Amended January 20, 2021

Mechanical Room Pictures Added Pages 20 – 23

Disclosures Added – Property At A Glance Section, Page 1

INVITATION TO BID AT FORECLOSURE SALE

Holy Comforter House
745 Walnut St
Gadsden, Alabama 35091
A 185 Unit Multifamily Community

- This is an "all-cash", "as-is" sale. HUD is not offering financing with this sale.

Oral bids will be accepted on:
February 26, 2021
at: 1:00 p.m. (local time)

Sale Location:
Etowah County Courthouse
(Main Entrance)
800 Forrest Avenue
Gadsden, AL 35091

Open House:
Date: January 21, 2021
Time: by appointment only
Email HolyComforterHouseSale@HUD.gov
to make appointment.

Only one person at a time in the facility, and they have to pass the COVID protocol: temperature check, mask and hand sanitizer.

Virtual Tour of
Holy Comforter House

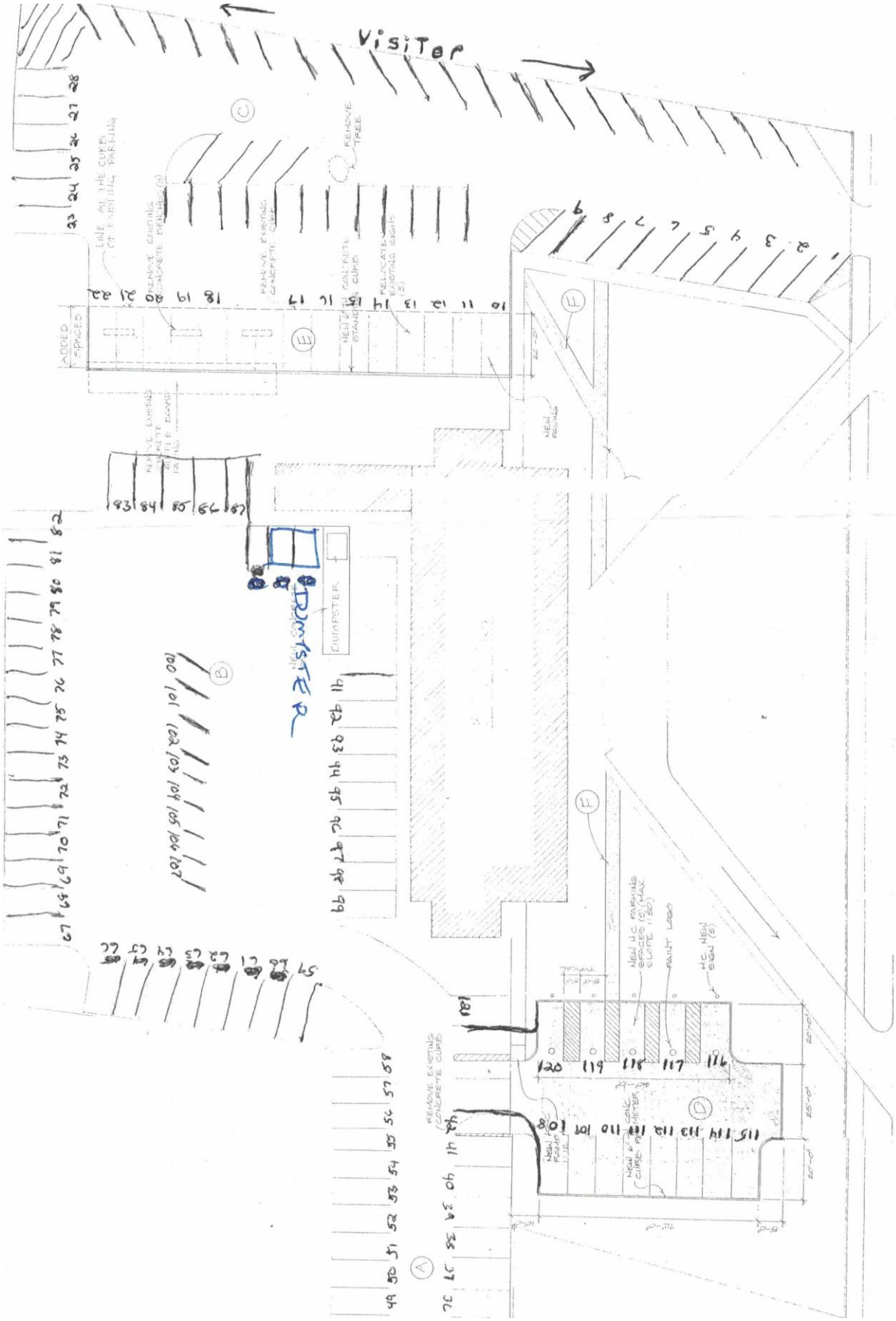
https://my.matterport.com/show/?m=dPwcjePVCPe&mls=1

UPDATED
Mechanical Room Virtual Tour

https://my.matterport.com/show/?m=sqafhRyAChD

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

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 INTERESTED PARTIES WITH DETERMINING WHETHER OR NOT THE PROPERTY IS OF SUCH TYPE AND GENERAL CHARACTER AS TO INTEREST THEM IN ITS PURCHASE. HUD MAKES NO WARRANTY AS TO THE ACCURACY OF INFORMATION CONTAINED HEREIN.



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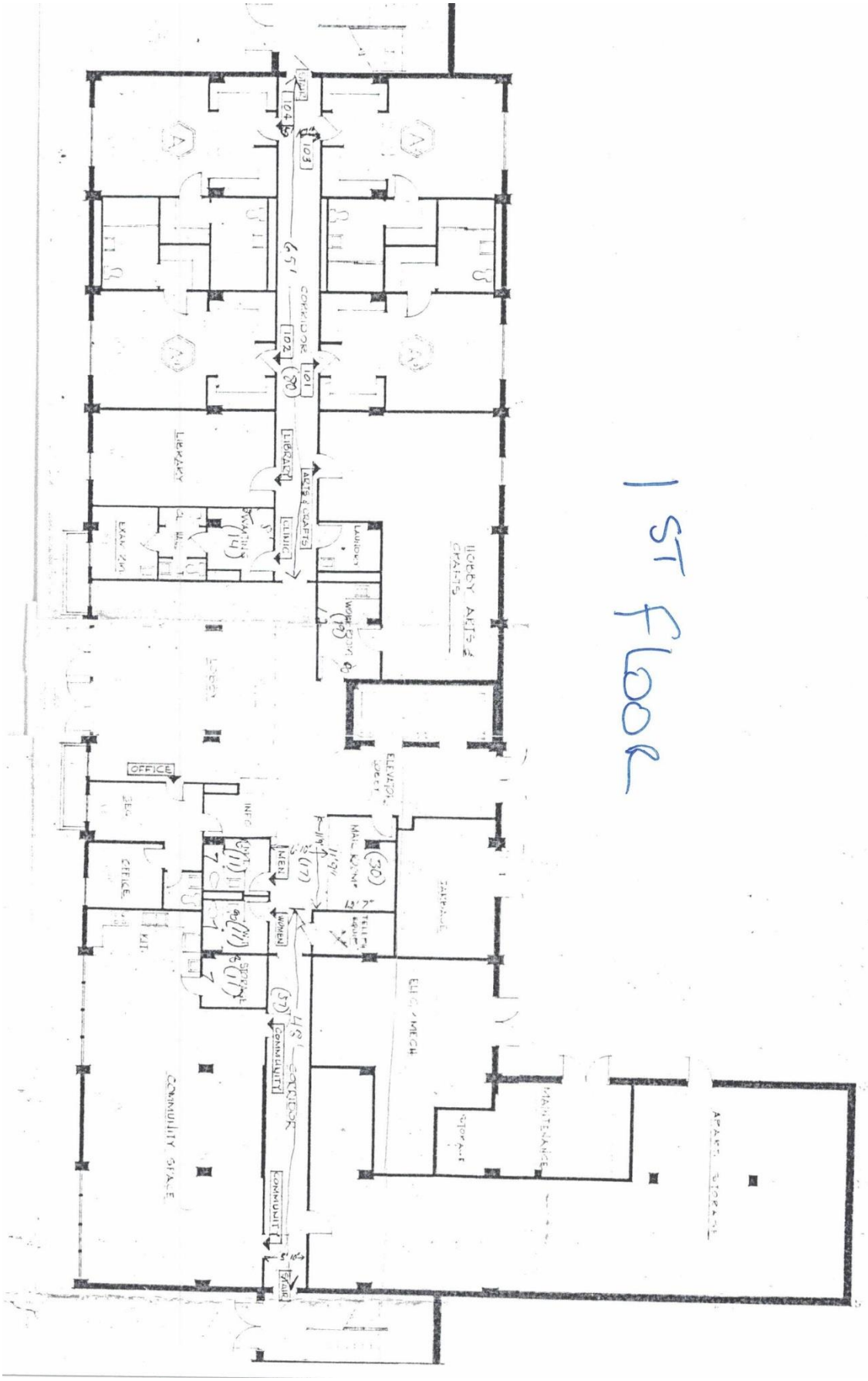

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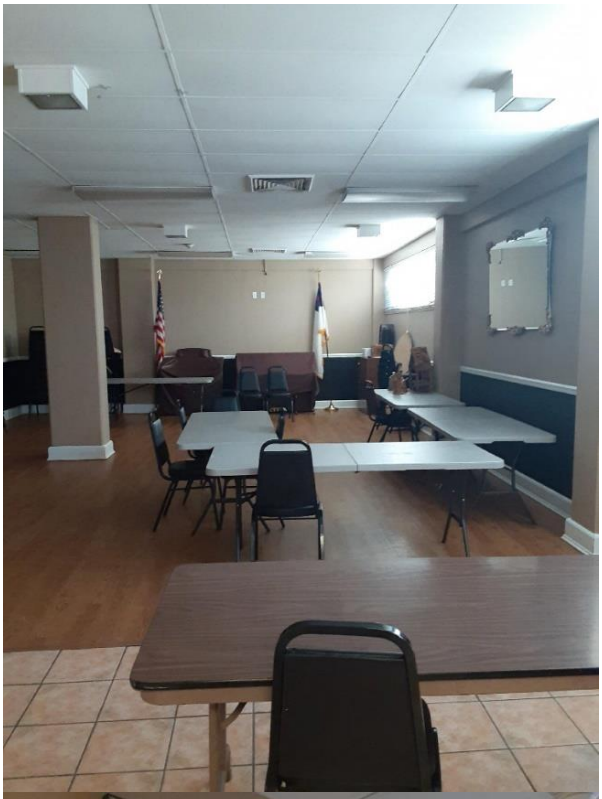
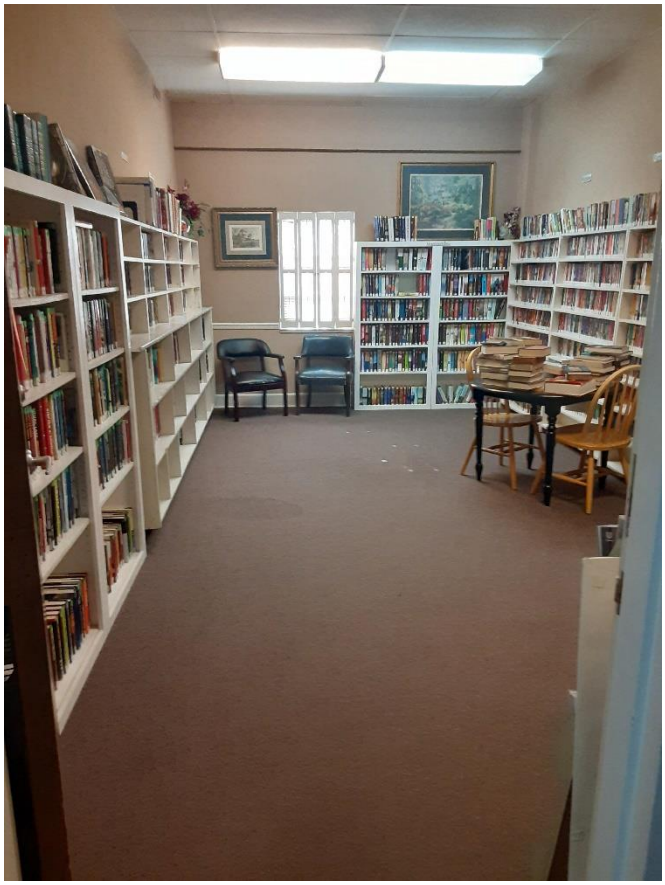
FIRST FLOOR COMMON AREAS

Library, Community Space, Elevators, Kitchen, Laundry Room, Exercise Room, Office and Info Center





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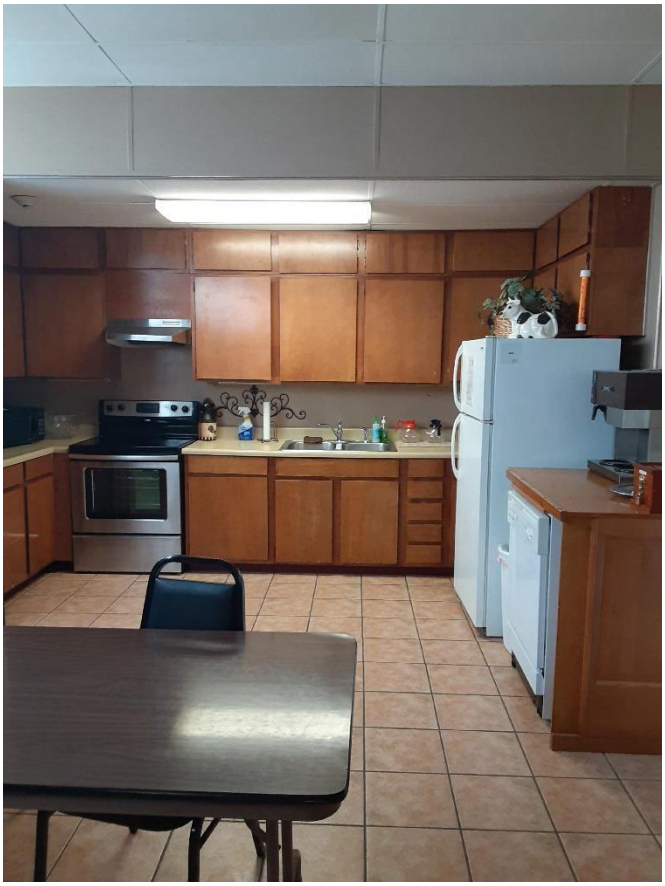

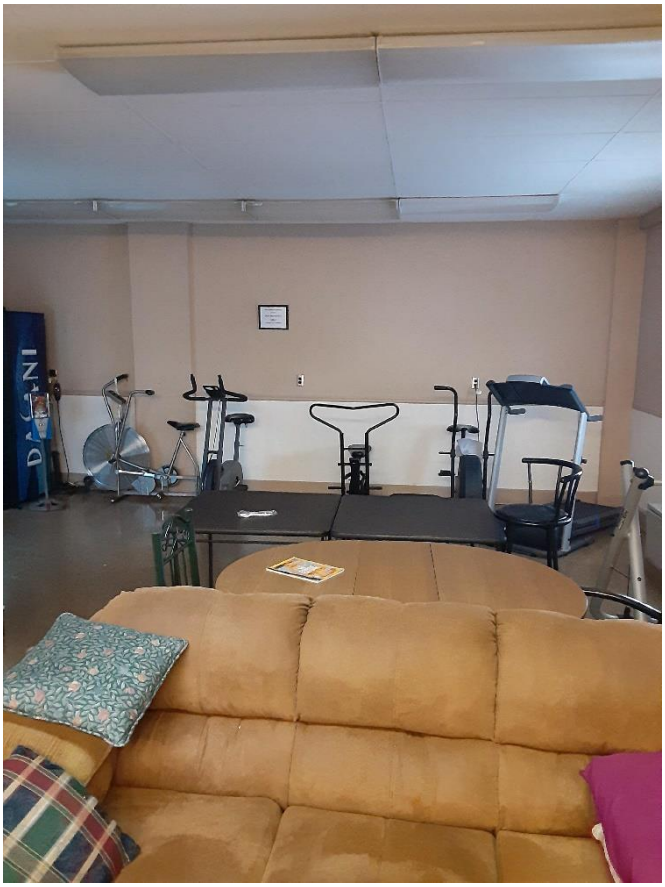

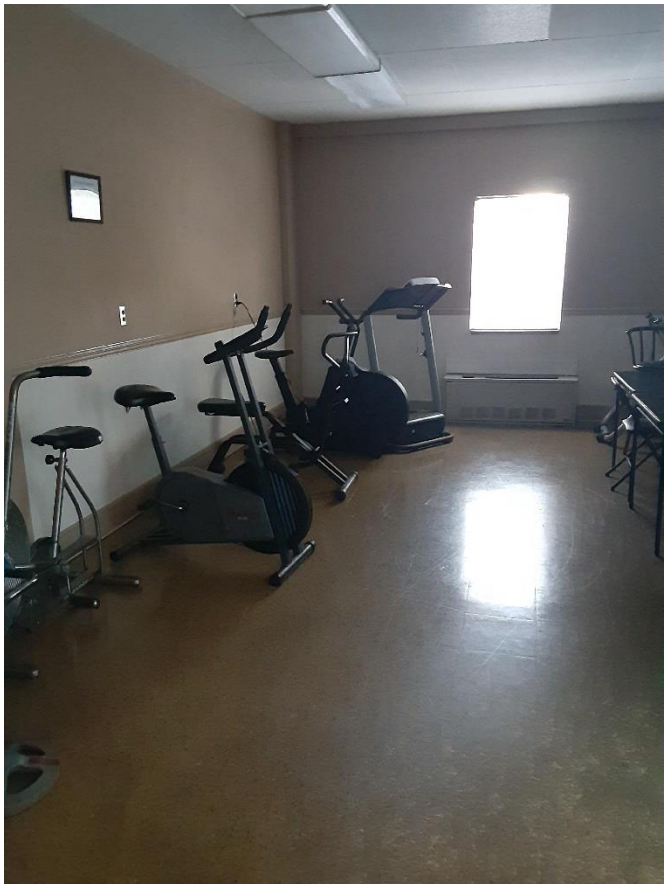

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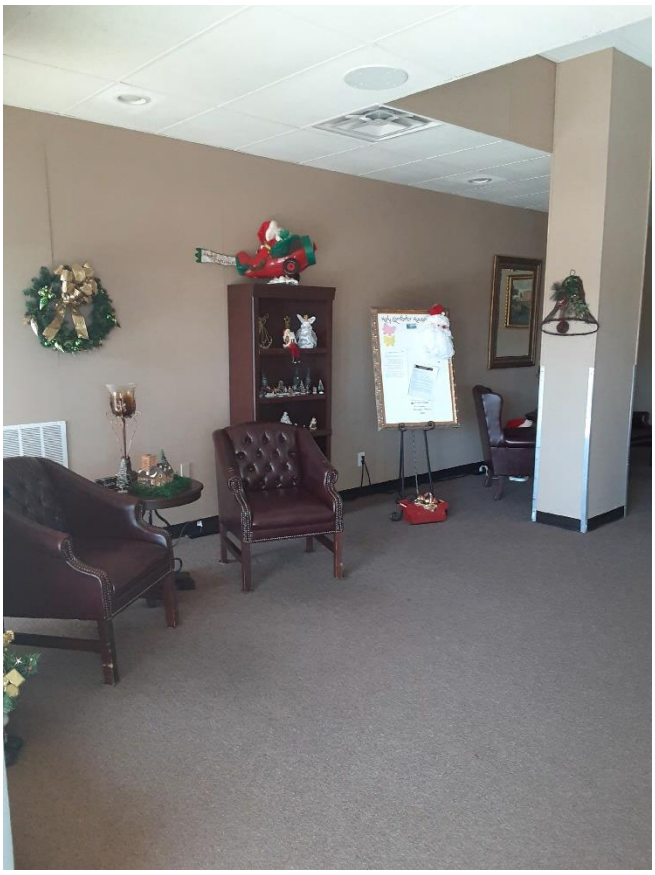

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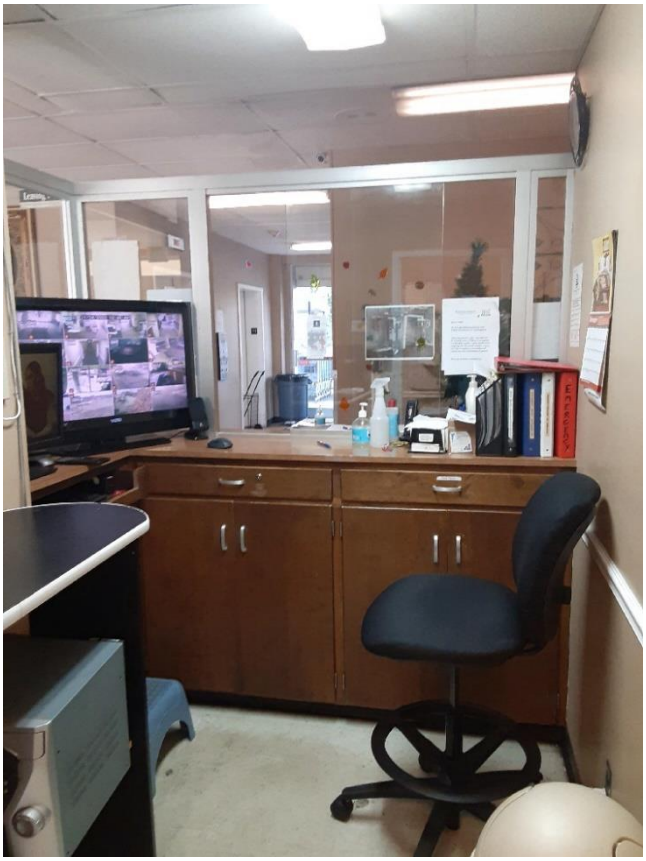

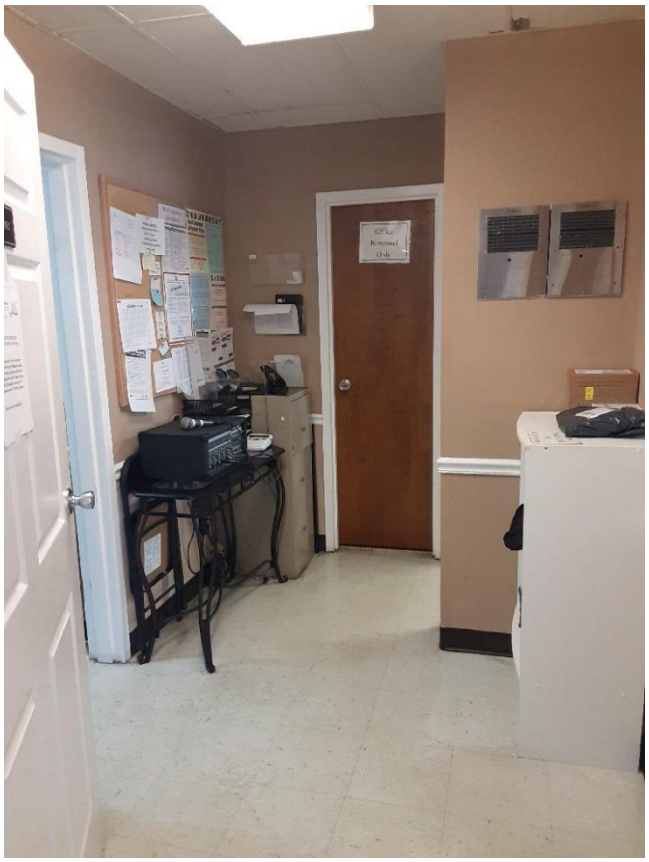

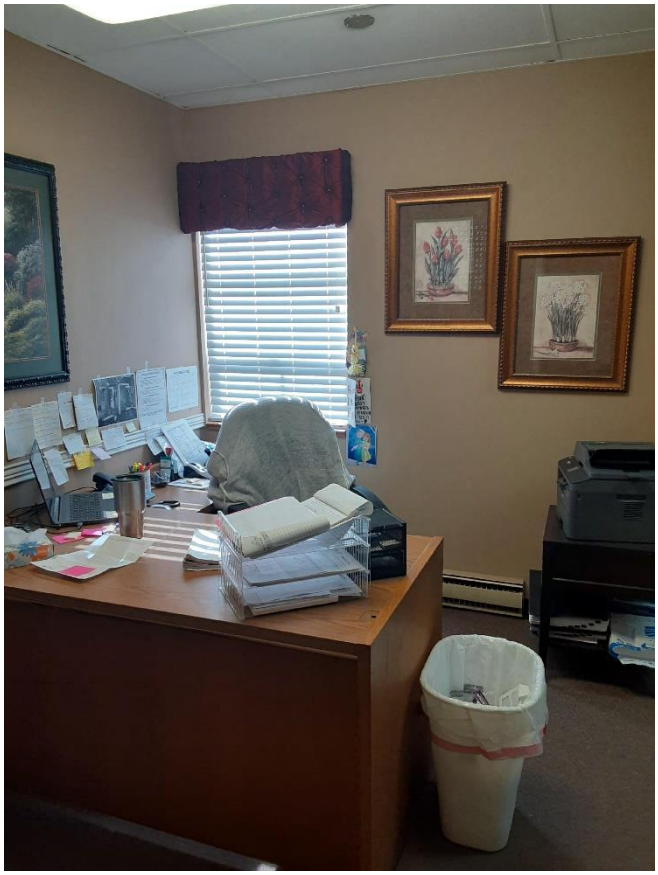

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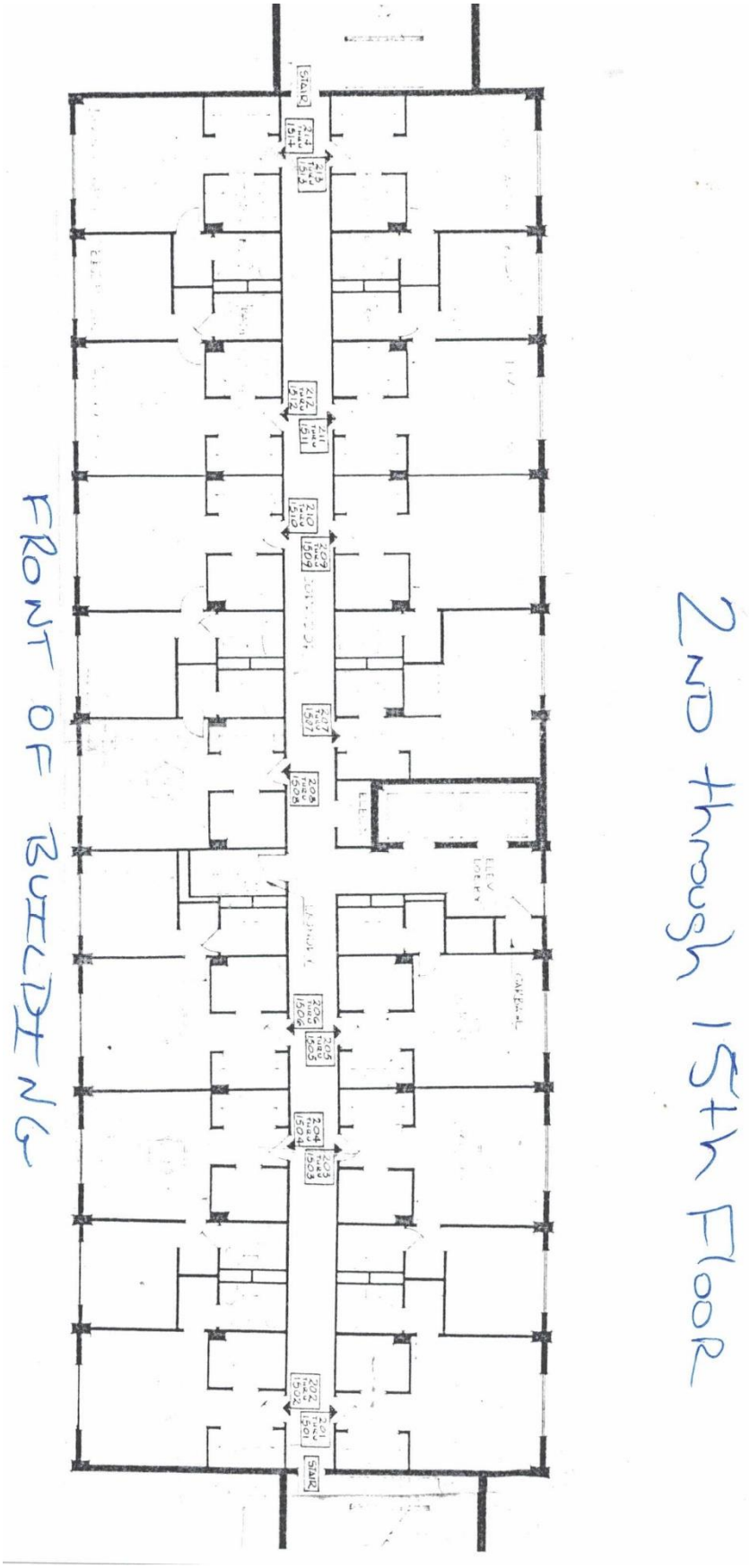
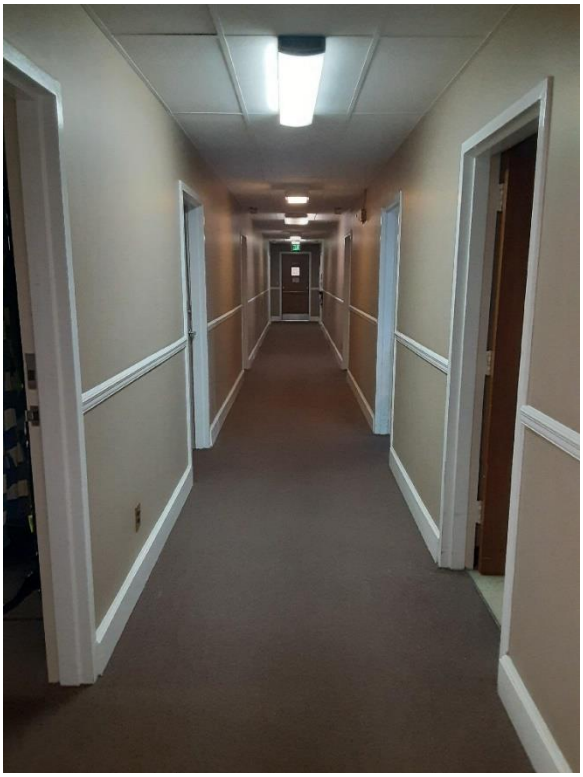


2ND through 15th Floor



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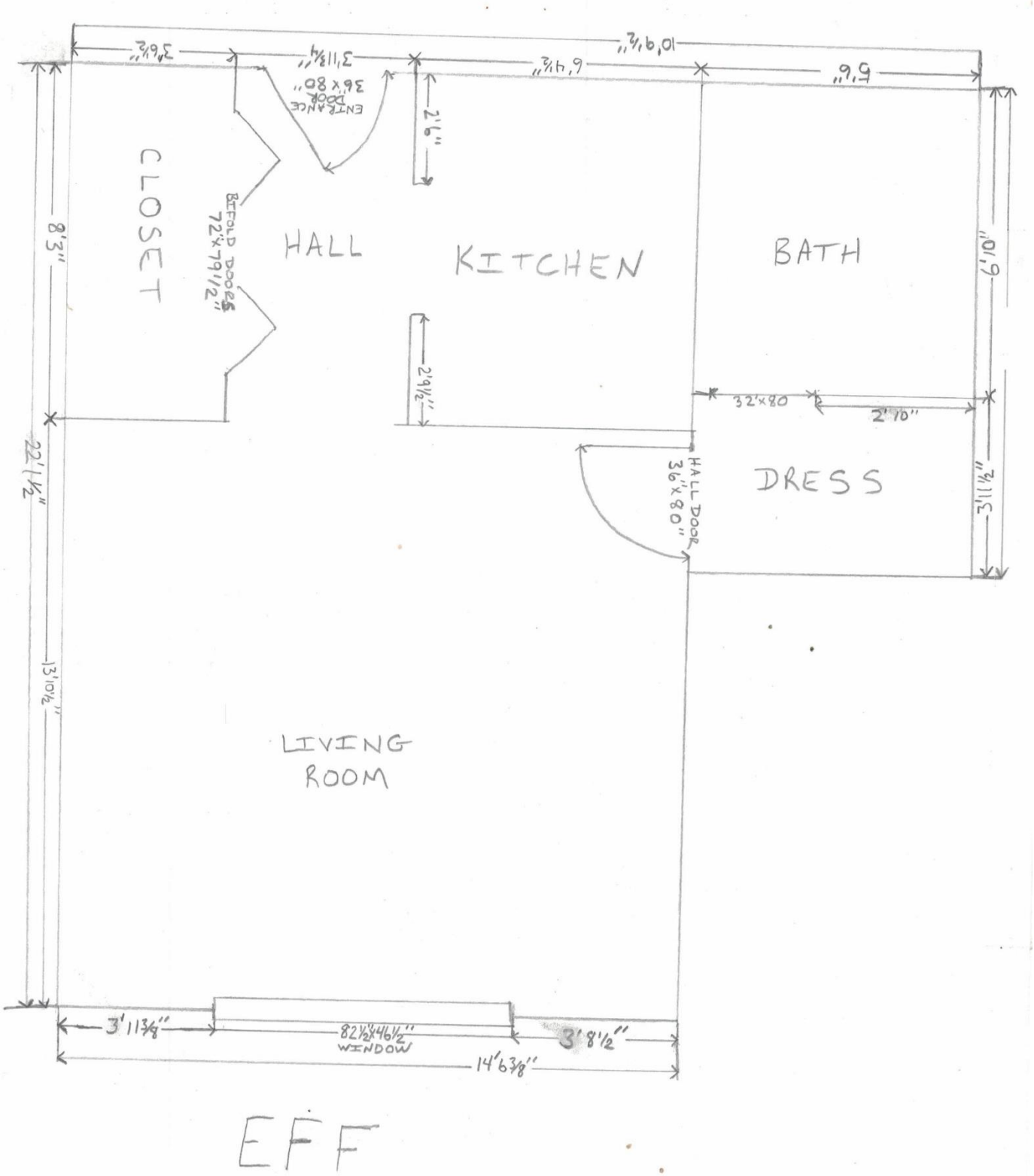

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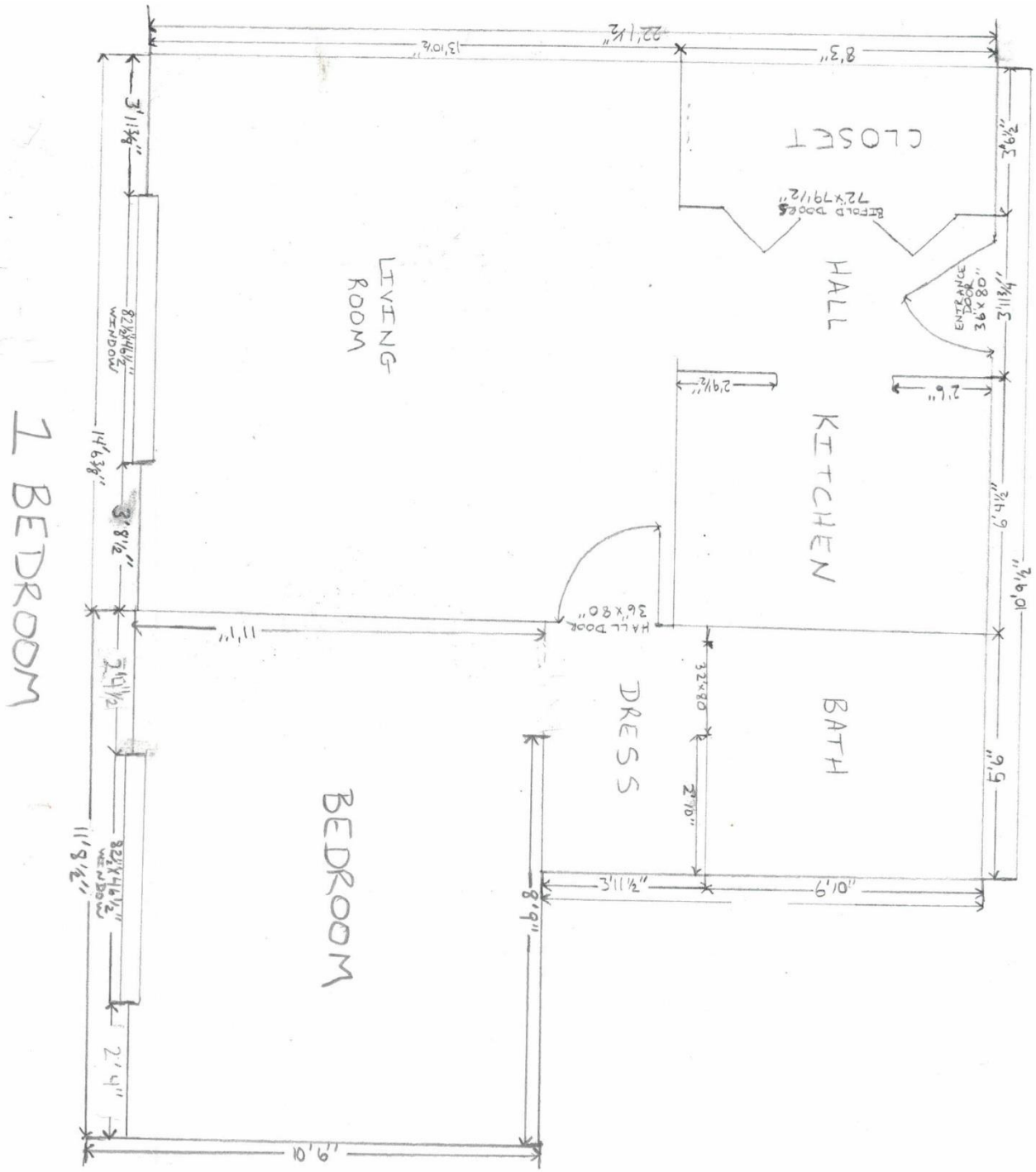

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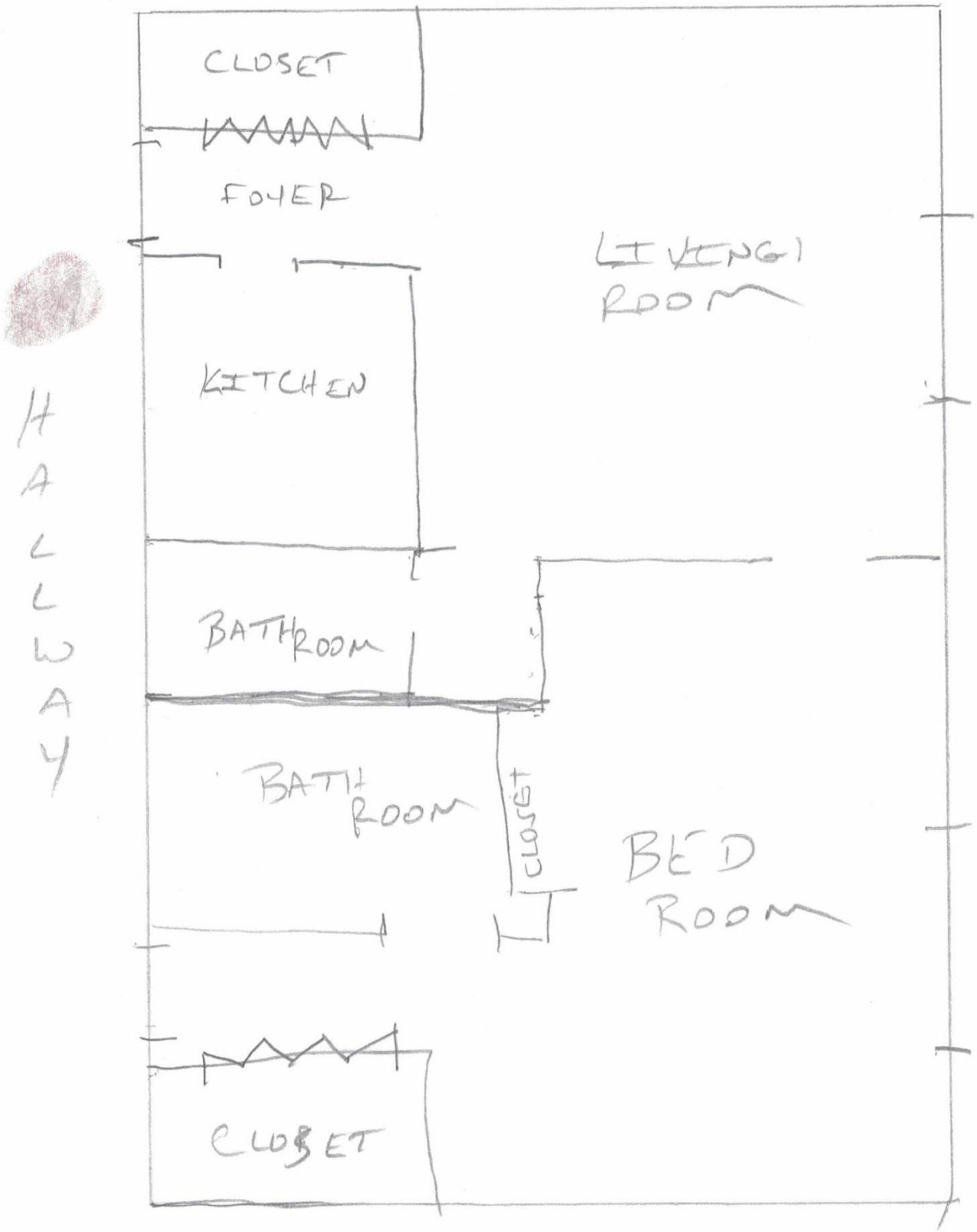
1 BR 2BATH



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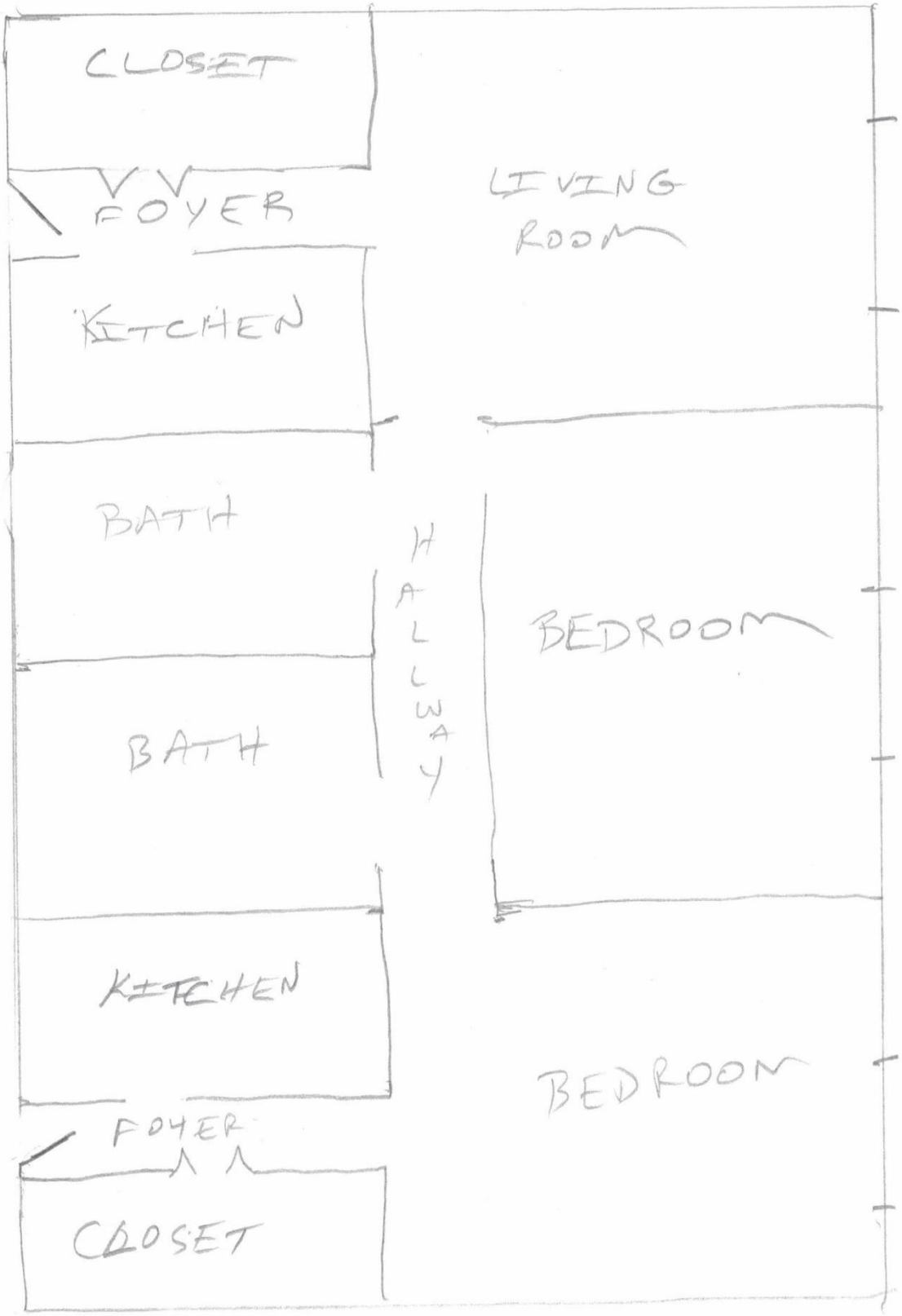

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Mechanical Room Pictures Added January 20, 2021

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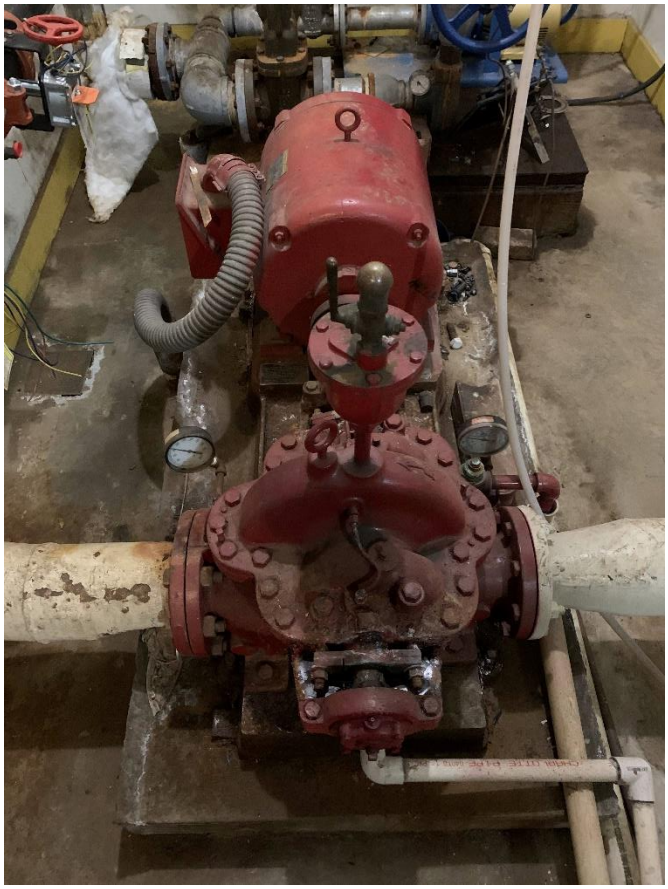

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DEFINITIONS

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/appsmfhm.
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. 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.
7. 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.
8. 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.
9. Closing: Date when legal title to the Property is transferred to the Approved High Bidder.
10. Days: Federal government business days, unless otherwise stated as calendar days.
11. Earnest Money Deposit: The amount of the deposit identified in the Property at a Glance that must be submitted at the Foreclosure Sale.
12. 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.
13. Extension Period: A additional thirty (30) calendar day period that HUD may give for the Closing to occur.
14. 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.
15. Foreclosure Deed: The deed that transfers title of the Property to the Approved High Bidder. It will not contain any warranties of title.
16. Foreclosure Sale: Sale of the Property pursuant to 12 U.S.C. § 3710.
17. High Bidder: The bidder at the Foreclosure Sale that submits the highest responsive bid amount to the Foreclosure Commissioner
18. 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.
19. 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 BidderOwner to satisfactorily complete the Post-Closing Repairs. The required amount is identified in the Property at a Glance.
20. Owner: The Approved High Bidder that completes the Closing and takes title to the Property through the execution and recordation of the Foreclosure Deed.
21. Physical Condition Standards (PCS): The Department's minimum physical condition standards required for either the units receiving Project-based Section 8 assistance or units occupied by tenants receiving Section 8 assistance at the Property. (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.
22. 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.
23. Post-Closing Repairs: All HUD-required repair and/or rehabilitation work that the Approved High Bidder/Owner must perform after Closing in a workmanlike manner and compliant with state and local codes, laws, ordinances, regulations, and HUD's Physical Condition Standards.

24. 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.
25. 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.)
26. Property: The multifamily housing project for sale in this Invitation and all real and personal property appurtenant thereto.
27. Property at a Glance: Attachment A to the Invitation that contains information about the Property and contact information for the Realty Specialist.
28. Realty Specialist/Branch Chief: HUD staff member identified in the Property at a Glance who can be contacted for additional information concerning the Property or the Foreclosure Sale.
29. 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.
30. Section 8: Section 8 of the United States Housing Act of 1937 and applicable regulations within Title 24 of the Code of Federal Regulations.
31. 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.
32. Use Agreement: The Foreclosure Sale Use Agreement in the form attached as Attachment C 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. Lack of the Earnest Money Deposit will be cause for bid rejection.

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. **Pursuant to 24 CFR 27.20, the defaulting owner of the Property, or any Principal, successor, Affiliate, or assignee thereof is not eligible to bid, or otherwise acquire, 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:** 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.

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. **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.

8. **RECORDATION OF CERTAIN DOCUMENTS:** The Use Agreement, any and all riders thereto will be recorded with the Foreclosure Deed.

9. **ADDITIONAL INFORMATION:** For additional information, please contact the Realty Specialist identified in the Property At A Glance.

SECTION 2 –PREVIOUS PARTICIPATION CERTIFICATION FOR PARTICIPANTS IN HUD MULTIFAMILY PROGRAMS

1. **GENERAL**: The High Bidder, any 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 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, published on Friday, October 14, 2016.

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 Realty Specialist for details on how to submit a written bid.

3. **CORRECTIONS:** Any changes or erasures made to a written bid must be completed and initialed by the bidder or bidder's agent at least 24 hours prior to the published start time for the Foreclosure Sale.

4. **E-MAILED OR FACSIMILE BIDS**: E-mailed or facsimile bids and/or bid modifications will not be considered.

5. **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 a money order, 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.
      iv. A bidder's lack of proper Earnest Money Deposit is cause for HUD to reject any bid.

   b. **Evidence of bidder eligibility**, if applicable

6. **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.

7. **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/appsmfhm.
         (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 checked below:

- ☒ Affirmative Fair Housing Marketing Plan (Form HUD-935.2A)
- ☒ 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)
- ☒ Project Owner's Certification for Owner-Managed Multifamily Housing Projects (Form HUD-9839A),
- ☒ Project Owner's/Management Agent's Certification for Multifamily Housing Projects for Identity-of-Interest or Independent Management Agents (Form HUD-9839B)

c. 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 multifamily foreclosure process to transform troubled and distressed multifamily properties into viable, long-term affordable rental housing 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 properties into viable, low-income 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 to bid, demonstrated experience, qualifications and capacity to purchase and successfully transform the Property into a long-term, viable housing 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 he owns (or has owned) and is successfully managing and operating (or has successfully managed and operated) properties of similar size and characteristics as the Property.

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 will require the High Bidder to obtain the services of a qualified multifamily management firm. HUD (see paragraph 5 below) must approve any management agent prior to Closing.

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 twenty-four (24) 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 PROPERTY MANAGEMENT:** 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 property 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.

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 were 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 a money order, certified funds, or cashier's check made payable to:

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

6. **CONVEYANCE:** Conveyance of the Property shall be by Foreclosure Deed at Closing. The Foreclosure Deed will not contain any warranties of title.

7. **DOCUMENTS TO BE FURNISHED OR EXECUTED AT CLOSING:**
   ☒ **Foreclosure Sale Use Agreement** ☒ **Closing Statement**

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:** Evidence of Bidder Eligibility
- ☐ **ATTACHMENT J:** Reserved
- ☐ **ATTACHMENT K:** Reserved

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

☒	Previous Participation Certification (Form HUD-2530) https://www.hud.gov/sites/documents/2530.PDF
☒	Personal Financial and Credit Statement (Form HUD-92417) for each proposed principal and/or partner https://www.hud.gov/sites/documents/92417.PDF
☒	Management Entity Profile (Form HUD-9832) https://www.hud.gov/sites/documents/9832.PDF
☒ **OR** ☒	Project Owners Certification for Owner-Managed Multifamily Housing Properties (Form HUD-9839 A) https://www.hud.gov/sites/documents/9839-A.PDF 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

Holy Comforter House FHA #: 062-SH005

745 Walnut St EARNEST MONEY: **$75,000** SALES PRICE: **Unstated**
Gadsden, Alabama TERMS **"All-Cash, As-Is"; 30 calendar days to close**
COUNTY: **Etowah** LETTER OF CREDIT: **n/a** SALE **Foreclosure**

PROPERTY INFORMATION

Total Units	Residential	Commercial
185	Revenue 185	0
	Non-Revenue 0	
Building/Site Type	High-rise	

Foundation:	**Concrete**
Roof:	**Membrane**
Exterior:	**Masonry/EIFS**
Floors/Finish:	**Concrete/VCT/Vinyl/Carpet/Ceramic Tile**

Number of Buildings	Stories	Year Built	Rehab Year	Approximate Site Acreage	Approximate Net Rentable Area
1	15	1971	N/A	2.41	83,621

Mechanical Systems

Heating:		**Air Conditioning**	
Fuel	**Electric**	Windows	**Single pane/Screen**
System	**Central/ PTAC**		
Hot Water:			
Fuel			
System			

Utilities

Public Water	☒
Gas Main	☒
Electric	☒
Sanitary Sewer	☒
Storm Sewer	☒
Septic Tank	☐

Parking

Street	**Asphalt**
Curb	**Concrete**
Sidewalk	**Concrete**
Parking Lot	**Asphalt**
Parking	**1**
Spaces	**160**

Apartment Features		Community Features		Owner Expense	Tenant Expense
☒	Air Conditioning	☐	Garage	**Cold Water**	**N/A**
☐	Dishwasher	☐	Covered Parking	**Gas**	**Parking ($5)**
☐	Microwave	☒	Laundry Facility	**Hot Water**	
☐	Garbage Disposal	☐	Cable/Sat Hookup	**Electricity**	
☒	Refrigerator	☐	Playground		
Elec	Range/Oven	☐	Pool		
☐	Drapes/Blinds	☒	Community Space		

RECENT OCCUPANCY

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	38%	36%	36%	36%	36%	36%	34%	34%	33%	32%	32%	31%
2020	31%	30%	30%	30%	29%	29%	28%	28%	28%	27%	26%	25%

ESTIMATED ANNUAL RENTAL INCOME and EXPENSE:

# of Units	Type (# of Bdrs)	Approx Square Feet	Current Gross Rent	Total Rent
89	0 bdrs/1 bth	371	$317	$28,213
81	1bdrs/1 bth	492	$417	$33,777
12	1 bdrs/2 bth	863	$569	$6,828
3	2 bdrs/2 bths	984	$655	$1,965
Estimated/Possible Monthly Total				$70,783

Total Estimated/Possible Annual Income	
Rent	$849,396
Commercial	0
Parking	0
TOTAL	$849,396
Estimated Annual Expenses	
Administrative	$226,443
Utilities	$217,715
Operating	$155,342
Taxes/Insurance	$72,203
Total	$671,703

COMMENTS CONCERNING PROPERTY INFORMATION:

Vouchers will be provided to all current tenants at the property that are deemed eligible.

Disclosures: Property does not have a Fire Sprinkler System, code requires installation to be completed by 2027; Property has two (2) elevators, one of the elevators in inoperable.

USE RESTRICTIONS

Two-year rent protection for eligible residents.

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.

HUD cannot provide any financial information regarding the operations of the property beyond what is reflected in this "Property at a Glance"

TENANT BASED SECTION 8

There are/may be Section 8 voucher holders at the Property. Housing Choice Vouchers (HCVs) are a tenant-based assistance subsidy, meaning that the subsidy follows the tenant and is not attached or connected to a specific property or unit, as is Project-based Section 8. Therefore, bidders should not consider HCVs as a guaranteed rental subsidy for the Property. <u>There will be no project-based subsidy at this property.</u>

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 Propert,y 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 has reserved Tenant Protection Vouchers to be offered to existing eligible tenants. No project-based subsidy is being offered with this sale.
- 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 $14.96 per unit per calendar day for each thirty (30) calendar day period.
- The Use Agreement will include the following Riders:
    - Enforcement
    - Two-Year Rent Protection for Pre-Existing Very Low-Income Tenants
    - Nondiscrimination Against Section 8 Certificate and Voucher Holders
    - Physical Conditions
    - Environmental Hazards
    - Relocation
    - Protecting Tenants at Foreclosure Act

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 Holy Comforter House:
MUST BE PRESENTED ON: Friday, February 26, 2021
At: 1:00 p.m. (local time)
Location of Foreclosure Sale:
Etowah County Courthouse
(Main Entrance)
800 Forrest Avenue
Gadsden, AL 35091

HUD Office and Contact Information for submission of documents:
Fort Worth HUD Office
Multifamily Property Disposition, 6AHMLAT
307 W. 7th St, Suite 1000
Fort Worth, TX 76102
Realty Specialist: Janet K. Osterloh
Phone: (817) 978-5656
Email: Janet.K.Osterloh@hud.gov

Contact the Foreclosure Commissioner **only if submitting a written bid:**
Name: Kelly Derryberry
Phone: 615-807-2351
Email: kelly@mailpdlaw.com

INSPECTION OF PROPERTY

OPEN HOUSE: *January 21, 2021*

- *Appointment only*
- *1 person scheduled at a time*
- *Covid protocol will be adhered to*

Open House may be cancelled at a moments notice if necessary due to COVID-19 restrictions. If this is the case, those that have made appointments will be notified.

Appointments can be made by emailing the Realty Specialist listed above at the following email: ***HolyComforterHouseSale@HUD.gov***

Virtual Tour: https://my.matterport.com/show/?m=dPwcjePVCPe&mls=1

UPDATED **Mechanical Room Virtual Tour**
https://my.matterport.com/show/?m=sqafhRyAChD

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 Holy Comforter House (the "Property"), the legal description of which is included as Exhibit A, to be paid as follows:

1. EARNEST MONEY: $ 75,000 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 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 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

- ☒ Affirmative Fair Housing Marketing Plan (Form HUD-935.2A)
- ☒ 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)
- ☒ Property Owner's Certification for Owner-Managed Multifamily Housing Projects (Form HUD-9839A)

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 Acknowledgement 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 a money order, 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 appropriates 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 ten (10) 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
      307 W. 7th ST, 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 $ **14.96**, per unit, per calendar day, which is $ **2,767.60** daily, a cost of $ **83,028.00**, 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:
   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 Approved 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 this Acknowledgment, any Extension Fees paid under paragraph 9 shall be retained by HUD as 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 multifamily mortgage being foreclosed, shall not be eligible to bid on, or otherwise acquire, the Property .

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. SECURITY DEPOSITS: Any security deposits collected from tenants and paid to HUD prior to Closing shall be assigned to Approved High Bidder within fifteen (15) days of the Closing, with the exception of security deposits forfeited by the tenant in accordance with the terms of the tenant's lease. Notwithstanding state and local law, no other security deposits collected from tenants will be transferred by HUD to Approved High

Bidder. HUD has no other liability under state and local law with respect to security deposits. Approved High Bidder agrees to assume all responsibility and liability under state and local law with respect to the collection, application and return of security deposits.

13. LIMITATION OF LIABILITY: In no event shall HUD's liability exceed the portion of the Bid paid to HUD.

14. 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. 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
    - Two-Year Rent Protection For Pre-Existing Very Low-Income Tenants
    - Nondiscrimination Against Section 8 Certificate and Voucher Holders
    - Physical Conditions
    - Environmental Hazards
    - Relocation
    - Protecting Tenants at Foreclosure Act

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:_____

Typed Name:_____

By:_____

Typed Name:_____

Address:_____

City, ST Zip:_____

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

ATTACHMENT C
FORECLOSURE SALE USE AGREEMENT

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 Holy Comforter House, HUD Project No. 062-SH005, (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 ten (10) years from the date of this Agreement (the "Restricted Period".) During the Restricted Period the Property must be maintained as affordable rental housing.

2. **CONVEYANCE:** During the Restricted Period, any 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 affordable multifamily rental properties of a similar size, type and complexity as the Property.

   HUD has the sole discretion to approve any Conveyance.

3. **CONDITION OF UNITS FOR RENTAL HOUSING:** 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 of the Property must have HUD's prior written approval. Any request for HUD's approval of the proposed Owner's management 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).

   "Previous Participation Certification" is defined as Form HUD-2530, submitted by an entity wishing to participate in HUD programs that contains information about an entity's previous participation in HUD programs and, if applicable, other federal, state, or local housing programs. HUD uses this cerification as a prerequisite to determine whether an entity can participate in HUD programs.

5. **NON-DISCRIMINATION REQUIREMENTS:** The Owner will comply with the provisions of all federal, state, or local laws prohibiting discrimination in housing.

6. **HAZARD INSURANCE:** Hazard insurance shall be maintained in an amount to ensure that the Owner is able to restore the Property so that it meets the rental housing requirements described in this Agreement.

7. **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.

8. **DEMOLITION OF PROPERTY:** The Owner will not demolish any part of the Property or withdraw any part of the Property from use (except as temporarily necessary for routine repairs), without the prior written approval of HUD.

9. **REMEDIES FOR NONCOMPLIANCE:** Upon any violation of any provision of this 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 subsequentlydesignated 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
    - Two-Year Rent Protection For Pre-Existing Very Low-Income Tenants
    - Nondiscrimination Against Section 8 Certificate and Voucher Holders
    - Physical Conditions
    - Environmental Hazards
    - Relocation
    - Protecting Tenants at Foreclosure Act

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:

_____

_____

FOR: THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

BY: _____

_____
Official's Typed Name

_____
Title

Exhibit A
Legal Description

To reach a point of beginning for the hereinafter described tract of land, commence at a point of where the east line of South Eighth Street intersects the north line of Walnut Street; thence run North 88° 34’ East, along said north line of Walnut Street, 99.9 feet to a point, which is the point of beginning of the tract of land herein described; thence from said point of beginning, continue North 88° 34’ East, along said North line of Walnut Street, 389010 feet to a point; thence run North 70° 36’ East, 269.50 feet to a point; thence run South 88° 34’ West, 343.00 feet to a point; thence run South 06° 45’ West, 99.78 feet to a point; thence South 88° 34’ West, 147.50 feet to a point in the aforementioned east line of South Eighth Street; thence run South 07° 36’ West, along said east line of South Eighth Street, 60.00 feet to a point; thence run North 88° 34’ East, 98.29 feet to a point; thence run South 06° 46’ West 109.26 feet to the point of beginning, containing 2.409 acres, embracing portions of the Southeast Quarter (SE ¼), in Section (4), Township Twelve (12), South, Range Six (6), East of Huntsville Meridian, Gadsden, Etowah County, Alabama, and being the lands described in Miscellaneous Record 62, pages 25, 9, 21, 17 and 13, respectively, Probate office, Etowah County, Alabama, exclusive of those portions of said lands lying within the right of way of aforementioned South Eighth and Walnut Streets.

LEGAL DESCRIPTIONS ARE PROVIDED AS INFORMATION ONLY.

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, 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_____

TWO-YEAR RENT PROTECTION FOR PRE-EXISTING VERY LOW-INCOME TENANTS

The Use Agreement shall contain the following provision:

1. Owner agrees that, for any very low-income family (as defined in 24 CFR § 5.603) that is an existing tenant of the Property, not receiving assistance, and who, after Closing, would be required to pay rent in an amount in excess of thirty percent (30%) of the adjusted income (as defined in 24 C.F.R. § 5.611) of the family, the Owner shall not increase the family's rent above the rent charged immediately before Closing. Rent protection will be enforceable for a period of two (2) years beginning at Closing.

2. On the date of Closing, Owner must provide notice to all tenants in unassisted units that they may qualify for the two-year rent protection.

3. Owner shall conduct an initial income certification for all tenants within thirty (30) calendar days of the acquisition.

4. For all tenants covered by these provisions, Owner must include in the lease(s) the terms and conditions of the two (2) year rent protection including a provision for an initial tenant income certification and not more than one (1) tenant income certification a year, except upon reduction of tenant income or upon tenant request.

5. Owner shall provide to HUD a list of all tenants who are covered by this provision within sixty (60) calendar days of this Agreement. The list should include the name of the lease holder, unit type, number of family members residing in the unit, and the amount of rent paid by the tenant. If the income certification is not complete within the sixty (60) calendar days, Owner must report the progress of the certifications and provide a completion date. Upon completion of the income certifications, Owner must submit the report in the required format and continue to submit this report annually, for a period of two (2) years from the date of this Agreement.

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

Owner_____

HUD_____

NONDISCRIMINATION AGAINST SECTION 8 CERTIFICATE HOLDERS AND VOUCHER HOLDERS

The Use Agreement shall contain the following provision:

1. To comply with Section 204 of the Housing and Community Development Amendments of 1978, 12 USC § 1701z-12, as amended, Owner, for itself, successors and assigns, shall not unreasonably refuse to lease a dwelling unit offered for rent, refuse to offer or sell cooperative stock, or otherwise discriminate in the terms of tenancy or cooperative purchase and sale because any tenant or purchaser is the holder of a Certificate of Family Participation or a Voucher under Section 8 of the United States Housing Act of 1937 (42 USC § 1437f), or any successor legislation hereinafter referred to as "Section 8". This Rider is limited in application to those units, as determined by HUD, which rent for an amount not greater than one-hundred and twenty percent (120%) of the Section 8 fair market rent for a comparable unit in the area.

2. This Rider shall bind the Owner, any/all successors, assigns and purchasers for value, for a period equal to the Restricted Period, which is ten (10) years from the date of this Use Agreement. In the event of a breach or a threatened breach of this covenant, HUD, any/all successors in office and/or one or more third-party beneficiaries, shall be entitled to institute legal action to enforce performance and observance of such covenant and to enjoin any acts which are in violation of such covenant. For the purposes of this Rider, a third-party beneficiary shall be any person who holds a Certificate of Family Participation or a Voucher under Section 8 or any equivalent document under successor legislation.

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

Owner_____

HUD_____

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).
2. If the ultimate use of the property is for rental, 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 _____

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 _____

RELOCATION

The Use Agreement shall contain the following provision:

1. Owner covenants that it shall comply with Section 203(f) of the Housing and Community Development Amendments of 1978, as amended, 12 USC §1701z-11(j), and any subsequent legislation affecting relocation of tenants. Additionally, Owner covenants it will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 USC §4601, and the regulations thereunder, 49 C.F.R. Part 24, when project-based Section 8 assistance is provided by HUD (collectively the "Act and Regulations"), and 24 CFR 290.17. Owner shall comply with the Act and Regulations, notwithstanding any contractual obligations with third parties to comply with the Act and Regulations. Owner shall provide a report on a quarterly basis to HUD which demonstrates compliance with the Acts and Regulations throughout the Repair Period.

2. Owner covenants that any required rehabilitation or hazard remediation, shall be performed in accordance with all applicable federal, state and local laws, codes, ordinances and regulations, and HUD's Physical Condition Standards.

3. If temporary or permanent relocation is necessary because of required rehabilitation and/or hazard remediation, Owner covenants that it will provide advance written notice of the expected displacement to the tenants. The notice shall be provided as soon as feasible, describe the assistance and the procedures for obtaining relocation assistance, and contain the name, address and phone number of an official responsible for providing the assistance.

4. If temporary or permanent relocation is necessary because of required rehabilitation and/or hazard remediation, Owner covenants that it will assist tenants in locating a decent, safe and sanitary dwelling/housing unit which, to the extent feasible, shall be in a location not generally less desirable than the Property, and reimburse tenants for:
   a. Expenses of moving from the Property and any net increase in monthly housing cost (rent and reasonable utility costs) during the temporary displacement period; and
   b. Expenses of returning to a repaired unit at the Property.

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

5. If temporary or permanent relocation is necessary because of required rehabilitation and/or hazard remediation, Owner covenants that it will provide assistance, as described below, to tenants, as may be appropriate:
   a. Advisory services necessary to locate decent, safe and sanitary and affordable replacement housing which, to the extent feasible, shall be in a location not generally less desirable than the Property; and
   b. Reimbursement for reasonable moving expenses, which need not exceed an amount determined by HUD to be reasonable considering the size of the household and the circumstances surrounding the move.

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

6. Owner covenants not to increase the rent for any unit, from the rent the tenant pays on the Closing date, until Owner completes all the rehabilitation and/or hazard remediation requirements of this Use Agreement and HUD inspects and accepts them. In addition, rents for units to be covered by a Housing Assistance Payment (HAP) Contract may be increased only pursuant to and following execution of such HAP Contract.

7. Notwithstanding an existing tenant qualifies for and receives a Housing Choice Voucher, in no circumstances will HUD provide any money or assistance to Owner in funding the relocation expenses of any tenant as part of any redevelopment or rehabilitation of the Property. In the event of a temporary or permanent relocation, Owner covenants to fund all relocation expenses under all applicable laws and regulations.

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

Owner_____

HUD _____

PROTECTING TENANTS AT FORECLOSURE ACT OF 2009

The Use Agreement shall contain the following provision:

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

1. Any bona fide tenant must be given 90 days prior notice to vacate the unit; and

2. Any tenant retains all of its rights as of the date of the notice of foreclosure, which is the date of this instrument. These rights include:

   (A) Any tenant who is under a valid lease agreement entered into before the notice of foreclosure that entitles the tenant to occupy the premises until the end of the remaining term of the lease, will continue to maintain his/her rights under the lease agreement, except that the Owner who will occupy a unit as a primary residence may terminate a tenant's lease for that unit, effective on the date of the foreclosure sale, by issuing notice of the termination of tenancy to the tenant at least 90 days prior to the effective date of the notice.
   (B) Any tenant who is a tenant at will under state law of the Property or occupies the unit without a lease retains all of its rights regarding occupancy of the unit, except such tenant may be required by Owner to vacate the unit provided that the tenant is given 90 days prior notice by the Owner.

3. If the tenant holds a Section 8 voucher and has a lease agreement, the Owner may terminate the tenancy effective as of the date of this instrument if (1) the Owner will occupy the unit as a primary residence and (2) provides the tenant with a notice to vacate at least 90 days before the effective date of the notice.

4. The Owner will assume its interest in the Property subject to: (1) the existing leases between the prior owner and the current bona-fide tenants; and, if applicable, (2) the existing Housing Assistance Payments contract between the prior owner and the public housing agency for any occupied unit.

5. Nothing contained in herein shall affect the requirements for termination of any Federal or State subsidized tenancy or of any State or local law that provides longer time periods or additional protections for tenants.

6. For purposes of this section, a "bona fide tenant" means a tenant as of the date of this instrument where (1) the mortgagor or the child, spouse, or parent of the mortgagor under the contract is not the tenant; (2) the lease or tenancy was the result of an arms-length transaction; and (3) the lease or tenancy requires the receipt of rent that is not substantially less than fair market rent for the property or the unit's rent is reduced or subsidized due to a Federal, State, or local subsidy.

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

Owner_____

HUD _____

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**