



INVITATION TO BID AT FORECLOSURE SALE

Christian Care Home
800 Chambers Road
Ferguson, MO 63135

A 178 bed /92 units former Skilled Nursing Facility

Is offered for sale at foreclosure:

- ❖ Property to be sold "all cash as is"
- ❖ HUD will not provide financing with this sale
- ❖ Property is vacant; Purchaser to determine future use
- ❖ Suggested future use: Healthcare Facility – Skilled Nursing Facility or Assisted Living Facility, Rehabilitation Facility, Senior Housing, Halfway House, or Dormitory.
- ❖ **OPEN HOUSE TO BE HELD ON: December 10, 2019, 9 a.m. – 11 a.m.**



Oral bids will be accepted
on: December 20, 2019
at: 10:00 a.m. (local time)

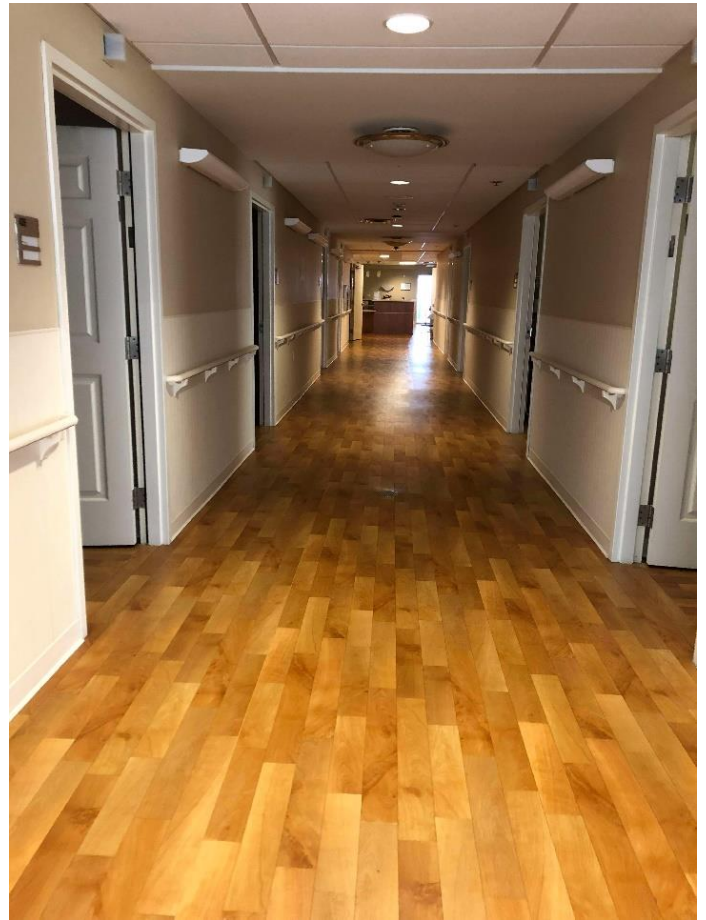
Sale Location:
East Front Door
of the
St. Louis County Circuit
Court Building
105 South Central Avenue
Clayton, Missouri



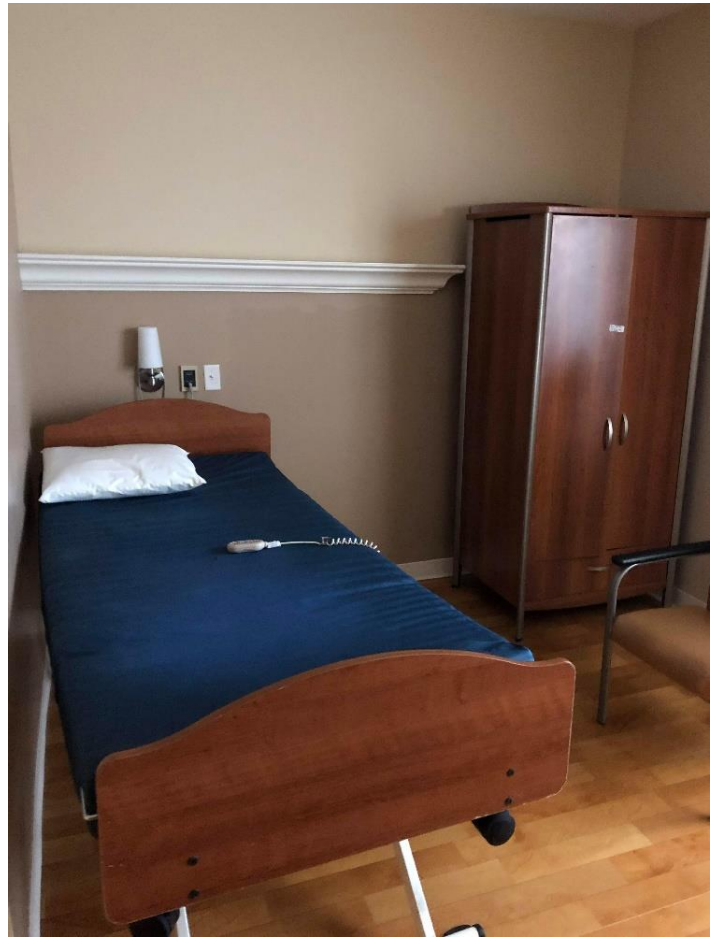
U. S. Department of Housing and Urban Development
Multifamily Property Disposition
801 Cherry Street, Unit #45, Ste. 2500
Fort Worth, TX 76102



Invitation to Bid



Invitation to Bid



DEFINITIONS

The following definitions apply to capitalized terms in this Invitation.

1. **APPS:** The Active Partners Performance System is a secure systems website that allows HUD's business partners to manage their entity and individual participation information and submit Previous Participation Certification requests directly to HUD for processing. More information can be found at: https://www.hud.gov/program_offices/housing/mfh/apps/appsmfhtm.
2. **Acknowledgment by Bidder:** The document executed at the Foreclosure Sale by the High Bidder, obligating the High Bidder to the terms and conditions of the Foreclosure Sale. The form is attached to this Invitation as Attachment B.
3. **Act:** Multifamily Mortgage Foreclosure Act, 12 U.S.C. § 3701-15.
4. **Affiliate:** Persons are affiliates of each other if, directly or indirectly, 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. (2 C.F.R. § 180.905 - Affiliate.)
5. **Approved High Bidder:** The High Bidder HUD determines, following a review of the Post-Bid Document Submittals, is qualified to purchase and own the Property.
6. **Bid:** An offer of a certain price submitted by a Bidder to purchase the Property offered for sale and complies with all the requirements contained in this Invitation.
7. **Bidder:** Any individual or entity that submits a Bid in accordance with the terms of this Invitation.
8. **Business Partners Registration (BPR):** Registration in this System is required for access to HUD's secure systems (TRACS, Inspection retrieval, Financial Reporting) for companies that have never done business with HUD.
9. **Cash Due at Closing:** The bid price less the Earnest Money Deposit plus all initial deposits to escrow and/or reserve accounts HUD may require less any prorations and any outstanding encumbrance that survived the Foreclosure Sale. Funds shall be paid in the form of a money order, certified funds or a cashier's check made payable to: The U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.
10. **Certificate of Occupancy:** A document issued by a local government agency or building department certifying a building's compliance with applicable building codes and other laws, and indicating it to be in a condition suitable for occupancy.
11. **Certification of Substantial Compliance:** A certification by High Bidder that its other properties in the jurisdiction of the Property are in substantial compliance with state and local laws. Attachment G of this Invitation.
12. **Closing:** Date when legal title to the Property is transferred to the Approved High Bidder.
13. **Days:** Federal government business days, unless otherwise stated as calendar days.
14. **Earnest Money Deposit:** The amount of the deposit identified in the Property at a Glance that must be submitted at the Foreclosure Sale.
15. **Extension Fees:** 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.
16. **Extension Period:** A additional thirty (30) calendar day period that HUD may give for the Closing to occur.
17. **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.
18. **Foreclosure Deed:** The deed that transfers title of the Property to the Approved High Bidder. It will not contain any warranties of title.
19. **Foreclosure Sale:** Sale of the Property pursuant to 12 U.S.C. § 3710.
20. **High Bidder:** The bidder at Foreclosure Sale that submits the highest responsive Bid amount to the Foreclosure Commissioner as determined by HUD.
21. **Invitation:** This Invitation to Bid including all the accompanying exhibits, which 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.
22. **Letter of Credit (LOC):** An unconditional, irrevocable, and documentary assurance to HUD, issued from a recognized FDIC-insured lending institution, that serves as an incentive for the Approved High Bidder/Owner to satisfactorily complete the Post-Closing Repairs. The required amount is identified in the Property at a Glance.
23. **Operator:** The entity licensed by the State of Missouri chosen by the Purchaser to manage the continued operations of the Project
24. **Owner:** The Approved High Bidder that completes the Closing and takes title to the Property through the execution and recordation of the Foreclosure Deed.

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25. Physical Condition Standards (PCS): The Department's minimum physical condition standards are applicable as stated in 24 C.F.R. § 5.703. These standards must be met within a specified number of calendar days after Closing and maintained thereafter subject to periodic HUD inspections if the Property is to be used as rental housing.
26. Post-Bid Document Submittals: 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 to purchase and/or manage the Property.
27. 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 (if applicable).
28. Previous Participation Certification: Form HUD-2530 and required supporting documentation submitted by the High Bidder and principals after the Foreclosure Sale, containing information about the High Bidder's and principals' previous participation in HUD programs and, if applicable, other federal, state, or local housing programs. HUD uses the Previous Participation Certification, in combination with other factors, as a prerequisite to determine whether the High Bidder and its affiliates can participate in owning and/or operating the Property.
29. Principal: (a) an officer, director, owner, partner, principal investigator, or other person within a participant 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 complete definition see 2 C.F.R. § 180.995 – Principal, as supplemented by 2 C.F.R. § 2424.995.)
30. Property: The skilled nursing facility for sale in this Invitation and all real and personal property appurtenant thereto.
31. Property at a Glance: Attachment A to the Invitation that contains information about the Property and contact information for the Realty Specialist.
32. Realty Specialist: HUD staff member identified in the Property at a Glance who can be contacted for additional information concerning the Property or the Foreclosure Sale.
33. Second Highest Bidder: The bidder at the Foreclosure Sale that submits the second highest Bid amount to the Foreclosure Commissioner. Bidders who submit a Bid in an amount less than the second highest amount could ultimately be deemed Second Highest Bidder should HUD not approve the High Bidder or a higher bidder withdraws its higher Bid.
34. Statement of Experience: A written statement in the Post-Bid Document Submittals the High Bidder provides for HUD to determine whether to grant approval as Approved High Bidder of the Property.
35. Use Agreement: The Foreclosure Sale Use Agreement in the form attached as Attachment C (only applicable if the purchaser chooses to use the property as multifamily housing) to this Invitation, which 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.

SECTION 1 - INTRODUCTION AND GENERAL INFORMATION

1. **BID RESPONSIVENESS:** A Bid must meet all the terms of the Foreclosure Sale to be responsive. 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. The terms of the Foreclosure Sale are those set out in this Invitation.
2. **SALE TO HIGHEST QUALIFIED BIDDER:** Sale of the Property will be awarded to the highest bidder that HUD determines is qualified to purchase the Property.
3. **NO REDEMPTION PERIOD:** This Foreclosure Sale is not subject to redemption by the defaulting owner of the Property.
4. **BID ACCEPTANCE OR REJECTION, INELIGIBLE BIDDERS:** At any time prior to Closing, 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 lacks the eligibility to bid, experience, ability, or financial responsibility necessary to own and manage the Property in a manner acceptable to HUD. Ineligible Bidders include:
 - (i) **Pursuant to 24 CFR 27.20, the defaulting owner of the Property, or any Principal, successor, Affiliate, or assignee thereof;**
 - (ii) **Any contractor, subcontractor and/or consultant or advisor (including any agent, employee, partner, director, principal or affiliate of any of the foregoing) who performed services for, or on behalf of, defaulting owner or HUD in connection with the Property within the past two years;**
 - (iii) **An FHA-approved mortgagee, and/or loan servicer, including any principals, affiliates, or assigns thereof, that has received FHA insurance benefits for the defaulting mortgage loan HUD now holds for the Property and upon which HUD is foreclosing;**
 - (iv) **An FHA-approved mortgagee, including any Principals, Affiliates, or assigns thereof, that originated the mortgage loans HUD now holds for the Property if the mortgage loan(s) defaulted within five (5) years of origination and resulted in the payment of an FHA insurance claim;**
 - (v) **A healthcare Operator for the Property, including its Principals, Affiliates, assigns, or member(s) of such individuals' family;**
5. **CANCELLATION OF SALE:** HUD reserves the unconditional right to cancel this Invitation and reject any and all bids at any time prior to the Closing of the Foreclosure Sale.
6. **BIDDER'S DUE DILIGENCE:** Bidders, their agents, and advisors should carefully review the information in this Invitation and any additional information made available by HUD and should undertake their own investigation of the Property to evaluate the benefits and risks associated with purchasing the Property.
7. **POST-CLOSING REQUIRED REPAIRS:** HUD is not requiring specific repairs to be complete Post-Closing, however, additional requirements are found in Riders 3 and 3 of the Use Agreement. The Property must be repaired to meet state and local codes, and, if High Bidder determines to use the Property as rental housing or a residential healthcare facility, the Department's Physical Condition Standards (PCS) will apply.
8. **OUTSTANDING ENCUMBRANCES THAT SURVIVE FORECLOSURE:** By entering its bid, the High Bidder agrees to assume all responsibility for paying all outstanding encumbrances and expenses, including, but not limited to, taxes, assessments, utility bills and any liens not extinguished by the Foreclosure Sale. Bidders are advised to determine outstanding expenses, taxes, utilities, assessments, and liens as part of their due diligence and consideration when bidding.
9. **RECORDATION OF CERTAIN DOCUMENTS:** The Use Agreement, and any and all riders thereto will be recorded with the Foreclosure Deed.
10. **ADDITIONAL INFORMATION:** For additional information, please contact the Realty Specialist found on the Property at a Glance.

SECTION 2 -PREVIOUS PARTICIPATION CERTIFICATION

FOR PARTICIPANTS IN HUD PROGRAMS

1. **GENERAL:** The High Bidder, any Operator, management agent and any other participants HUD requires must file a Previous Participation Certification in either electronic or paper format. The High Bidder must comply with all Previous Participation Certification requirements as outlined in the Acknowledgment.
2. **ELECTRONIC FILING:** The High Bidder can use APPS to electronically file the Previous Participation Certification. Prior registration in APPS is not mandatory in order to bid at the

Foreclosure Sale but is recommended. If the Organization/entity has not conducted business with HUD previously, access to HUD's secure systems will be required and the entity must first register with Business Partner Registration (BPR). Click on the "Business Partner Registration HUD Multifamily" link on the APPS Home Page at the following URL to start the registration process. http://www.hud.gov/program_offices/housing/mfh/apps/appsmfhm. After completing this registration process, wait at least 24 hours before registering for your Coordinator or User ID. Then allow approximately two (2) weeks to receive the User/Coordinator ID. Instructions for registering for both Secure Systems and APPS are located on the [Active Partners Performance System \(APPS\) web site](#), accessible using the above cited URL. Once the Coordinator ID is received, details on requesting access key codes and other relevant information is provided in APPS Quick Tips available on APPS web site.

3. **PAPER FILING:** A High Bidder using paper format must submit the Previous Participation Certification and an organizational chart, in accordance with HUD NOTICE H 2016-15, of the proposed ownership entity to the Realty Specialist within the time limits outlined in Section 4 below. Applicants must identify controlling participants in compliance with 24 CFR Part 200, Subpart H.
4. **UPDATES:** If the High Bidder expects a management agent to participate in the management of the Property, or if the High Bidder is changing principals, adding principals, changing the name of the purchasing entity, or changing tax identification from information already recorded in the Previous Participation Certification, **it is the High Bidder's responsibility to ensure that all necessary changes are made to the Previous Participation Certification within the prescribed time frames.**
 - **Failure of any participant to submit a Previous Participation Certification or other required document(s) within the time frame specified in Section 4 below may be grounds for HUD to reject the Bid.**
 - **HUD must approve the High Bidder's experience, qualifications and capacity in order for the High Bidder to purchase the Property. This includes, but is not limited to, Previous Participation Certification approval.**

SECTION 3 - FORECLOSURE SALE PROCEDURES AND SUBMISSION OF BIDS

1. **GENERAL:** The Foreclosure Sale is an oral, open bid sale that takes place at the date, time and place indicated on the cover of this Invitation. HUD has designated a Foreclosure Commissioner to conduct the sale of this Property.
2. **BIDDING AT THE FORECLOSURE SALE:**

A bidder must either:

 - i. State a bid price orally at the sale, or
 - ii. Submit a sealed written Bid with Earnest Money Deposit to the Foreclosure Commissioner at least two (2) days before the published date of the Foreclosure Sale. Written bids, if received, will be read aloud before oral bids are accepted. Please contact the Foreclosure Commissioner for mailing instructions regarding submitting a written Bid. For contact information refer to last page of the Property At A Glance.
3. **E-MAILED OR FACSIMILE BIDS:** E-mailed or facsimile bids and/or Bid modifications will not be considered.
4. **ITEMS THAT MUST BE SUBMITTED AT THE FORECLOSURE SALE:**
 - a. **Earnest Money Deposit:**
 - i. The Earnest Money Deposit in the amount specified in the Property at a Glance must be submitted directly to the Foreclosure Commissioner or his designee before the start of the Foreclosure Sale and prior to presenting an oral Bid or simultaneously with a written Bid.
 - ii. The Earnest Money Deposit must be in the form of certified funds, or cashier's check payable to: **THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**. No other method of payment is acceptable.
 - iii. A financial organization submitting a Bid on its own behalf must have the Earnest Money Deposit drawn on another financial organization institution.
 - iv. A bidder's lack of proper Earnest Money Deposit is cause for HUD to reject any Bid.
5. **NOTIFICATION TO THE HIGH AND SECOND HIGH BIDDER:** After reviewing all the written and oral bids, the Foreclosure Commissioner will orally notify the High Bidder and Second High Bidder of their bidding positions immediately after the Foreclosure Sale.
6. **ACKNOWLEDGMENT BY BIDDER:** Immediately after the Foreclosure Sale, the High Bidder must submit a signed copy of the Acknowledgment to the Foreclosure Commissioner.

SECTION 4 - POST-FORECLOSURE SALE PROCEDURES

1. **CONTINUANCE OF OFFERS:** All bids shall be deemed to be continuing offers from the time of the Foreclosure Sale until bid-rejection by HUD or until Closing.
2. **POST-BID DOCUMENTS SUBMITTALS:** The High Bidder must submit the following items to the Realty Specialist as stated below:
 - a. **Within Five (5) Days After Foreclosure Sale:**
 - i. **Previous Participation Certification:**
 - a) **Electronic filing:**

Electronic filers already registered in Secure Systems and APPS, submit e-2530 using Active Partners Performance System (APPS) and provide submission ID to the Realty Specialist. Note: If not registered in BPR previously, required deadlines will not allow sufficient time to file electronically.
 - b) **Paper filing:**
 - (i) **If not already registered in BPR, High Bidder must register and notify HUD of the registration by providing the TIN of the proposed purchasing entity to the Realty Specialist.** Register by clicking on the Business Partner Registration HUD Multifamily Link on the APPS Web Page at http://www.hud.gov/program_offices/housing/mfh/apps/appsmfhtm.
 - (ii) **Form HUD-2530:** A completed paper form, with original signatures, for the High Bidder and any and all controlling principals. Proposed ownership must have an established tax identification or social security number; **and**
 - (iii) **Organizational Chart:** A flow chart reflecting all Principals of the High Bidder and each principal's percentage of ownership.
 - ii. **Certification of Substantial Compliance:** A completed and original certification found as Attachment G 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 determine the High Bidder is not qualified to purchase the Property. The Earnest Money Deposit may be forfeited.
 - iii. **Written Statement of Experience:** The High Bidder must submit a written Statement of Experience. Instructions for preparing the written Statement of Experience are provided in the Acknowledgment.
 - b. **Within Ten (10) Days After Foreclosure Sale:** The High Bidder must submit the documents below that are required based on the designated future use:
 - Affirmative Fair Housing Marketing Plan (Form HUD-935.2A), if to be used as rental property
 - Previous Participation Certification (Form HUD 2530) for Approved High Bidder, if different from High Bidder
 - Previous Participation Certification (Form HUD 2530) for the Management Agent, if applicable
 - Personal Financial and Credit Statement (Form HUD 92417), for each proposed principal
 - Management Entity Profile (Form HUD-9832), if applicable
 - Project Owner's Certification for Owner-Managed Multifamily Housing Projects (Form HUD-9839A), if applicable **OR**
 - Project Owner's/Management Agent's Certification for Multifamily Housing Projects for Identity-of-Interest or Independent Management Agents (Form HUD-9839B) **(Only one of these forms A or B will be required for management certification.)**
 - Project Owner's/Borrower's Certification (Form HUD-9839C-for elderly housing project managed by Administrators only), if applicable
 - Previous Participation Certification Controlling Participant (Section 232)
 - c. **Healthcare Forms:** If the High Bidder anticipates continued use of the Property as a licensed nursing facility, Bidders must complete and submit the Previous Participation documents listed below, as applicable, with their links:
 - a. Borrower: HUD-90013-ORCF - [HUD-90013-ORCF](#)
 - b. Principal of the Borrower: HUD-90014-ORCF - [HUD-90014-ORCF](#)
 - c. Operator: HUD-90015-ORCF - [HUD-90015-ORCF](#)
 - d. Management Agent: HUD-90017-ORCF - [HUD-90016-ORCF](#)
 - e. Personal Financial and Credit Statement (Form HUD-92417-ORCF) - [HUD-92417-ORCF](#)
 - f. Project Owner's Certification for Owner-Managed Projects (Form HUD-9839-ORCF) – [HUD-9839-ORCF](#)

- d. **Within Fifteen (15) Days After Foreclosure Sale:** Previous Participation Certification for the management agent or the High Bidder's ownership entity must be completed and a signed copy provided to the Realty Specialist.

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

3. **QUALIFICATION, ACCEPTANCE, REJECTION OF BID:**

a. **Required Bidder Qualifications to Purchase Property:**

- i. The objective of HUD's foreclosure process is to transform troubled and distressed properties into viable, long-term housing or healthcare resources. To accomplish this, HUD will only sell the Property to a High Bidder that is eligible to bid, has the financial capacity and demonstrated experience (approximately five (5) years) of successfully owning, managing and transforming distressed and troubled multifamily and/or healthcare properties into viable, housing resources.
- ii. HUD has the sole and absolute discretion to evaluate bidders, starting with the High Bidder and proceeding in descending order, if necessary, on the Bidder's eligibility, demonstrated experience, qualifications and capacity to purchase and successfully transform the Property into a long-term, viable housing or healthcare resource. HUD will base its determination on a review of the Post-Bid Document Submittals and information HUD independently obtains and verifies. A Bidder must demonstrate that it owns (or has owned) and/or is successfully managing and operating (or has successfully managed and operated) properties of similar size and characteristics as the Property. Demonstrated experience should support intended use.
- iii. HUD may, in its sole discretion, accept or reject any Bid submitted for the purchase of the Property. HUD's review and approval of the Previous Participation Certification is a requirement for the High Bidder to purchase of the Property. However, Previous Participation Certification review is only one aspect of HUD's approval process concerning the bidder's qualifications.
- iv. If HUD determines that the High Bidder is not eligible to bid, does not have the experience, qualifications and/or financial capacity to purchase the Property, HUD will reject the Bid and proceed to the Second Highest bidder pursuant to the terms of the Invitation.
- v. In the event that HUD rejects a bid, HUD will return the bidder's Earnest Money Deposit, provided the High Bidder has not failed to meet time limits required to submit documentation, or made any misrepresentation or material omission(s) in the Post-Bid Document Submittals. If the High Bidder fails to properly submit all required documentation within the required time limit or HUD determines that the High Bidder misrepresented his or her eligibility to bid, experience, qualifications, or financial capacity, the Earnest Money Deposit will be forfeited and retained as liquidated damages. HUD may seek any and all additional remedies.
- vi. HUD may require the High Bidder to obtain the services of a qualified Operator or management firm.

b. **Bidder Approval:**

- i. Upon HUD's determination that the High Bidder is qualified, the High Bidder will be confirmed as and identified as the Approved High Bidder;
- ii. Upon HUD's determination that the High Bidder is not qualified, HUD will notify the High Bidder in writing;
- iii. If HUD rejects the High Bidder, HUD may in its sole discretion elect to contact the Second Highest Bidder, which may include succeeding Bidders as Bidders withdraw or do not qualify, to purchase the Property. If contacted, the Second Highest Bidder or succeeding Bidder will be offered the opportunity to purchase the Property and will be given forty-eight (48) hours to submit evidence of eligibility to bid, the Earnest Money Deposit and execute the Acknowledgment, and thereby will become the High Bidder. HUD will then review the Post-Bid Document Submittals, which must be submitted within the same timeframes detailed in Section 4 of this Invitation beginning from the date the Acknowledgment is executed, in order to determine if the new High Bidder is qualified to purchase the Property;
- iv. HUD's notification of rejection due to lack of eligibility and/or qualifications, if applicable, shall be given when mailed to the individual or entity that executed the Acknowledgment; and

- v. HUD's rejection of a Bid will be made as promptly as possible and generally within thirty (30) days after the date of the Foreclosure Sale.
- 4. **EARNEST MONEY DEPOSIT:** Immediately following the Foreclosure Sale, the Earnest Money Deposit will be returned to all Bidders except the High Bidder. HUD will not pay interest on Earnest Money Deposits.
 - a. If HUD determines that the High Bidder is qualified, the Earnest Money Deposit will be credited toward the Cash Due at Closing.
 - b. If HUD rejects the Bid because the amount is unacceptable, the bidder's 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, the Earnest Money Deposit will be refunded.
 - d. If, during the review of the High Bidder, HUD finds that the High Bidder has made any misrepresentation or material omission(s) in its submission of evidence of eligibility and/or documentation, the Earnest Money Deposit will be forfeited
 - e. If the High Bidder fails to comply with the provisions of the Invitation, the Earnest Money Deposit will be forfeited.
- 5. **REVIEW OF PROPOSED MANAGEMENT/OPERATOR:** HUD will review the Post-Bid Document Submittals to determine if the proposed management entity has the necessary qualifications to operate, manage, and/or administer the type of subsidy and characteristics of the Property. HUD may elect to discuss proposed management plans of the Property after High Bidder provides the Post-Bid Document Submittals. HUD reserves the right to reject the Bid of any bidder and retain the Earnest Money Deposit if the High Bidder does not provide management acceptable to HUD. If used as rental housing or residential healthcare facility, contact the Realty Specialist for further requirements.
- 6. **CLOSING DATE:** The date and place for Closing will be determined by HUD and the Foreclosure Commissioner and occur within the time period specified in the Acknowledgment. HUD reserves the right to extend the Closing as set forth in the Acknowledgment.

SECTION 5 – CLOSING

- 1. **EXECUTION OF USE AGREEMENT:** The Approved High Bidder and HUD will execute the Use Agreement at Closing. HUD will record the Foreclosure Deed and the Use Agreement, with all riders.
- 2. **CASH DUE AT CLOSING:** At Closing, the Approved High Bidder will pay all Cash Due at Closing. Cash Due at Closing is the Bid price less the Earnest Money Deposit received, less any prorations, plus all initial deposits to escrows and/or reserve accounts, if applicable. Any outstanding encumbrance amount that survives the Foreclosure Sale is also due.
- 3. **PRORATIONS:**
 - a. Approved High Bidder is responsible for paying all taxes, assessments, liens, and utility bills including but not limited to, water, sewer, gas and electric, and any other encumbrances not extinguished by the Foreclosure Sale. These amounts will not be prorated.
 - b. If Extension Fees are paid, 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 Cash Due at Closing.
- 4. **CLOSING EXPENSES:** HUD will pay all recordation fees for the Foreclosure Deed and Use Agreement. Irrespective of local custom, the Approved High Bidder shall pay all remaining Closing expenses, including, but not limited to, all documentary stamp taxes, and any costs in connection with a review of title or title insurance.
- 5. **METHOD OF PAYMENT:** Cash Due at Closing 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. **POST-CLOSING REPAIR ESCROW:** If Post-Closing Repairs are required as a condition of Closing, Approved High Bidder shall provide a Letter of Credit or Payment in the required amounts as assurance that the Approved High Bidder will complete the Post-Closing Repairs.
- 7. **CONVEYANCE:** Conveyance of the Property shall be by Foreclosure Deed at Closing. The Foreclosure Deed will not contain any warranties of title.
- 8. **DOCUMENTS TO BE FURNISHED OR EXECUTED AT CLOSING:**

<input checked="" type="checkbox"/> Foreclosure Sale Use Agreement (if applicable)	<input type="checkbox"/> Letter of Credit	<input checked="" type="checkbox"/> Closing Statement
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SECTION 6 DISCLAIMERS

1. **DISCLAIMER:**
 - a. This is an "all-cash, as-is" sale. As stated above, all bidders are expected to perform their own due diligence to arrive at conclusions as to physical condition, number and occupancy of revenue producing units, estimates of operating costs, repair costs (where applicable), and any other factors bearing on valuation of the Property. **HUD shall consider any Bid submitted to have been made with full knowledge of all the terms, conditions and requirements contained in this Invitation.**
 - b. While HUD has exercised care to assure accuracy, all information provided is solely for potential bidders to determine whether or not the Property is of such type and general character as might interest them. **HUD makes no warranty as to the accuracy of such information.** The failure of any bidder to be fully informed as to the condition or value of the Property, or conditions of sale, will not constitute ground for any claim, demand, adjustment or withdrawal of a Bid.
2. **UNAUTHORIZED ORAL STATEMENT OR MODIFICATIONS:** Any oral statement or modification by any HUD representative that changes or supplements this Invitation, or any condition hereof, is unauthorized, unenforceable, and shall confer no right upon any bidder, including the Approved High Bidder.
3. **HUD LIABILITY:** HUD's liability shall not exceed the Bid amount submitted by the High Bidder.

ATTACHMENTS

- ATTACHMENT A:** Property at a Glance
- ATTACHMENT B:** Terms and Requirements of Foreclosure Sale – Acknowledgment by Bidder
- ATTACHMENT C:** Foreclosure Sale Use Agreement
- ATTACHMENT D:** Reserved
- ATTACHMENT E:** Reserved
- ATTACHMENT F:** Reserved
- ATTACHMENT G:** Certification of Substantial Compliance
- ATTACHMENT H:** Reserved
- ATTACHMENT I:** Eligibility Certification
- ATTACHMENT J:** Reserved
- ATTACHMENT K:** 24 C.F.R. § 5, Physical Condition Standards

MULTIFAMILY HOUSING/HEALTHCARE FORMS ARE AVAILABLE AT
https://www.hud.gov/program_offices/administration/hudclips/forms
OR USE THE URL PROVIDED BELOW TO OBTAIN THE FORM

<input checked="" type="checkbox"/>	Previous Participation Certification (Form HUD-2530) https://www.hud.gov/sites/documents/2530.PDF
<input checked="" type="checkbox"/>	Personal Financial and Credit Statement (Form HUD-92417) for each proposed principal and/or partner https://www.hud.gov/sites/documents/92417.PDF
<input checked="" type="checkbox"/>	Management Entity Profile (Form HUD-9832) https://www.hud.gov/sites/documents/9832.PDF
<input checked="" type="checkbox"/> OR <input checked="" type="checkbox"/>	Project Owners Certification for Owner-Managed Multifamily Housing Properties (Form HUD-9839 A) https://www.hud.gov/sites/documents/9839-A.PDF
<input checked="" type="checkbox"/>	Project Owner's/Management Agent's Certification for Multifamily Housing Properties for Identity of Interest or Independents Management Agents (Form HUD-9839 B) https://www.hud.gov/sites/documents/9839-B.PDF (Only one of these forms, 9839A or B will be required for management certification.)
<input checked="" type="checkbox"/>	Project Owner's/Borrower's Certification (Form HUD-9839 C) - For elderly housing properties managed by Administrators only https://www.hud.gov/sites/documents/9839-C.PDF

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



**Attachment A
PROPERTY AT A GLANCE**

Christian Care Home FHA #: 085-43101

ADDRESS: **800 Chambers Road
Ferguson, MO 63135**
COUNTY: **St. Louis**

EARNEST MONEY: **\$50,000** SALES PRICE: **Unstated Minimum**
TERMS **"All-Cash, As-Is"; 30 calendar days to close**
SALE TYPE: **Foreclosure**

PROPERTY INFORMATION

Number of Buildings	Stories	Year Built	Rehab Year	Approximate Site Acreage	Approximate Gross Building Area
1	2	1974	2009	9.77	80,497 sq ft

Foundation, Frame & Exterior		Interior Description	
Foundation:	Block	Floor Cover:	Carpet, laminate wood and quarry tile
Basement:	None	Interior Walls	Drywall
Structural Frame:	Brick Veneer	Ceilings:	Mineral fiber tiles
Exterior:	Brick, stucco finish & vinyl siding	Lighting:	Recessed
Roof Type/Cover:	Pitched and asphalt	Restrooms	Lower level (4), Dialysis Center (4), in each unit and common area

Mechanical Systems	
Heating/Cooling:	electric wall heaters
Sprinkler:	yes
Elevators:	yes
Security:	ADT alarm system, fire alarm system, and on site security patrol during evening and overnight hours
Emergency Power:	generator

Property Description		Resident Days	
Licensed Capacity:	178 skilled nursing beds	Current Year Total	VACANT
Semi-Private:	50	2015-2016	145
Private:	70	*Unaudited Financial Expenditures 2015-2016	
Parking	121 spaces	Administrative Expenses:	\$1,288,403
		Operating Expense:	\$8,236,502
		Total Expenses:	\$9,524,905

COMMENTS CONCERNING PROPERTY INFORMATION:

One wing of the facility received water damage February 2019, damaged surfaces were removed.

For State and CMS information (if used as residential healthcare), click on the link below:

<https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/NHs.html>

*Expenses taken from unaudited financial statement:

Administrative Expenses may include – advertising and marketing, office salaries, office expenses, project legal expenses, audit expenses, bookkeeping fees/accounting services, bad debts, miscellaneous administrative fee

Operating Expenses may include - electricity, water, gas, sewer, payroll, supplies, contracts, garbage and trash, vehicles and maintenance equipment operation and repairs, miscellaneous operating and maintenance expense, taxes, liability insurance, workmen’s comp, health insurance and other employee benefits, miscellaneous taxes, licenses, permits and insurances, financial expenses, nursing home/assisted living/board & care/ other elderly care expenses

HUD cannot provide financial information regarding the operations of Christian Care beyond what is reflected in this Property at a Glance

Property is being sold with furniture, fixtures and equipment (FF&E) located on site at the time of closing.

Bidders should perform due diligence in advance of submitting a Bid. While HUD has exercised care to ensure accuracy, all information provided is solely for the purpose of assisting parties with determining whether or not the Property is of such type and general character as to interest them. HUD makes no warranty as to the accuracy of such information.

USE RESTRICTIONS

- Enforcement
- Environmental Hazards
- Physical Condition

TERMS OF SALE

- This is an "All-cash, As-is" sale. HUD is not providing financing for this sale. Payment of the full Bid price must be presented at Closing.
- No consideration will be given to a Bid submitted by any party currently suspended or debarred from participating in HUD programs. As provided for in 24 C.F.R. § 27.20(f), the defaulting mortgagor, or any Principal, successor, Affiliate, or assignee on the mortgage at the time of default shall not be eligible to Bid on or otherwise purchase this Property.
- Bids for this Property will only be acceptable if properly submitted according to the Invitation which includes but is not limited to submitting evidence of bidding eligibility, the Earnest Money Deposit, and other forms and statements as required. The High Bidder will be reviewed to determine if eligible to bid, and qualified to purchase, own and manage the Property.
- The High Bidder must certify to HUD that any and all properties that the High Bidder or its Affiliates owns, located in the same city or town of the Property are in substantial compliance with applicable state and local housing statutes, regulations, ordinances and codes. See Attachment G, Certification of Substantial Compliance.
- High Bidder has the option to file the required Previous Participation Certification in electronic or paper format. **For questions concerning APPS, contact the Multifamily Housing Systems Help Desk at 1-800-767-7588. For questions concerning Secure Systems contact the REAC Help Desk at 1-888-245-4860.**
- HUD is requiring the Property be repaired to meet state and local codes within 12 months of Closing, if used as multifamily housing. Refer to the Use Agreement, Rider 3, for more information.
- Closing is to be held within thirty (30) calendar days after HUD notifies the High Bidder that they are qualified to purchase the Property.
- If HUD approves an extension of the Closing, the Approved High Bidder must pay a fee which is the greater of 1.5% of the Bid price or HUD's holding costs of \$1.08 per unit per calendar day for each thirty (30) calendar day period.
- The Use Agreement will include the following Riders: Enforcement, Environmental Hazards, and Physical Conditions.

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

INFORMATION AND INVITATION

INFORMATION and INVITATION may be viewed or printed at

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/pd/mfplist.

You may also sign up for our electronic mailing list at

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

Bids for Christian Care Home:

MUST BE PRESENTED ON: December 20, 2019

At: 10:00 a.m. (local time)

Location of Foreclosure Sale:

East Front Door
of the
St. Louis County Circuit Court Building
105 South Central Avenue
Clayton, Missouri

HUD Office and Contact Information for submission of documents:

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

Realty Specialist: Janet Osterloh

Phone: (817) 978-5656

Email: Janet.K.Osterloh@HUD.gov

Only Contact Foreclosure Commissioner for
Information on Submitting a Written Bid:

Foreclosure Commissioner (for written Bids):

Fred R. Greenstein
4550 West 109 St., Suite 150
Overland Park, Kansas 66211

INSPECTION OF PROPERTY

Open House: December 10, 2019 Time: 9 am – 11 am Contact: Janet Osterloh, 817-978-5656

ATTACHMENT B

TERMS AND REQUIREMENTS OF FORECLOSURE SALE - ACKNOWLEDGMENT BY BIDDER

PART I

BID PRICE - The Undersigned, _____, (the "High Bidder") submits a bid of _____ dollars (\$) (the, "Bid") at the Foreclosure Sale of Christian Care Home (the "Property"), the legal description of which is included as Exhibit A, to be paid as follows:

1. **EARNEST MONEY:** \$ 50,000.00 in the form of a money order, certified funds, or cashier's check, as the Earnest Money Deposit, which has been submitted at the Foreclosure Sale to the Foreclosure Commissioner, and which shall not earn interest, **and**
2. **BALANCE OF THE BID:** \$ _____, to be paid by the High Bidder at Closing, in the form of a money order, certified funds, or cashier's check in accordance with the Acknowledgment. The Closing will be held at a place, date and time established in accordance with Part II, paragraph 4 below.
3. **CLOSING COSTS, DEPOSITS, REPAIR ESCROW:** In addition to the above, the High Bidder will be required to pay all Closing costs at Closing, regardless of local custom, and, where applicable, deposits to reserve accounts, and/or Letters of Credit as described in the Invitation, the Use Agreement, and Riders incorporated herein.
4. **PRORATIONS:**
 - a. High Bidder is responsible for paying all taxes, assessments, liens, and utility bills including, but not limited to, water/sewer, gas and electric, and any other encumbrances not extinguished by the foreclosure. These amounts will not be prorated.
 - b. If Extension Fees were paid, and the Closing occurs prior to the expiration of the Extension Period, the prorated amount of the Extension Fees for the unused portion of the Extension Period shall be credited against the amount owed by the High Bidder at Closing.

PART II

The High Bidder, by executing this Acknowledgment, accepts the following requirements as conditions of purchasing the Property:

1. **ACKNOWLEDGMENT OF TERMS:** High Bidder affirms to have full knowledge of all the terms, conditions and requirements of the Foreclosure Sale contained herein, including the Use Agreement and Invitation, which are incorporated by reference in this Acknowledgment.
2. **EXECUTION OF USE AGREEMENT:** Without limiting the foregoing, at Closing High Bidder will, in addition to any other related documents, execute the Use Agreement and required Exhibits as contained in the Invitation. Such documents will control the use of the Property for a specified period, be recorded with the Foreclosure Deed, and run with the land.
3. **SUBMISSION OF POST-BID DOCUMENTS BY HIGH BIDDER:**
 - a. Five (5) Days After Foreclosure Sale:
 - i. **Previous Participation Certification:**
 - (a) Electronic Filers:
 - (i) Bidders not registered in BPR, APPS and Secure Systems: Submit certification and evidence of BPR, Secure Systems and APPS Registrations. (Copies of the Participant Successfully Registered page from the APPS System and the Multifamily Coordinator and User Registration page or the Participant Detail Page.)
 - (ii) Electronic Filers registered in APPS and Secure Systems: Submit evidence of filing Previous Participation Certification.
 - (b) Paper Filers:
 - (i) Form HUD-2530: The completed paper form, with original signatures, for the High Bidder and all principals. Proposed ownership must have established tax identification or social security number; an entity "to be formed" will not be accepted, and
 - (ii) Organizational Chart: an organizational chart, reflecting all principals of the purchasing entity and each principal's percentage or ownership must accompany the completed Form HUD-2530.
 - ii. **Certification of Substantial Compliance:** Complete, original certification (Attachment G). The High Bidder must certify to HUD that any/all properties that are owned by the High Bidder or its Affiliates and are located in the same jurisdiction (city or town) where the Property is located are in substantial compliance with applicable state and local housing statutes, regulations, ordinances and codes.

NOTE: If HUD determines that such properties of the High Bidder are not in substantial compliance with state and local codes, HUD may refuse to sell the Property to the High Bidder and retain its Earnest Money Deposit.

- iii. **Written Statement of Experience:** The High Bidder must submit a written Statement of Experience demonstrating approximately five (5) years of experience in successfully owning and managing properties similar to the intended use of the Property. The Statement of Experience shall provide the following information for all properties similar to the Property, not to exceed three (3) specific examples. The Statement of Experience should not exceed five (5) pages per property:

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

In addition, for the Property, describe how you will:

- Satisfy conditions of the sale, i.e., Post-Closing Repairs, income and rent limitations, etc.
- Implement a sound financial and physical management program for the Property.
- Respond to the needs of the tenants and work cooperatively with resident organizations.
- Provide adequate organizational staff and financial resources to the Property.
- Provide services, maintenance and utilities to the Property.

Use other government assistance, if applicable.

This Invitation is for an unsubsidized property. HUD is not providing Project-based or additional tenant-based Section 8 rental assistance with this Foreclosure Sale.

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

b. Within Ten (10) Days of Foreclosure Sale: The High Bidder must submit the following documents, if applicable:

- Affirmative Fair Housing Marketing Plan (Form HUD-935.2A) (only if used as rental property)
- Previous Participation Certification for Approved High Bidder, if different from High Bidder
- Previous Participation Certification for the Management Agent, if applicable
- Personal Financial and Credit Statement (Form HUD-92417), for each proposed Principal
- Management Entity Profile (Form HUD-9832) (if applicable)
- Property Owner's Certification for Owner-Managed Multifamily Housing Projects (Form HUD-9839A) (if applicable) OR
- Project Owner's/Management Agent's Certification for Multifamily Housing Projects for Identity-of-Interest or Independent Management Agents (Form HUD-9839B)

(Only one of the forms 9839 A or B will be required for management certification)

Project Owner's/Borrower's Certification (Form HUD-9839C) for Elderly Housing Properties Managed by Administrators only

c. Within Fifteen (15) Days of Foreclosure Sale: If the management agent or the High Bidder's ownership entity changes, the individual or entity must subsequently resubmit a corrected Previous Participation Certification.

NOTICE: It is the High Bidder's responsibility to ensure compliance with form and document submission as required in this Invitation and Acknowledgment. Failure to comply with all requirements of the Invitation or Acknowledgment may result in High Bidder being declared ineligible to purchase the Property. In such case, the Bidder shall forfeit the Earnest Money Deposit and any Extension Fees paid.

All forms and instruments referred to in this Acknowledgment are standard HUD forms prepared by HUD, used by HUD in the Property's jurisdiction, and contain additional covenants and conditions required by the Invitation.

4. ESTABLISHMENT OF CLOSING DATE, TIME AND PLACE:

- a. Time is of the essence.
- b. If HUD finds the High Bidder qualified based on all required Post-Bid Document Submittals, the High Bidder will be identified as the Approved High Bidder and notified in writing. The Closing **shall be within thirty (30) calendar days of such notification**, unless extended pursuant to paragraph 9 below.
- c. The Closing date and place will be determined by the Foreclosure Commissioner and/or HUD and will take place within the time period specified above. The Approved High Bidder will be notified of said date and place by HUD and/or the Foreclosure Commissioner.

5. CLOSING, CLOSING EXPENSES AND TRANSFER OF POSSESSION:

- a. The sale and transfer of title and possession of the Property shall be effective upon Closing.
- b. Notwithstanding any local custom, Approved High Bidder shall pay all Closing costs and expenses, excluding fees for recording the Foreclosure Deed and Use Agreement. Recording fees for the Foreclosure Deed and Use Agreement shall be paid by HUD.

6. PAYMENTS DUE AT CLOSING: The Approved High Bidder shall pay any remaining balance of the Bid at Closing in the form of certified funds, or cashier's check made payable to: **THE U.S. DEPARTMENT OF HOUSING AND**

URBAN DEVELOPMENT. If necessary, the Approved High Bidder shall also make the appropriate deposits to escrow and reserve accounts.

7. LIQUIDATED DAMAGES: Should the Approved High Bidder fail to perform all obligations hereunder for any reason including, but not limited to, failure to establish the legal entity to take title in a timely manner, HUD reserves the right to retain the Earnest Money Deposit.
8. EXTENSION FEES: HUD has the sole and absolute discretion to grant extensions allowing more time for Closing to occur. Any extension, will be on the following conditions:
 - a. A written request, which clearly states the reason for the Approved High Bidder's inability to close the sale on or before Closing, or any Extension Period, must be received within 10 (ten) days prior to Closing, or within any Extension Period. 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
801 Cherry Street, Unit #45, Ste. 2500
Fort Worth, TX 76102
 - b. Approved High Bidder will be notified in writing of all granted Extension Periods.
 - c. For each Extension Period Approved High Bidder requests and HUD approves, Extension Fees shall be equal to;
 - i. \$ 1.08, per unit, per calendar day, which is \$ 1,296.00 daily, a cost of \$ 40,176.00 which covers the Extension Period, **or**
 - ii. one and one-half percent (1.5%) of the bid price, whichever is greater.
 - d. Extension Fees are not credited against the Cash Due at Closing. However, if the Closing is held prior to the expiration of an Extension Period, the prorated amount of the Extension Fees for the unused portion of the Extension Period shall be credited toward the Cash Due at Closing.
 - e. HUD shall not be obligated to grant an additional Extension Period because it has previously granted one or more Extension Period.
 - f. If Approved High Bidder does not submit any HUD-required form within sufficient time for HUD's review and such delay necessitates an Extension Period, Extension Fees shall be paid for this period.
 - g. Extension Fees must be submitted by money order, certified funds or cashier's check made payable to:
THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
9. BIDDER RESTRICTIONS: High Bidder certifies to HUD that it is eligible to submit a bid. High Bidder does not meet the definition of Ineligible Bidders as contained in the Invitation. Ineligible Bidders are listed below:
 - a. No member of/or delegate to Congress, resident commissioner of the Property, or local elected official shall be allowed to share in any part of this Foreclosure Sale, or to any benefit arising from it. However, this provision does not apply to the Foreclosure Sale to the extent that High Bidder is a corporation and the Foreclosure Sale is for the corporation's general benefit.
 - b. If the High Bidder is or becomes suspended, debarred, or temporarily denied from participating in HUD programs prior to Closing, this Foreclosure Sale may be terminated. In addition, if such suspension, debarment or temporary denial of participation occurs either before or after High Bidder's execution of liquidated damages.
 - c. Pursuant to 24 C.F.R. Part 27.20(f), the defaulting mortgagor, or any Principal, successor, Affiliate, or assignee thereof, on the mortgage being foreclosed, shall not be eligible to bid on, or otherwise acquire, the Property.
 - d. Any FHA-approved mortgagee, including any Principals, Affiliates, or assigns thereof, that received FHA insurance benefits for the Property.
 - e. Any FHA-approved Lender and/or Servicing Lender, including any Principals, Affiliates, or assigns thereof, that originated the mortgage being offered in the Foreclosure Sale of the Property defaulted within two years of origination and resulted in the payment of an FHA insurance claim.
 - f. A current or former healthcare Operator with respect to the Property being offered in the Foreclosure Sale, including its Principals, Affiliates, assigns, or member(s) of such individuals' family.
10. AS-IS SALE; NO REPRESENTATIONS:
 - a. Approved High Bidder shall accept the Property "as is." HUD makes no representations or warranties concerning the physical condition of the Property. In addition, HUD does not represent or warrant the number and occupancy of revenue producing units, or any factor bearing upon the value of the Property or otherwise.
 - b. High Bidder acknowledges that the Bid is based on its own evaluation of the Property and not upon any representations by HUD. High Bidder's failure to inspect, or to be fully informed as to any factor bearing upon the valuation of the Property, shall not affect the liabilities, obligations or duties of HUD, nor be a basis for termination of this Foreclosure Sale or for the return of any Earnest Money Deposit or Extension Fees paid to HUD.
11. RISK OF LOSS AND RIGHTS OF RESCISSION: In the event of any substantial damage to the Property prior to Closing by any cause including, but not limited to, fire, flood, earthquake, tornado and significant vandalism other than willful acts or neglect, HUD, in its sole discretion, may negotiate with the 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 the Post-Closing Repair requirements, High Bidder may withdraw the Bid. In such case, the Earnest Money Deposit and any Extension Fees paid will be returned, unless there is cause to retain the Earnest Money Deposit based on breach of the Invitation and/or Acknowledgment.

12. LIMITATION OF LIABILITY: In no event shall HUD's liability exceed the portion of the Bid paid to HUD.
13. ANTI-COLLUSION CERTIFICATION:
- a. The High Bidder certifies that:
 - i. The Bid was arrived at independently, without any consultation, communication, or agreement with any other bidder relating to:
 - (a) the bid price;
 - (b) the intention to submit a bid price; or
 - (c) the methods or factors used in calculating the bid price.
 - ii. The Bid has not been and will not be knowingly disclosed, directly or indirectly, to any other bidder or competitor before or during the actual time of the bid event, unless otherwise required by law; **and**
 - iii. No attempt has been made or will be made to induce any other bidder to submit or not to submit a Bid for the purpose of restricting competition.
 - b. If the Foreclosure Sale requires or permits written bids, each signature on the Bid is considered to be certification by the signatory that the signatory:
 - i. Is the person in the High Bidder's organization with authority to bid and that the signatory has not participated and will not participate in any action contrary to paragraph a. above; **or**
 - ii. Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to paragraph a., above;
Name: _____
Title: _____
- Organization responsible for determining bid: _____
- (a) As an authorized agent, does certify that the principals named in the above have not participated, and will not participate, in any action contrary to paragraph a. above; **and**
 - (b) As agent, has not personally participated, and will not participate, in any action contrary to paragraph a. above.
15. FAILURE TO COMPLY: Upon the failure or refusal of the High Bidder to comply with any of the requirements listed above or elsewhere in this Invitation, HUD may declare the High Bidder ineligible to purchase the Property. In which case the High Bidder shall forfeit the Earnest Money Deposit and any Extension Fees paid. **HUD reserves the right to approve or reject the proposed management and/or operator, if used as rental housing or a residential healthcare facility.** If HUD determines that the High Bidder is not qualified to operate the Property, HUD, in its sole discretion, may either reject the Bid or require the High Bidder to obtain the services of a property management firm satisfactory to HUD. If HUD chooses the latter, the High Bidder must provide HUD with evidence prior to Closing that a qualified property management firm has been retained. HUD must approve management prior to Closing and throughout the term of the Use Agreement. If the High Bidder does not meet this obligation, HUD reserves the right to reject the Bid and retain the High Bidder's Earnest Money Deposit and any Extension Fees paid.
16. 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.
17. ASSIGNMENT: The High Bidder may not assign its rights and responsibilities under this Acknowledgment without the prior written approval of HUD.
18. CONFLICTING TERMS: In the event that there are terms or conditions herein that conflict with terms or conditions contained in the Invitation incorporated herein by reference, the terms or conditions of this Acknowledgment shall control.
19. REQUIRED STATEMENTS AND FORMS: The High Bidder acknowledges the receipt of the Use Agreement applicable to this Property's Foreclosure Sale and the inclusion of the following Riders to that Use Agreement:
- Enforcement
 - Environmental Hazards
 - Physical Condition

20. EXECUTION

- a. By signature below, High Bidder acknowledges and agrees to the terms and conditions of this Foreclosure Sale.
- b. 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 Acknowledgment.

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

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

Witness: _____

By: _____

Typed Name: _____

Typed Name: _____

Address: _____

City, ST Zip: _____

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

ATTACHMENT C
FORECLOSURE SALE USE AGREEMENT
(only applicable if the purchaser chooses to use the property as multifamily housing)

This Use Agreement (the "Agreement") is entered into by _____ ("Owner") 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. § 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, with respect to Christian Care Home, HUD Project No. FHA 085-43101, (the "Property") and land upon which the Property sits, 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 Property subject to a mortgage held by the Secretary that is sold at foreclosure to a purchaser other than HUD; **and**

WHEREAS, by deed executed this __ day of _____, 20____, by __[Foreclosure Commissioner]_____, the Property has been conveyed to the Owner; **and**

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

1. **TERM OF AGREEMENT:** This Agreement shall be in effect for five (5) years from the date of this Agreement (the "Restricted Period".)
2. **CONVEYANCE:** During the Restricted Period, initial Conveyance of the Property 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 Property or an interest therein, including but not limited to a merger, conversion, share exchange, or exchange of corporate or partnership interests, or any legal or equitable transfer of an interest in the Owner or any entities that may comprise the Owner.

The preceding provision shall be applicable and in full force and effect notwithstanding any applicable statutory law or case decision stating any such merger, conversion, share, interest exchange, or leasehold estate creation or other type of Conveyance does not constitute an occurrence of a transfer or assignment of the Property, any of the assets related thereto, or an interest in the Owner

All requests for HUD to approve a Conveyance must include the new entity and all Principals obtaining Previous Participation Certification approval, submission of a signed Certification of Substantial Compliance, and a signed Agreement to Abide by Deed Restrictions. HUD will approve a Conveyance based on satisfactory information the Owner or any subsequent owner will provide in a written statement of how the Owner, or any subsequent owner, in consideration of any and all existing use restrictions, will:

- a. Implement and/or continue to comply with the Use Agreement;
- 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 Property; and
- e. provide evidence of a minimum of five (5) years' experience owning and managing properties of a similar size, type and complexity as the Property. (RS to use affordable as needed here.)

HUD has the sole discretion to approve any Conveyance.

3. **CONDITION OF UNITS:** The Owner shall comply with 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 Owner 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. **PROPERTY MANAGEMENT:** HUD reserves the right to approve management for the Property during the Restricted Period. Any proposed property manager must demonstrate a minimum of five (5) years' experience managing multifamily properties of similar size and complexity.

Any change in management/or operations type of the Property must have HUD's prior written approval. Any request for HUD's approval of the proposed Owner's management or operations of the Property must include the entity and all principals obtaining Previous Participation Certification approval and the proposed management agent for the Property must submit for HUD's review and approval the following documents/forms:

- Management Entity Profile (Form HUD-9832),
- Project Owner's Certification for Owner-Managed Multifamily Housing Projects (Form HUD-9839A) **or**
- Project Owner's/Management Agents Certification for Multifamily Housing Projects for Identity-of-Interest or Independent Management Agents (Form HUD-9839B),
(Only one of the forms 9839 A or B will be required for management certification.)
- Project Owner's/Borrower's Certification - for Elderly Housing Properties Managed by Administrators (Form HUD-9839C).
- Eligibility Certification (Attachment I)

5. **SUBJECT TO EXAMINATION:** The Property shall at all times, if used as rental housing,
- 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 Restricted Period,
 - d. Be subjected to periodic HUD inspections or inspections under REAC protocol (24 C.F.R. §§ 5 and 200).

The Owner will be obligated to provide audited annual financial statements to HUD (24 C.F.R. § 5, Subpart H).

At the request of the Secretary, Owner must supply evidence by means of occupancy reports, physical condition reports, operation reports, or any evidence as requested to ensure that the above requirements are being met.

6. **NON-DISCRIMINATION REQUIREMENTS:** The Owner will comply with the provisions of all federal, state, or local laws prohibiting discrimination in housing.
7. **HAZARD INSURANCE:** Hazard insurance shall be maintained in an amount to ensure that the Owner is able to restore the Property so that it meets the requirements described in this Agreement after restoration.
8. **DESTRUCTION OF PROPERTY:** In the event that any, or all, of the Property is destroyed or damaged by fire or other casualty, the money derived from any insurance on the Property shall be applied to rebuild or replace the Property destroyed or damaged, unless the Secretary gives written approval to use insurance proceeds for other purposes.
9. **REMEDIES FOR NONCOMPLIANCE:** Upon any violation of any provision of this Agreement by the Owner, HUD may give written notice thereof to the Owner by registered or certified mail, to the address stated in this Agreement, or such other address as subsequently designated by the Owner 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 Property 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.
10. **SUCCESSORS AND ASSIGNS:** This Agreement is binding upon the Owner's heirs, successors and assigns. If HUD approves a Conveyance during the Restricted Period, it shall be conditioned upon, among other things, the new owner assuming in writing the obligations under this Agreement.
11. **RESTRICTIONS:** No member of or delegate to Congress or resident commissioner of the Property shall be allowed to share in any part of the benefits of the Use Agreement, but this provision shall not extend to this Agreement if the Agreement is made with a corporation and the benefits of the Agreement are for its general benefit.
12. **CONTRADICTORY AGREEMENTS:** The Owner certifies that it has not, and agrees that it will not, execute any other Agreement with provisions contradictory to the provisions of this agreement, and that, in any event, the requirements of this Agreement are 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. Such amendment will be recorded in the land records in the jurisdiction of the Property.

15. **RIDERS TO THE USE AGREEMENT:** The Riders listed below and initialed by the Owner and HUD are attached to and incorporated into this Agreement and will be recorded in the land records to run with the land. Capitalized terms used but not defined in a Rider shall have the meaning given in this Agreement.

- Enforcement
- Environmental Hazards
- Physical Condition

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 Owner has executed this Use Agreement this _____ day of _____, 20_____.

WITNESS:

OWNER:

By: Signature

Typed Name of Owner

Street Address

City, State, Zip Code

The U.S. Department of Housing and Urban Development has executed this Use Agreement this _____ day of _____, 20_____.

WITNESS:
DEVELOPMENT

FOR: THE SECRETARY OF HOUSING AND URBAN

BY: _____

Official's Typed Name

Title

Exhibit A
Legal Description

Lot A of 800 Chambers Road Consolidatuin Plat, according to the plat of said subdivision recorded in Plat Book 357, Page 11 of the St. Louis County, Missouri Records.

RIDER 1 OF 3
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 HUD.
2. Without limiting any other rights and remedies available, 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, if the Property is used as rental housing, applicable law, including 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 assistance under the Section 8 program.

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

Owner_____

HUD_____

Use Agreement

RIDER 2 OF 3
ENVIRONMENTAL HAZARDS

The Use Agreement shall contain the following provision:

Owner Covenants to:

Indemnify, defend, and hold HUD harmless from any liability arising from Owner's failure to satisfactorily perform the inspection of and remediation of any recognized environmental hazards. Owner acknowledges that HUD's acceptance of any work performed is not a warranty that all Hazardous Substances have been eliminated from the Property and does not relieve Owner of its ongoing responsibility to comply with appropriate governmental authorities concerning any environmental restrictions that may apply.

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

Owner_____

HUD_____

Use Agreement

RIDER 3 of 3
PHYSICAL CONDITION

The Use Agreement shall contain the following provision:

Owner covenants to:

1. Repair and maintain the property to all applicable State and Local codes and ordinances (as determined by the ultimate use of the property) within 12 months of Closing.
2. If the ultimate use of the property is for rental or homeownership, comply with the Physical Condition Standards and Inspection requirements of 24 CFR Part 5, Subpart G.
3. Indemnify, defend, and hold HUD harmless from any liability arising from Owner's failure to satisfactorily perform either of the above requirements.

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

Owner_____

HUD_____

Use Agreement

Certification of Substantial Compliance

TO: The United States Department of Housing and Urban Development

FROM: _____

I Certify to HUD that any and all properties that are owned by _____, or its affiliates, and located in _____ (City or Town where the Property 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: _____
Owner Name

Title

Address

Telephone Number

Date

STATE OF:)
COUNTY OF:)
Came before me this _____ day of _____, 20____. Notary Seal

Schedule A: All properties owned by _____ or affiliates.

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

Attachment I - ELIGIBILITY CERTIFICATION

The undersigned (*check one*) Bidder Operator Sponsor Management Agent Controlling Participant (hereinafter referred to as "Participant") certifies that he/she has extensive knowledge about the requirements of the Invitation to Bid issued by the U.S. Department of Housing and Urban Development ("HUD") for the sale of the Christian Care Home (hereinafter referred to as "Property") and that to the best of his/her knowledge and belief, Participant has complied, or will be able to comply, with all of the requirements the Invitation to Bids that are prerequisites to submitting a responsive Bid.

Participant further certifies that to the best of his/her knowledge and belief, no information, data, exhibits, or attachments utilized to demonstrate Participant's financial capacity, demonstrated experience and/or qualifications, are in any way false or incorrect and that they are truly descriptive of the physical condition and financial feasibility of the properties and financial capability and capacity of all Controlling Participants.

- | | Yes | No |
|--|--------------------------|--------------------------|
| 1. Has Participant been delinquent on any federal debt within the past 10 years? If yes, attach a letter from the affected agency that the debt is satisfied or under a workout agreement? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Has the Participant been a defendant in any suit or legal action within the past 10 years? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Has the Participant ever claimed bankruptcy or made compromised settlements with creditors within the past 10 years? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are there judgements recorded against the Participant? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Are there any unsatisfied tax liens against the Participant? | <input type="checkbox"/> | <input type="checkbox"/> |

If the answer to any of questions 1 through 5 is "yes," attach the details on a separate sheet using instructions below. Participant certifies that its answer to each of the questions in this Part and the information in any such attached sheets is true and correct.

- A. Delinquent Government Debt — Provide the following for HUD, Office of the Inspector General (OIG), US Department of Health and Human Services (HHS), other Federal Agency or State or Municipal government:
 - 1. A detailed, written explanation from any applicant or Principal with a prior federal default or claim or whose credit report and financial statements contain conflicting or adverse information.
 - 2. A letter from the affected agency, on agency letterhead and signed by an officer, stating the delinquent federal debt is current or satisfactory arrangements for repayments have been made.
- B. Judgments — Provide a detailed, written explanation explaining the circumstances of the judgment, the resolution, and if not resolved, the expected outcome and resolution date.
- C. Suits or legal actions — Provide a detailed, written statement explaining the circumstances of the suit or action describing the expected resolution of or mitigation for the action, and indicating the entity has insurance to cover the suit. Documentation must show likelihood and date to resolve. If previously resolved, indicate date of original suit and resolution date.
- D. Bankruptcies — Any Participant of a healthcare facility or their affiliate or renamed or reformed company that has filed for, is in, or has emerged from bankruptcy within the last five years.

Part I. Byrd Amendment

The Participant states, to the best of its knowledge and belief, that: "If any funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Bid, the Participant shall complete and submit *Standard Form-La-Disclosure Form to Report Lobbying*, in accordance with its instructions. Submission of this statement is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required statement shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Part II. Credit Authorization

Participant consents to the release of any credit information to HUD in connection with this Invitation if selected by HUD as the High Bidder, Second High Bidder, or will be their Operator, Management Agent or a Controlling Participant with regard to the purchase of the Property.

Participant will provide a recent credit report (within 30 days) and/or authorizes HUD to request credit reports from an independent credit reporting agency and agrees to cooperate fully with said independent agency in regard to this matter. HUD is also authorized to verify references and depository institutions supplied by the undersigned.

Part III. Parties to the Transaction

Does the Participant know of any changes in the ownership structure of any of the following parties that have not been previously approved by HUD?

	Not Applicable	Yes	No
Bidder:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Operator (Lessee):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Management Agent:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Controlling Participant:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If the answer to any of the questions in this Part is "yes," attach a separate sheet setting forth the ownership of each party that has not been previously approved by HUD and setting forth the nature of any applicable identity of interest. Participant certifies that, to the best of its knowledge, its answer to each of the questions in this Part, and the information in any such attached sheets is true and correct.

Does Participant have an identity of interest with the following parties or their Principals?

	Not Applicable	Yes	No		Not Applicable	Yes	No
Operator (Lessee):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Management Agent:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Current Owner:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sponsor:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Receiver:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If the answer to any of the questions in this part is "yes," attach a separate sheet setting forth the nature of each such identity of interest. The Participant certifies that, to the best of its knowledge, its answer to each of the questions in this Part and the information in any such attached sheets is true and correct.

Part IV. Previous Participation

- Participant has completed an electronic Previous Participation certification via the Active Partners Performance System (APPS), and is proceeding to Section X.
- Participant has NOT completed an electronic submission, but has completed a paper filing of the Previous Participation Certification and the required documentation is provided as part of the Bid.

The Participant certifies that:

- It has NO Previous Participation in Office of Residential Care Facilities (ORCF) or Multifamily Housing programs of HUD, USDA FmHA, State, or Local Housing Finance Agencies.
- It DOES have Previous Participation as a Principal in ORCF or Multifamily Housing programs of HUD, USDA FmHA, State, or Local Housing Finance Agencies as listed on Attachments 1 and 2 (included with this certification).

Certifications: All the statements made in this certification and in any attachments hereto are true, complete and correct to the best of my knowledge and belief and are made in good faith, including the data contained in the Exhibits signed and submitted as part of the Bid. **Warning: HUD** will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties.

Participant further certifies that:

1. Participant's organizational chart, in such detail as approved by HUD, including participation role, ownership percentage, and SSN/TIN, is attached hereto ("Organizational Chart"). This Organizational Chart lists all Principals of Principal, as defined in 24 CFR 200.215 or otherwise required by HUD, and such listed Principals are referred to as "Principal's Members" for purposes of this certification.
2. The *Schedule of Previous Participation in FHA Insured & Other Government Agency Facilities* attached hereto contains a listing of every skilled nursing facility, supportive living facility, and assisted or insured project of HUD, USDA FmHA and state and local government housing finance agencies in which Principals of the Participant have been or are now Principals.
3. For the period beginning 10 years prior to the date of this certification, and except as shown on the certification:
 - a. No mortgage on a project listed on the attached schedule has ever been in default, assigned to the government or foreclosed, nor has mortgage relief by the mortgagee been given.
 - b. Participant has not experienced defaults or non-compliance under any Conventional Contract or Turnkey Contract of Sale in connection with a public housing project.
 - c. There has not been a suspension or termination of payments under any HUD assistance contract in which Participant (or any Principal) has had a legal or beneficial interest.
 - d. Neither Participant nor any Principal has been convicted of a felony and nor is presently, to its knowledge, the subject of complaint or indictment charging a felony. (A felony is defined as any offense punishable by imprisonment for a term exceeding one year but does not include any offense classified as a misdemeanor under the laws of a state and punishable by imprisonment of two years or less).
4. All the names of the parties, known to me to be principals in this project(s) in which I propose to participate, are listed above or on the attached organizational chart.
5. Neither Participant nor any principal is a principal participant in an assisted or insured project as of this date on which construction has stopped for a period in excess of 20 days or which has been substantially completed for more than 90 days and documents for closing, including final cost certification have not been filed with HUD or FmHA.
6. Participant nor any principal is on the U.S. Department of Health and Human Services' Exclusion List or any debarment list of any federal state or municipal governmental agency.

Statements above (if any) to which the Participant cannot certify have been deleted by striking through the words. An authorized representative of Participant has initialed each deletion (if any) and has attached a true and accurate signed statement (if applicable) to explain the facts and circumstances that I think helps to qualify me as a responsible Participant for participation in this project.

Part V. Fair Housing; Title VI of the Civil Rights Act of 1964 (et al)

The Participant certifies that the Participant, and each person or entity authorized to act for the Participant, shall comply with the provisions of the **Fair Housing Amendments Act of 1988, as amended, and Executive Order 11063; Title VI of the Civil Right Act of 1964; Section 504 of the Rehabilitation Act of 1973, as amended, and, where applicable, Section 3 of the Housing and Urban Development Act of 1968.** Neither the Participant, nor any person or entity authorized to act for the Bidder, Operator or Controlling Participant, shall in the rental, lease or sale; in the provision of services or any other manner discriminate against any person on the grounds of race, color, creed, religion, sex, national origin, handicap or familial status.

Without limiting the generality of the foregoing, the Participant HEREBY AGREES THAT it will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352), as amended and all requirements imposed by or pursuant to the Regulations of HUD (24 CFR, Subtitle A, Part 1) issued pursuant to that Title, to the end that, in accordance with Title VI of the Act and said Regulations, no person in the United States shall, on the grounds of race, color, creed, religion, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Participant receives federal financial assistance from HUD or HHS, and HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

If any real property or structure thereon is provided or improved with the aid of federal financial assistance extended to the Participant by HUD, this assurance shall obligate the Participant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended or for another purpose involving the provision or similar services or benefits. If any personal property is so provided, this assurance shall obligate the Participant for the period during which it retains ownership or possession of the property.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all federal loans, advances, grants, properties, contracts or other federal financial assistance extended after the date hereof to the Participant by HUD, including installment payments after such date on account of applications for federal financial assistance which were approved before such date. The Participant recognizes and agrees that such federal financial assistance will be extended in reliance on the representations and agreements made in this assurance, and that the United States shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Participant, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Participant.

Participant hereby certifies that he/she has sufficient financial resources to qualify for a commercial real estate loan to cover the acquisition and rehabilitation costs for the Portfolio.

Participant hereby certifies that he/she is capable of implementing a sound financial and physical management program that is designed to enable the Portfolio to meet anticipated operating and repair expenses to ensure that the each Property in the Portfolio will remain in decent, safe and sanitary condition and in compliance with any standards under applicable Federal, State or local laws, rules, ordinances, or regulations relating to the physical condition of the Portfolio.

Operator and/or Controlling Participant hereby certifies that it has sufficient financial resources to cover the front-end costs of operating the Portfolio and maintain sufficient working capital.

The Participant has read and agrees to comply with the provisions of the above certifications for **the** purpose of qualifying as a Bidder for the purchase of the Portfolio.

Participant hereby certifies that the statements and representations contained in this instrument and all supporting documentation thereto are true, accurate, and complete and that each signatory has read and understands the terms of this agreement. This instrument has been made, presented, and delivered for the purpose of influencing an official action of HUD in selecting an Approved High Bidder and may be relied upon by HUD as a true statement of the facts contained therein.

The individual signing below on behalf of the Participant certifies that he/she is an authorized representative of the Participant and has sufficient knowledge to make these certifications on behalf of the Bidder, Operator or Controlling Participant.

Signature

Printed Name

Title

Company

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.

Attachment K - 24 CFR Part 5

§ 5.703 Physical condition standards for HUD housing that is decent, safe, sanitary and in good repair (DSS/GR).

These standards address the major areas of the HUD housing: the site; the building exterior; the building systems; the dwelling units; the common areas; and health and safety considerations.

- (a) *Site*. The site components, such as fencing and retaining walls, grounds, lighting, mailboxes/project signs, parking lots/driveways, play areas and equipment, refuse disposal, roads, storm drainage and walkways must be free of health and safety hazards and be in good repair. The site must not be subject to material adverse conditions, such as abandoned vehicles, dangerous walks or steps, poor drainage, septic tank back-ups, sewer hazards, excess accumulations of trash, vermin or rodent infestation or fire hazards.
- (b) *Building exterior*. Each building on the site must be structurally sound, secure, habitable, and in good repair. Each building's doors, fire escapes, foundations, lighting, roofs, walls, and windows, where applicable, must be free of health and safety hazards, operable, and in good repair.
- (c) *Building systems*. Each building's domestic water, electrical system, elevators, emergency power, fire protection, HVAC, and sanitary system must be free of health and safety hazards, functionally adequate, operable, and in good repair.
- (d) *Dwelling units*.
 - (1) Each dwelling unit within a building must be structurally sound, habitable, and in good repair. All areas and aspects of the dwelling unit (for example, the unit's bathroom, call-for-aid (if applicable), ceiling, doors, electrical systems, floors, hot water heater, HVAC (where individual units are provided), kitchen, lighting, outlets/switches, patio/porch/balcony, smoke detectors, stairs, walls, and windows) must be free of health and safety hazards, functionally adequate, operable, and in good repair.
 - (2) Where applicable, the dwelling unit must have hot and cold running water, including an adequate source of potable water (note for example that single room occupancy units need not contain water facilities).
 - (3) If the dwelling unit includes its own sanitary facility, it must be in proper operating condition, usable in privacy, and adequate for personal hygiene and the disposal of human waste.
 - (4) The dwelling unit must include at least one battery-operated or hardwired smoke detector, in proper working condition, on each level of the unit.
- (e) *Common areas*. The common areas must be structurally sound, secure, and functionally adequate for the purposes intended. The basement/garage/carport, restrooms, closets, utility, mechanical, community rooms, day care, halls/corridors, stairs, kitchens, laundry rooms, office, porch, patio, balcony, and trash collection areas, if applicable, must be free of health and safety hazards, operable, and in good repair. All common area ceilings, doors, floors, HVAC, lighting, outlets/switches, smoke detectors, stairs, walls, and windows, to the extent applicable, must be free of health and safety hazards, operable, and in good repair. These standards for common areas apply, to a varying extent, to all HUD housing, but will be particularly relevant to congregate housing, independent group homes/residences, and single room occupancy units, in which the individual dwelling units (sleeping areas) do not contain kitchen and/or bathroom facilities.
- (f) *Health and safety concerns*. All areas and components of the housing must be free of health and safety hazards. These areas include, but are not limited to, air quality, electrical hazards, elevators, emergency/fire exits, flammable materials, garbage and debris, handrail hazards, infestation, and lead-based paint. For example, the buildings must have fire exits that are not blocked and have handrails that are undamaged and have no other observable deficiencies. The housing must have no evidence of infestation by rats, mice, or other vermin, or garbage and debris. The housing must have no evidence of electrical hazards, natural hazards, or fire hazards. The dwelling units and common areas must have proper ventilation and be free of mold, odor (e.g., propane, natural gas, methane gas), or other observable deficiencies. The housing must comply with all requirements related to the evaluation and reduction of lead-based paint hazards and have available proper certifications of such (see 24 CFR part 35).
- (g) *Compliance with state and local codes*. The physical condition standards in this section do not supersede or preempt state and local codes for building and maintenance with which HUD housing must comply. HUD housing must continue to adhere to these codes.