a narrative describing:
 - (a) the status of the planned rehabilitation, i.e. are repairs ahead of, on schedule, or behind on the original rehabilitation schedule,
 - (b) any special circumstances which may, or have delayed the repairs.
- b. Additional Reports: Upon request, Grantee must submit reports, in addition to the Quarterly Reports, to HUD. The frequency and content of these reports will be provided to the Grantee by HUD.

HUD may perform periodic inspections to ascertain the status of the Repairs. If, at any time, HUD determines the Grantee is failing to make adequate progress toward completion of the required Repairs or that the Repairs completed are not acceptable to HUD, Grantee may be required to provide a plan with milestones to show that acceptable Repairs can be completed within the Repair Period. Failure to meet milestones without adequate justification is a reason for Noncompliance as explained below.

6. **RENTS:** The Grantee 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 requirements set forth in paragraph 1, above. Rents for units to be covered by a Housing Assistance Payment Contract may be increased only pursuant to and following execution of such Contract.
7. **RELOCATION:** If temporary or permanent relocation is necessary because of Repairs required under this provision, Grantee covenants to comply with the Relocation provision of this Use Agreement.
8. **NONCOMPLIANCE:** If Grantee fails to complete the required Repairs within the Repair Period and no extension by written agreement has been granted by HUD, HUD and any/all successors in office, in its sole discretion, shall be entitled to:
- a. Enter and terminate the estate hereby conveyed, or
 - b. Cash any LOC or request performance under any payment and/or performance bond, and seek remedies provided in the Enforcement provision of this Use Agreement, as HUD deems appropriate.

If HUD cashes the Grantee's LOC(s), HUD will NOT apply the funds to complete the Repairs. HUD will retain the funds as liquidated damages or for any other purposes as HUD deems appropriate. In the event that HUD cashes the Grantee's LOC(s) for failure to successfully complete the Repairs, the Grantee is still responsible for completion of the Repairs in order to prevent HUD from initiating further sanctions.

These rights and remedies may be exercised separately or in combination with the rights and remedies set forth in the Enforcement provision of this Use Agreement.

9. LENDER OR SECURITY INTEREST: If the Grantee fails to repair the Property in accordance with this Use Agreement, HUD will not exercise the remedies as described in paragraph 8 above, if any lender holding a lien or security interest on the Property

- 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 thirty (30) calendar days of the notice or within such longer periods as HUD may approve in writing.

However, HUD is under no obligation to notify any lender or security interest of its intent to cash any LOCs.

10. ACCESSIBILITY: Grantee shall ensure that a minimum of five percent (5%) of the repaired units are accessible, in accordance with the Uniform Federal Accessibility Standards.

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

Grantee _____

HUD _____

Rider 5 of 6

ENVIRONMENTAL HAZARDS

Grantee covenants to:

1. Investigate and test the Property for substances, chemicals and waste (collectively "Hazardous Substances") and perform cleanup, remedial, removal or restoration work required by any governmental authority ("Inspect and Remediate Requirements").
2. Certify to HUD, in a form acceptable to HUD, that the Inspect and Remediate Requirements have been performed in accordance with this provision.
3. Indemnify, defend, and hold HUD harmless from any liability arising from Grantee's failure to satisfactorily perform the Inspect and Remediate Requirements. Grantee acknowledges that HUD's acceptance of the work is not a warranty that all Hazardous Substances have been eliminated from the Property and does not relieve Grantee of its ongoing responsibility to comply with appropriate governmental authorities.

Grantee shall comply with Inspect and Remediate Requirements below and any additional Hazardous Substances it becomes aware of concerning:

ASBESTOS: 29 CFR 1926 and any subsequent regulations(s) including, but not limited to, all federal, state and local laws regarding detection, abatement, containment and removal of asbestos containing materials.

LEAD-BASED PAINT: 42 USC 4821-4886 and the regulations thereunder, 24 CFR Part 35. Grantee shall inspect, test and abate any lead-based paint. Grantee shall 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*.

RADON: All federal, state and local laws, and EPA guidelines regarding detection and abatement of radon.

MOLD: All federal, state and local laws, and EPA guidelines regarding detection and abatement of mold.

TOXIC AND HAZARDOUS SUBSTANCES: 29 CFR 1926 subpart Z (where a list of applicable substances can be found).

Operations and Maintenance Plan:

1. Grantee shall develop and maintain on the site at all times an Operations and Maintenance Plan (O&M Plan) that complies with EPA guidelines for Operations and Maintenance Programs. The O&M Plan shall:
 - a. Identify areas where Hazards exist;
 - b. Establish guidelines for maintenance work and repairs and employee training;
 - c. Establish tenant notification systems; and
 - d. Establish monitoring, job-site controls, work practices, record keeping, and worker protection.
2. Grantee shall submit a copy of the O&M Plan for HUD review and approval within thirty (30) Calendar days after the date of this Use Agreement.

Remedies:

1. If Grantee fails to comply with this provision, HUD may exercise one or more of the remedies Listed below:
 - a. Enter and terminate the estate hereby conveyed,
 - b. Cash Grantee's LOC(s),
 - c. Request payment and performance under any Payment and Performance Bonds provided to HUD.
2. If HUD cashes the Grantee's LOC(s) or files a claim with the surety company as a remedy for the Grantee's default under this provision, HUD may apply the funds to perform the Inspect and Remediate Requirements, retain the funds as liquidated damages, or for such other project purposes as HUD deems appropriate.
3. HUD shall not exercise its available remedies if any lender holding a lien or security interest on the Property:
 - a. Gives written notice to HUD within the period provided for repairs, that it intends to complete the Inspect and Remediate Requirements, and
 - b. Completes the Inspect and Remediate Requirements within thirty (30) calendar days of the notice or within such extended period that HUD may approve in writing.

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

Grantee_____

HUD _____

Rider 6 of 6

HISTORIC PRESERVATION

The Use Agreement shall contain the following provision:

1. The Property is located in a Historic Preservation area or may be eligible for preservation under the National Historic Preservation Act. Therefore, in order to assure compliance with Section 106 of the National Historic Preservation Act of 1966, as amended by 16 USC §470f, the regulations thereunder, and its implementing regulation, 36 CFR 800, "Protection of Historic Properties," the Grantee covenants that the Property 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, utilizing sole discretion for good cause, may modify or cancel any or all of the restriction(s) contained in this Rider upon written application of the Grantee, any/all successors and assigns.

3. The Grantee shall photograph the interior and exterior of the property in order to document the appearance, configuration and condition of the premises within 90 days after closing and before any repair, stabilization, preservation, or rehabilitation work has begun. These photographs, along with any descriptions or measured drawings of the property shall be submitted to the Missouri State Historic Preservation Office, which will have 30 days to review and comment on the suitability of the documentation.

4. Further, the Grantee, its successors and assigns, will obtain written permission or approval from the State or Tribal Historic Preservation Officer before initiating any repairs, rehabilitation, or alterations to the Property during the 5-year term of the Use Agreement. Submissions must include a detailed narrative scope of work, documentation of the existing conditions of any area or feature to be affected by project activities, and design specifications for any replacement features.

5. The Grantee, its successors and assigns, during the 5-year term of the Use Agreement will provide annual reports to the State Historic Preservation Officer detailing the project activities undertaken in the previous year. The State Historic Preservation Officer will have 30 days to review and provide comment on the submitted report.

6. If during the course of HUD's monitoring of quarterly reports and periodic inspections, HUD becomes aware of any project activities that have not been submitted for SHPO review that has a potential to have an adverse effect on the historic character or features of the building, HUD will order such work to be stopped immediately and require the Grantee to submit the proposed work prior to recommencing.

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

Grantee _____

HUD _____

ATTACHMENT D
LETTER OF CREDIT (LOC) SAMPLE

(ISSUING BANK'S LETTERHEAD)

IRREVOCABLE UNCONDITIONAL LETTER OF CREDIT NO.

DATE
Office of General Counsel, MFH Property Disposition Division
U.S. Department of Housing and Urban Development
307 W. 7th Street, Suite 1000
Ft. Worth, TX 76102

Attention: Sakeena Adams

Dear Sir/Madam:

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

(Bank's address)

This Credit is governed by the laws of _____

Sincerely,

(Issuing Bank)

By:

SAMPLE SIGHT DRAFT

(HUD LETTERHEAD)

(Name and address of bank)

(City, State)

DATE

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
Post-Closing Repair Requirements

COST ESTIMATE SUMMARY:
Items in poor condition with 1- 3 years useful life

Division 1: General Requirements			
General Conditions	0	\$0.00	\$0.00
Other:	0	\$0.00	0.00
General Requirements Subtotal			\$0.00
Division 2: Site Construction			
Site Demolition	0	\$0.00	\$0.00
General Building Demolition:	0	\$0.00	\$0.00
Excavation, Fill & Grading:	0	\$0.00	\$0.00
Site Utilities	0	\$0.00	\$0.00
Storm Drainage & Sanitary Sewer	0	\$0.00	\$0.00
Water, Steam & Gas Distribution	0	\$0.00	\$0.00
Miscellaneous Site Improvements	0	\$0.00	\$0.00
Irrigation, Sprinkler Head Systems	0	\$0.00	\$0.00
Landscaping	0	\$0.00	\$0.00
Other:	0	\$0.00	\$0.00
Site Construction Subtotal			\$0.00
Division 3: Concrete			
Precast Concrete, cast-in-place entry steps at all bldgs.	0	\$0.00	\$0.00
Specialty Concrete	0	\$0.00	\$0.00
Excavation & Backfill	0	\$0.00	\$0.00
Concrete Forms	0	\$0.00	\$0.00
Foundation forms	0	\$0.00	\$0.00
Footing Forms	0	\$0.00	\$0.00
Forms, Slab on Grade	0	\$0.00	\$0.00
Reinforcing steel	0	\$0.00	\$0.00
Slab Finishes	0	\$0.00	\$0.00
Insulating Decks	0	\$0.00	\$0.00
Fiber Deck	0	\$0.00	\$0.00
Other:	0	\$0.00	\$0.00
Concrete Subtotal			\$0.00
Division 4: Masonry			
Brick Masonry Restoration	0	\$0.00	\$0.00
Concrete Masonry	0	\$0.00	\$0.00
Other:	0	\$0.00	\$0.00
Masonry Subtotal			\$0.00
Division 5: Metals			
Structural Steel	0	\$0.00	\$0.00
Decking & Siding	0	\$0.00	\$0.00
Other:	0	\$0.00	\$0.00
Metals Subtotal			\$0.00
Division 6: Woods and Plastics			
Rough Carpentry	0	\$0.00	\$0.00
Vertical Framing, Walls	0	\$0.00	\$0.00
Horizontal Framing	0	\$0.00	\$0.00
Misc. Framing & Materials	0	\$0.00	\$0.00
Sheathing	0	\$0.00	\$0.00
Finish Carpentry	0	\$0.00	\$0.00
Beams, trusses	0	\$0.00	\$0.00
Stairs, Wood	0	\$0.00	\$0.00
Rough Hardware	0	\$0.00	\$0.00
Other:	0	\$0.00	\$0.00
Wood and Plastics Subtotal			\$0.00
Division 7: Thermal & Moisture Protection			
Waterproofing Garage (Square FL)	45,000	\$3.00	\$135,000.00
Thermal & Sound Insulation	0	\$0.00	\$0.00
Roofing (Square Ft.)	45,000	\$50.00	\$2,250,000.00

Composite Building Panels	0	\$0.00	\$0.00
Architectural Sheet Metal	0	\$0.00	\$0.00
Caulking & Sealants	0	\$0.00	\$0.00
Other:	0	\$0.00	\$0.00
Thermal and Moisture Protection Subtotal			\$2,385,000.00
Division 8: Doors and Windows			
Hollow Metal Doors & Frames	0	\$0.00	\$0.00
Wood Doors & Frames, Hollow (Dwelling Unit)	111	\$2,700.00	\$299,700.00
Wood Garage Doors	0	\$0.00	\$0.00
Wood Door Specialties	0	\$0.00	\$0.00
Special Doors	0	\$0.00	\$0.00
Vinyl, Windows	0	\$0.00	\$0.00
Aluminum, Windows & Doors	0	\$0.00	\$0.00
Wood Windows & Doors	0	\$0.00	\$0.00
Finish & Hardware	0	\$0.00	\$0.00
Glass & Glassing	0	\$0.00	\$0.00
Curtain Walls	0	\$0.00	\$0.00
Other:	0	\$0.00	\$0.00
Doors and Windows Subtotal			\$299,700.00
Division 9: Finishes			
Studs	0	\$0.00	\$0.00
Furring	0	\$0.00	\$0.00
Lathing	0	\$0.00	\$0.00
Plaster & Lath	0	\$0.00	\$0.00
Gypsum Wall board	0	\$0.00	\$0.00
Ceramic Tile, Entry Way (Dwelling Unit)	222	\$4,500.00	\$999,000.00
Terrazzo	0	\$0.00	\$0.00
Acoustic Ceiling Tiles	0	\$0.00	\$0.00
Wood Flooring (Dwelling Unit)	222	\$16,000.00	\$3,552,000.00
Resilient Flooring	0	\$0.00	\$0.00
Painting & Wall covering, All interior Surfaces (Dwelling Unit)	222	\$2,500.00	\$555,000.00
Plastic & Factory Finish Wall Surfaces	0	\$0.00	\$0.00
Other:	0	\$0.00	\$0.00
Finishes Subtotal			\$5,106,000.00
Division 10: Specialties			
Toilet Partitions & Compartments	0	\$0.00	\$0.00
Partitions Toilet Accessories	0	\$0.00	\$0.00
Misc. Building Specialties	0	\$0.00	\$0.00
Other:	0	\$0.00	\$0.00
Specialties Subtotal			\$0.00
Division 11: Equipment			
Other: Washer and Dryer (Dwelling unit)	18	\$1,500.00	\$27,000.00
Equipment Subtotal			\$27,000.00
Division 12: Furnishings			
Blinds & Shades	0	\$0.00	\$0.00
Cabinets & Laminated Countertops, Kitchen (Dwelling Unit)	111	\$15,000.00	\$1,665,000.00
Laminated Plastic & Simulated Marble Tops	0	\$0.00	\$0.00
Carpets	0	\$0.00	\$0.00
Draperies & Curtains	0	\$0.00	\$0.00
Other:	0	\$0.00	\$0.00
Furnishings Subtotal			\$1,665,000.00
Division 13: Special Construction			
Special Construction: See structural engineers cornice report attached	TBD	TBD	TBD
Prefabricated Structures	0	\$0.00	\$0.00
Other:	0	\$0.00	\$0.00
Special Construction Subtotal			\$TBD
Division 14: Conveying Systems			
Conveying Systems	0	\$0.00	\$0.00
Other:	0	\$0.00	\$0.00
Conveying Systems Subtotal			\$0.00
Division 15: Mechanical (Ex. Plumbing and HVAC)			

Equipment: Stove, Microwave, Refrigerator, Dishwasher (Dwelling Unit)	166	\$2,900.00	\$481,400.00
Fixtures: Bathtub, Shower Body, Toilet, Sink, Faucet (Dwelling Unit)	111	\$1,500.00	\$166,500.00
Piping, Drain Cleaning (Dwelling Unit)	111	\$500.00	\$55,500.00
Valves & Specialties	0	\$0.00	\$0.00
Insulation, Piping	0	\$0.00	\$0.00
Miscellaneous Plumbing Specialties	0	\$0.00	\$0.00
Medical & Laboratory Equipment & Pipe	0	\$0.00	\$0.00
Industrial Piping Insulation	0	\$0.00	\$0.00
HVAC	221	\$5,000.00	\$1,105,000.00
Equipment, Furnaces	0	\$0.00	\$0.00
Equipment, Hot Water (Dwelling Unit)	222	\$1,400.00	\$310,800.00
Equipment, Cooling	0	\$0.00	\$0.00
Equipment, Heating & Cooling Combinations (Split systems) (Unit)	0	\$0.00	\$0.00
Auxiliary heating & Cooling Equipment	0	\$0.00	\$0.00
Air Handling Equipment (Dwelling Unit)	0	\$0.00	\$0.00
Distribution, Terminal Equipment	0	\$0.00	\$0.00
Miscellaneous Equipment	0	\$0.00	\$0.00
Thermostats (Dwelling Unit)	56	\$200.00	\$11,200.00
Duct Work, Grills & Registers	0	\$0.00	\$0.00
Piping & Insulation	0	\$0.00	\$0.00
Fittings	0	\$0.00	\$0.00
Valves & Specialties	0	\$0.00	\$0.00
Insulation, Piping	0	\$0.00	\$0.00
Fire Protection Systems	0	\$0.00	\$0.00
Other: Air Cooling Tower (Roof top unit)	1	\$200,000.00	\$200,000.00
Mechanical Subtotal			\$2,330,400.00
Division 16: Electrical			
Total Electrical Work, Buildings	0	\$0.00	\$0.00
Main Switchboards, 600v, Service & Distribution	0	\$0.00	\$0.00
Transformers	0	\$0.00	\$0.00
Lighting Fixtures (Stair Wells)	32	\$250.00	\$8,000.00
Branch Circuit Runs	0	\$0.00	\$0.00
Signal & Communications Systems	0	\$0.00	\$0.00
Combination Service & Distribution, Switchboards	0	\$0.00	\$0.00
Motor Control Centers	0	\$0.00	\$0.00
Panelboards, 600v Max, Bolt-On Breakers	0	\$0.00	\$0.00
Ceiling Fans with Lighting (Dwelling Unit)	222	\$350.00	\$77,700.00
Lighting Fixtures: Bathroom vanity (Dwelling Unit)	56	\$345.00	\$19,320.00
Electric & Signal Devices/Exit lighting (Each)	5	\$150.00	\$750.00
Other: Electrical Outlets (Each)	28	\$125.00	\$3,500.00
Electrical Subtotal			\$109,270.00
TOTAL			\$11,922,370.00 + TBD

Attachment G
Certificate 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/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:

Signature

Grantee 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

Attachment H
PROTECTING TENANTS AT FORECLOSURE ACT

Applicable to all foreclosure sales.

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 calendar days prior notice to vacate the unit.
2. Any tenant retains all 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 calendar 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 calendar 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 calendar 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.

Attachment K Post-Closing Repair Report

Property:		Repair Expenditures to Date: \$
Address:		Date Repairs Began:

Number of HAP Units: Number of HAP Units repaired/meeting PCS:
 Number of Units: Number of Units repaired/meeting PCS:
 List major repairs as required by Form HUD-9552 and provide status of those repairs:

Major Repair	Work Completed
Ex. Replace roof on 5 buildings (80%)	Ex: Roof replaced for 3 buildings (60%)

Provide a narrative describing special circumstances beyond your control which may, or have delayed the repairs:

Provide narrative describing the status of the planned rehabilitation. Your narrative should include whether you are ahead of, on schedule, or behind on your original rehabilitation schedule:

Date of Report:
 Report completed by: _____ Title _____

Please submit a completed version of this report to the assigned Property Disposition Realty Specialist. Reports are due quarterly and to be continued until the repairs are complete.

Attachments:

1. Attach a minimum of 4 photographs depicting repaired conditions.
2. Attach additional pages as necessary to provide a thorough explanation of status of repairs.