

Unsubsidized

**Amended
November 29, 2023
December 4, 2023**

Invitation to Bid, Section III, paragraph 1
Page 46 - Property Map updated
Exhibit 2 - Photos, sheet 20 through 22
Exhibit 3 - Property Summary, page 1 updated
Rider 4 - Affordability, page 1 updated
Rider 5 - Required Repairs and Rehabilitation, page 4 updated
Rider 6 - Environmental Hazards with Demolition, page 1 updated
Rider 9 - Return Rights for Current and Former Tenants, replaced in its entirety



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

FORECLOSURE SALE

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

Name: Parade Park Homes East

Address: 1903 E 15th Terrace (1701 Woodland Ave, 1501 Woodland Ave, 1801 E 15th Ter, 1560 Garfield Ave, Kansas City, MO 64127 1519 Garfield Ave, 2020 E 17th St, 1756 Michigan Ave, and 1727 Michigan Ave)

No. of Units/Type: 510 Units

Use Restrictions / Conditions of Foreclosure Sale:

Foreclosure Sale Use Agreement with the following Riders attached: Enforcement; Two Year Rent Protection For Pre-Existing Very Low Income Tenants; Non-Discrimination Against Section 8 Holders; Affordability Rider; Repair and Rehab Rider requires \$18,879,650.00 in Capital improvements; Environmental Hazards with Demolition Standards Rider with attached Soil Management Plan (O&M Plan); Relocation Rider for displaced residents; Cultural and Social Significance Preservation Rider; Return Rights for Current and Former Tenants; Tenant Engagement in Redevelopment Rider. Other Attachments with Conditions: Protecting Tenants Against Foreclosure

Special Conditions/Announcements:

- HUD intends to submit a bid for the amount of the indebtedness at the foreclosure sale. Stated minimum bid will be approximately \$11,994,175.02 on March 11, 2024.
- Building #1 and #2 are fire damaged. Building #2 requires demolition. A request to demolish building #1 will not be unnecessarily denied by HUD (see Attachment C #7). The repair rider includes estimated cost for demolition of building #2 damaged by fire. Building #2 was damaged by fire after Cost Estimate Summary was prepared. Page 46 of this Bid Kit has property map with building numbers identified.

Written bids will be accepted no later than **two (2) business days** prior to the date of the Foreclosure Sale. Mail bids to:

by March 7, 2024, at 10:00 a.m. (local time).

Oral Bids will be accepted **on the day** of the foreclosure. The Foreclosure Sale will commence promptly at 10:00 a.m. (local time) on 2024, and located at:
front door of the County Circuit Courthouse in Kansas City, MO, Jackson County Circuit Court,

415 East 12th St., Kansas City, MO 64106

Realty Specialist Contact Information:

Ms. Janet Osterloh
Multifamily Property Disposition, 6AHMLAT
307 W. 7th Street, Suite 1000
Fort Worth, Texas 76102
817-978-5656

janet.k.osterloh@HUD.gov (preferred contact)

INVITATION TO BID

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

DEFINITIONS

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

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

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

SECTION I: INTRODUCTIONS AND GENERAL INFORMATION

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

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

SECTION II: PRIOR TO THE FORECLOSURE SALE

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

5. *Electronic Registration*: Registration in HUD's Business Partner Registration prior to the Foreclosure Sale is not mandatory to submit a Bid. **However, Electronic Registration will be required before Closing.** A Bidder may complete this step prior to the Foreclosure Sale to reduce the amount of time between the Foreclosure Sale and Closing. HUD can take up to two (2) weeks to process registration requests. While the High Bidder is the only Bidder required to complete the Previous Participation Certification (e-2530), every Bidder may register in the event they become the High Bidder.
- If a Bidder **has not previously conducted business with HUD**, the Bidder must first register with HUD's Business Partner Registration before submitting a Previous Participation Certification (e-2530) application. The Bidder should follow these steps:
 - A Bidder accesses HUD's [Business Partner Registration](#) to register a new entity with HUD. Wait twenty-four (24) hours to access the Secure Systems [Coordinator or User Registration link](#) to complete the registration for the individual that will have access to Secure Systems. The applicant will receive a Coordinator/User ID within two (2) weeks. With these credentials, a Bidder can complete the required Previous Participation Certification (e-2530) in the next step.
 - A Bidder then completes a Previous Participation Certification (e-2530) application in HUD's single sign-on page then select [Active Partners Performance System \(APPS\)](#).
 - Bidders that **have previously conducted business with HUD** can complete the Previous Participation Certification (e-2530) application prior to the Foreclosure Sale by accessing [Active Partners Performance System \(APPS\)](#).
6. *Questions*: Please direct questions related to this Invitation and the Foreclosure Sale to the Realty Specialist identified in the Property Summary, after you have read this packet in its entirety. The Realty Specialist cannot provide information other than information in this Bid Kit or information posted on the Property Disposition Website.

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

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

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

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

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

SECTION IV: AFTER FORECLOSURE SALE AND LEADING UP TO CLOSING

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

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

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

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

SECTION V: CLOSING

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

End of Invitation

EXHIBITS AND ATTACHMENTS

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

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

Attachment B: RESERVED

Attachment C: FORECLOSURE SALE USE AGREEMENT WITH RIDERS

Attachment D: LETTER OF CREDIT

Attachment E: POST CLOSING REPAIR REQUIREMENTS

Attachment F: RESERVED

Attachment G: CERTIFICATE OF SUBSTANTIAL COMPLIANCE

Attachment H: PROTECTING TENANTS AT FORECLOSURE

Attachment I: RESERVED

Attachment J: RESERVED

Attachment K: POST CLOSING REPAIR REPORT

Attachment L: RESERVED

Attachment M: RESERVED

Attachment N: RESERVED

Attachment O: RESERVED

Attachment P: RESERVED

Exhibit 1
Legal Description

The land referred to herein is situated in the County of Jackson, State of Missouri, and described as follows:

Tract 1:

Tracts A and B, Parade Plaza Resurvey, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, recorded October 17, 1960 in the Office of the Recorder of Deeds of Jackson County, Missouri, in Book 31 page 76.

Tract 2:

Tracts F and G, Parade Plaza Resurvey, a subdivision in Kansas City, Jackson County, Missouri, according to the recorded plat thereof, recorded October 17, 1960 in the Office of the Recorder of Deeds of Jackson County, Missouri, in Book 31 page 76.

Tract 3:

Tracts C, D, H and all that part of Tract E lying East of Woodland Avenue as now established by Ordinance No. 29022, Parade Plaza Resurvey, according to the recorded plat thereof, recorded October 17, 1960 in the Office of the Recorder of Deeds of Jackson County, Missouri, in Book 31 page 76.

Exhibit 2 Photos

Exterior Photos









Maintenance Room



Community Room



Office



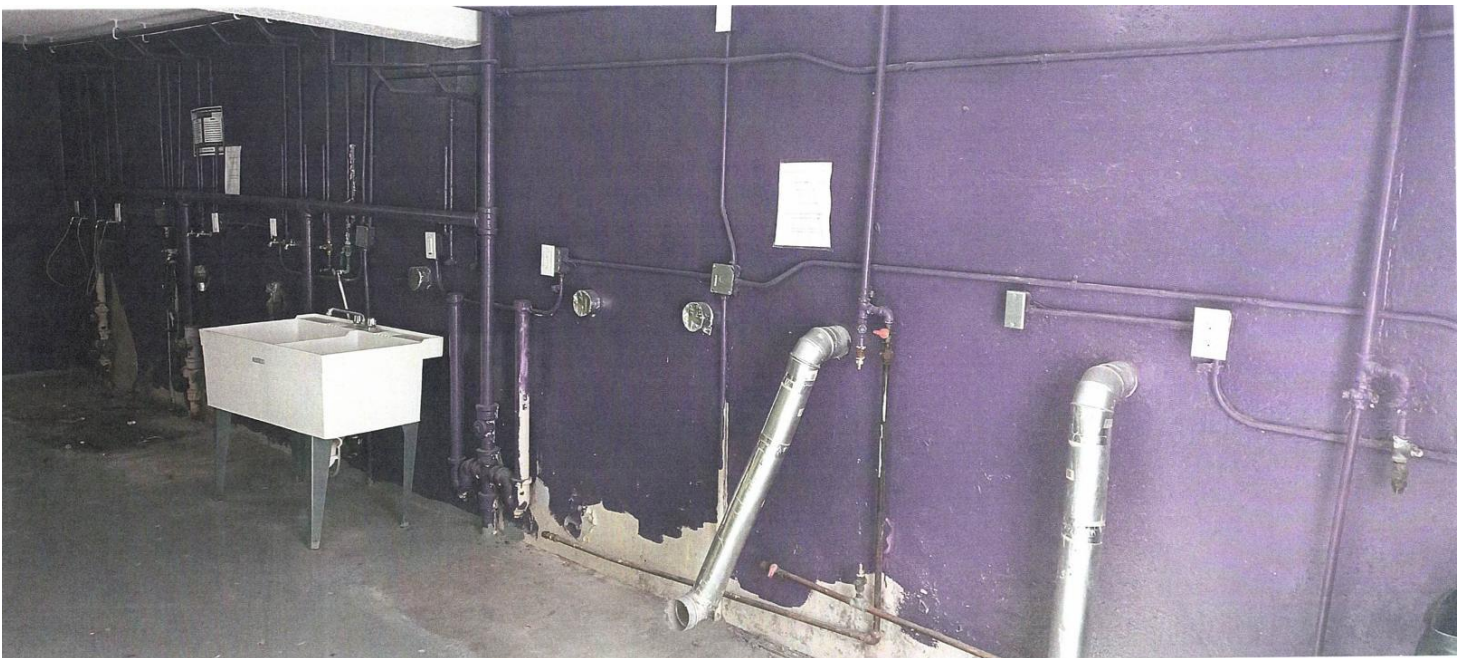
Laundry Rooms



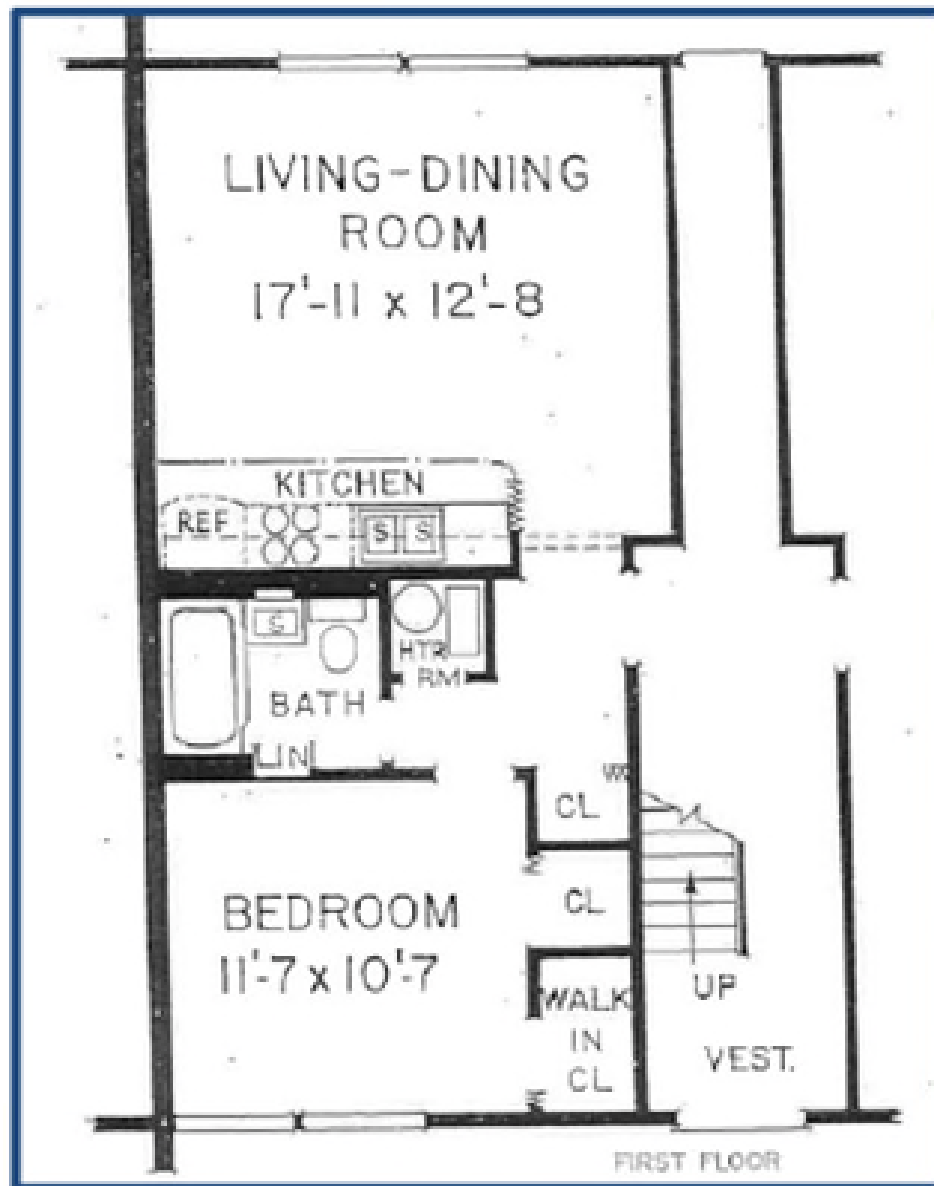
Laundry Rooms



Laundry Rooms



1 BR 1BA Floor Plan



This floor plan is located on the first floor or second floor of a 4-plex

One Bedroom Unit
6 units occupied
39 vacant



Entry



Living Room

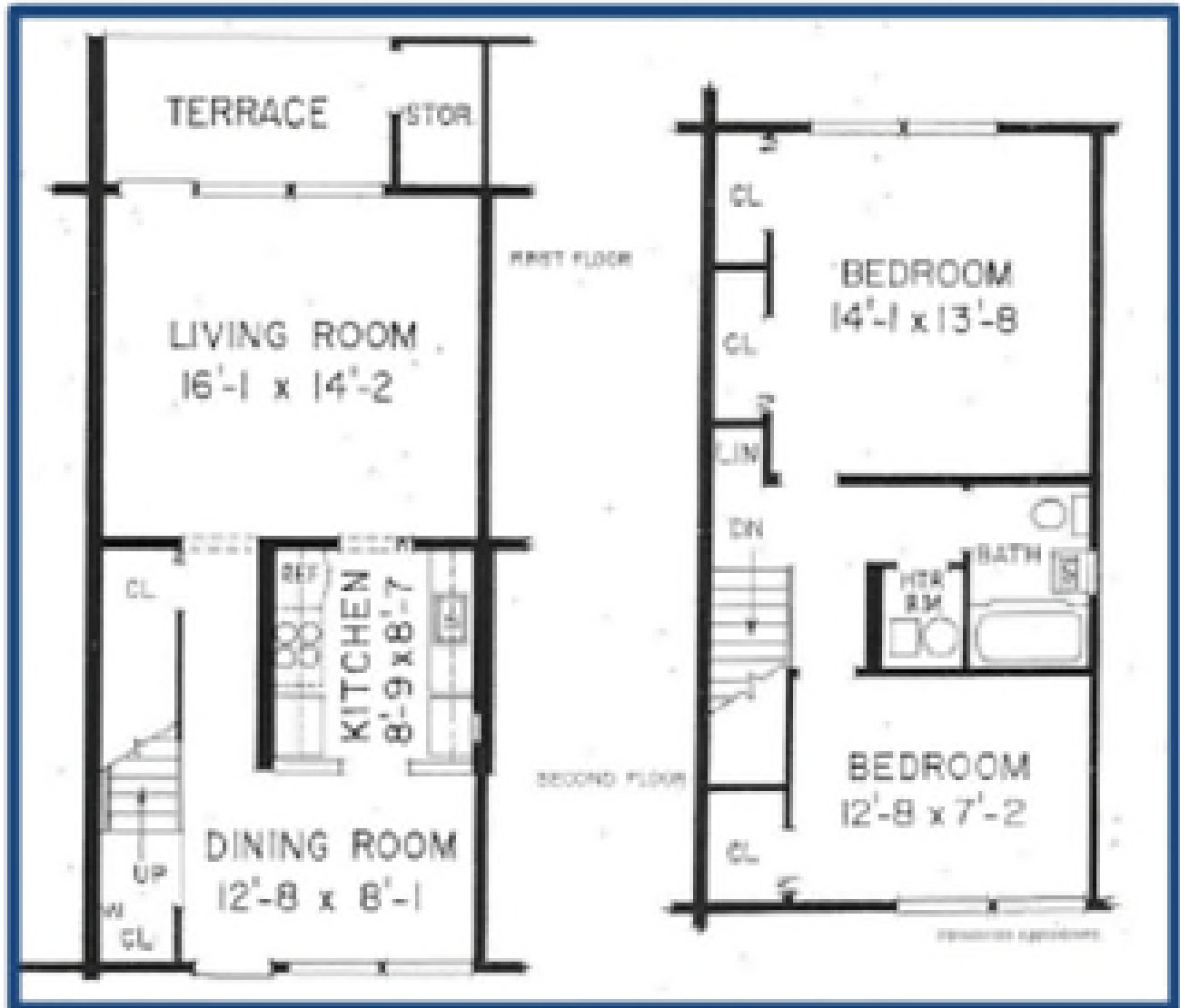


Bathroom



Bedroom

2 BR 1BA Floor Plan



This floor plan is a 2 story townhome

Two Bedroom Unit
100 units occupied
230 units vacant



Dining Room



Kitchen



Laundry



Living Room



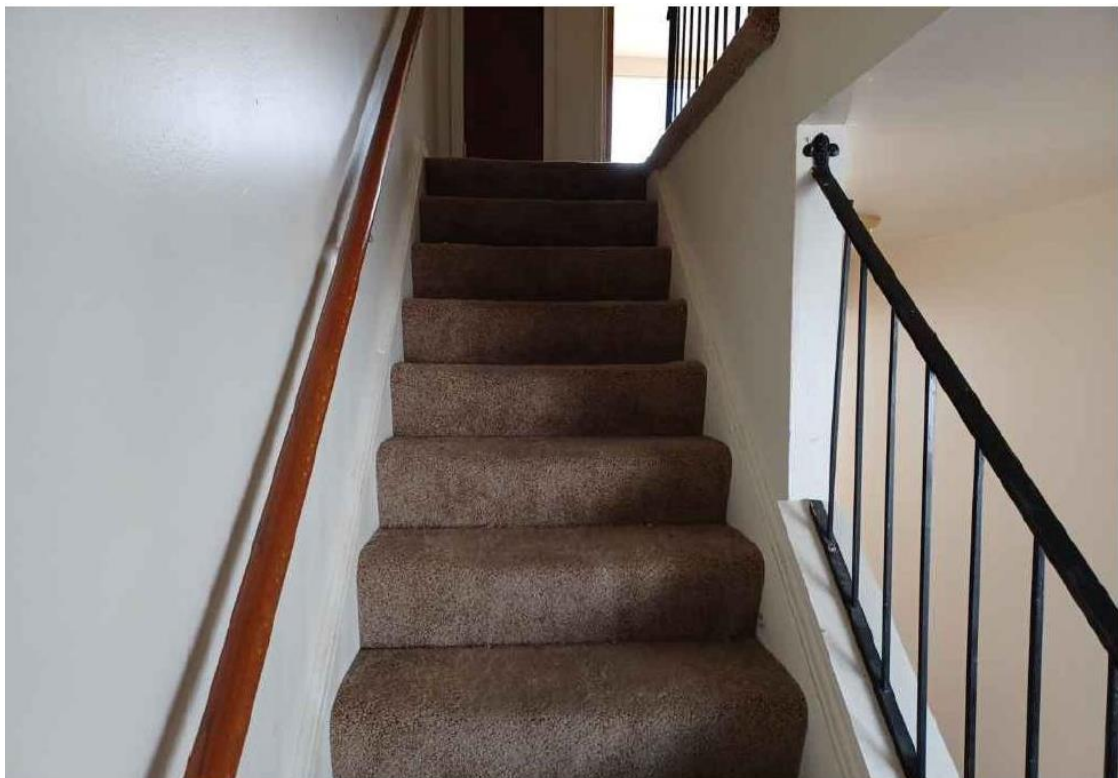
Living Room



Entry Hall



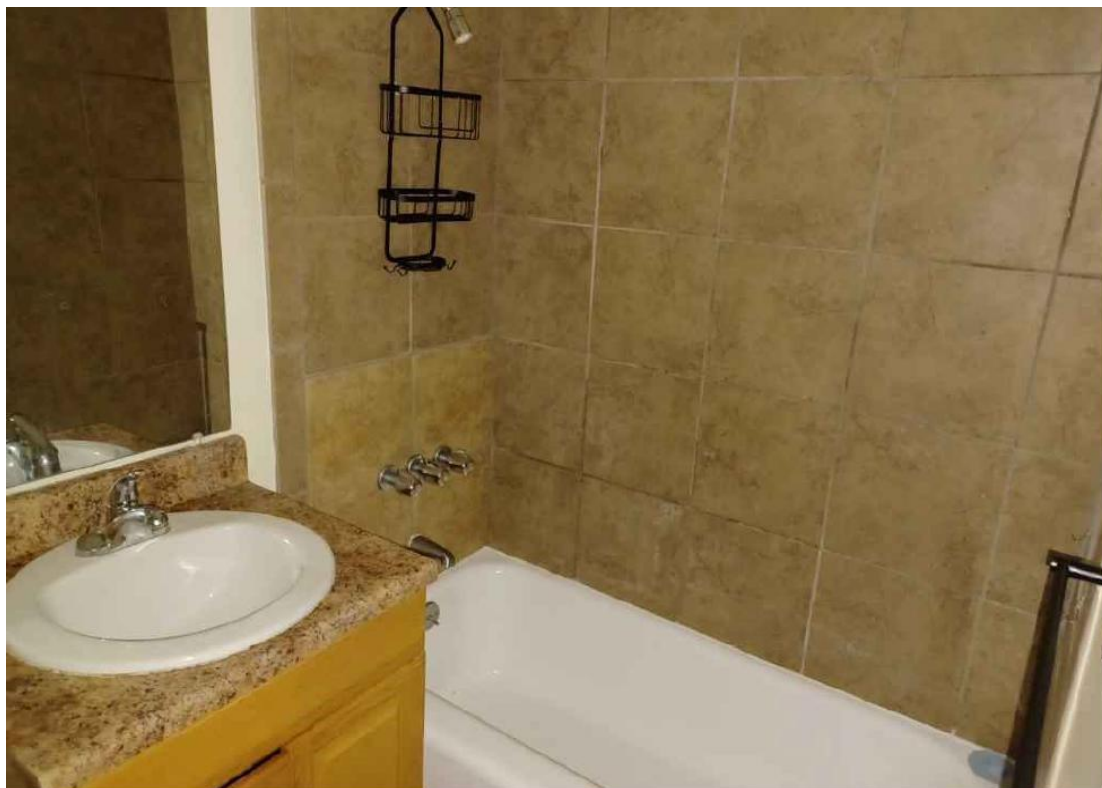
Stairwell



**Upstairs Hall
(Furnace Closet & Bathroom)**



Bathroom



Bedroom one



Bedroom two

Bedroom Closet





**One of two
2-Bedroom Units
that has been
partially stripped to studs**

Entry





Hall to Living from entry



Dining area between two units
partially stripped to studs

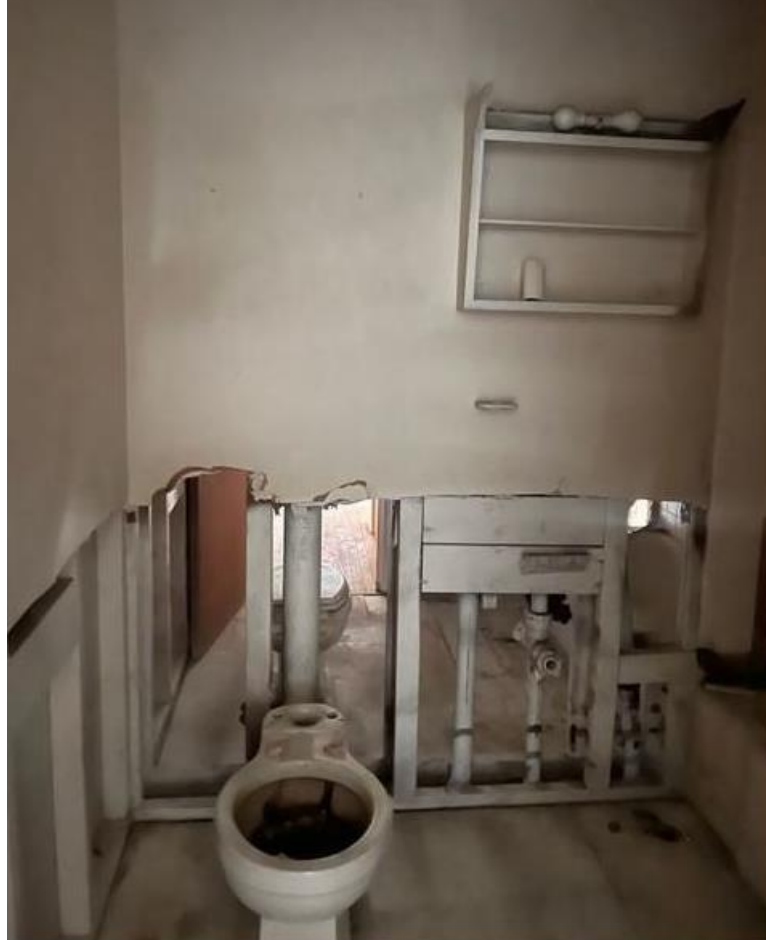


Kitchen & Laundry
partially stripped to studs

Living Room
partially stripped to studs



Bedroom one & two



Bathroom

3 BR 1BA Floor Plan



This floor plan is a 2 story townhome

Three Bedroom Unit

61 units occupied

92 units vacant



Dining Room





Kitchen

Hallway to living room
from entry
Laundry room on left
closet on right





Stairwell



Closet in hall at bottom of stairs



Bedroom one



Bedroom two

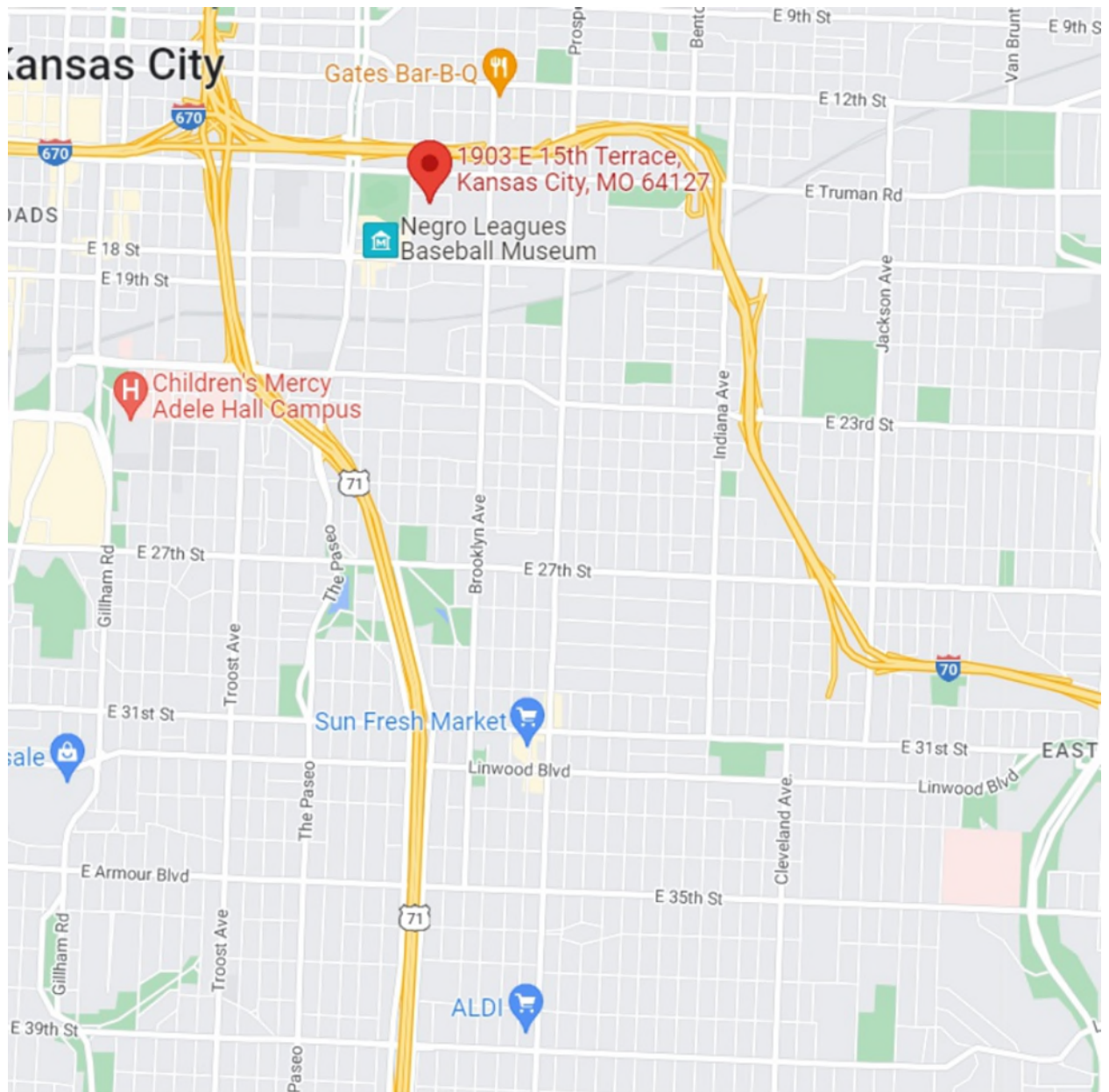


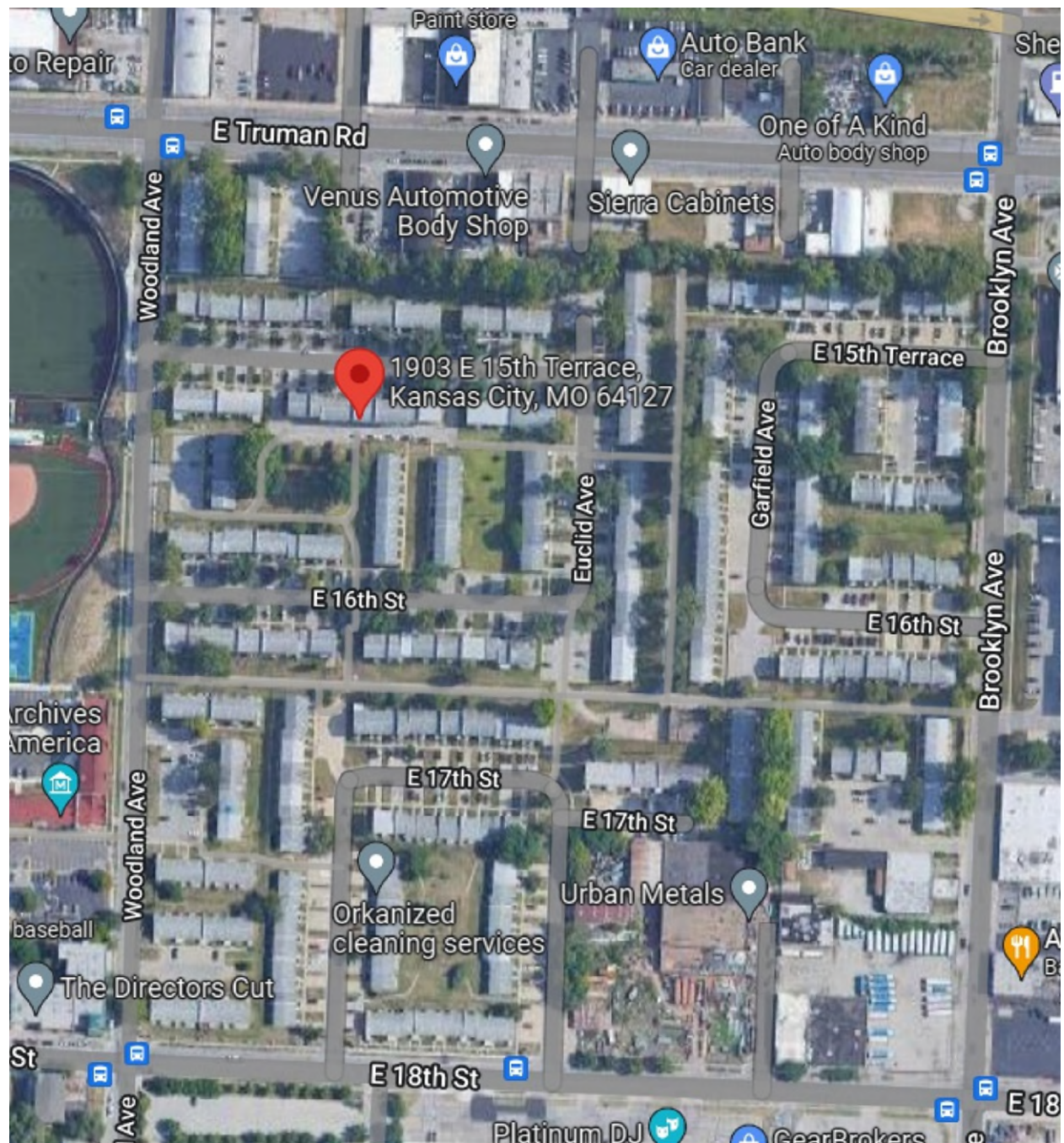
Bedroom three

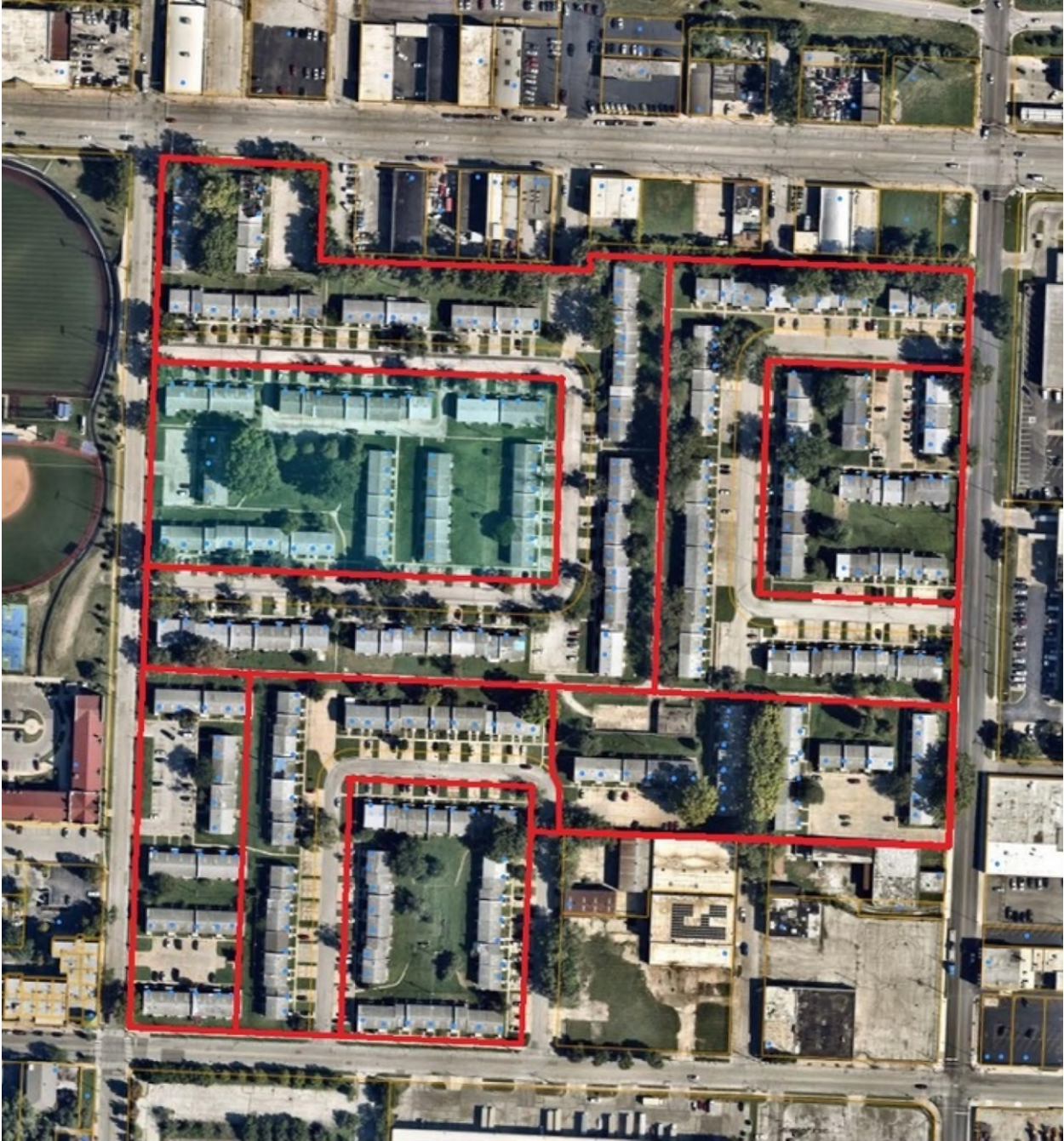
Bathroom



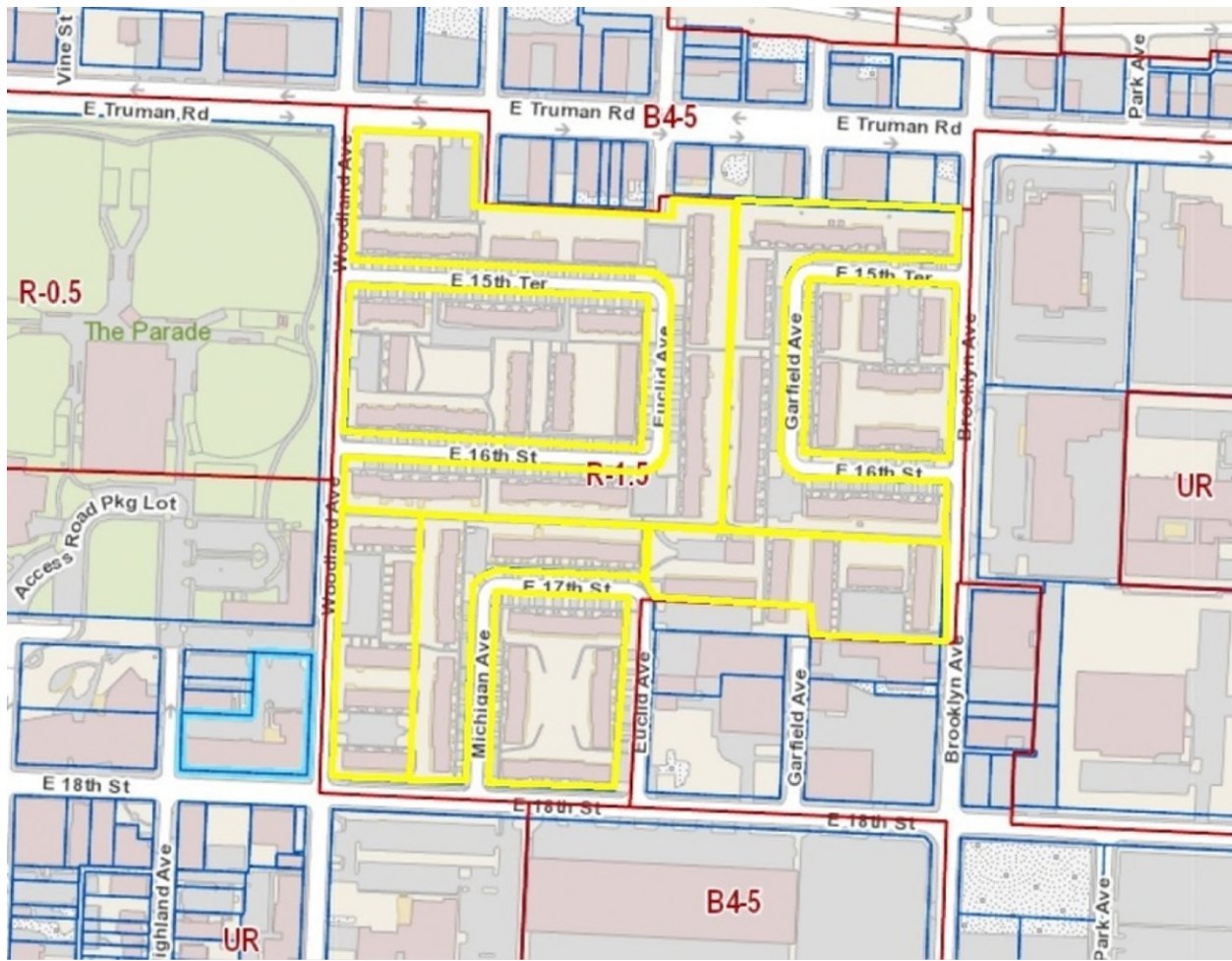
Maps



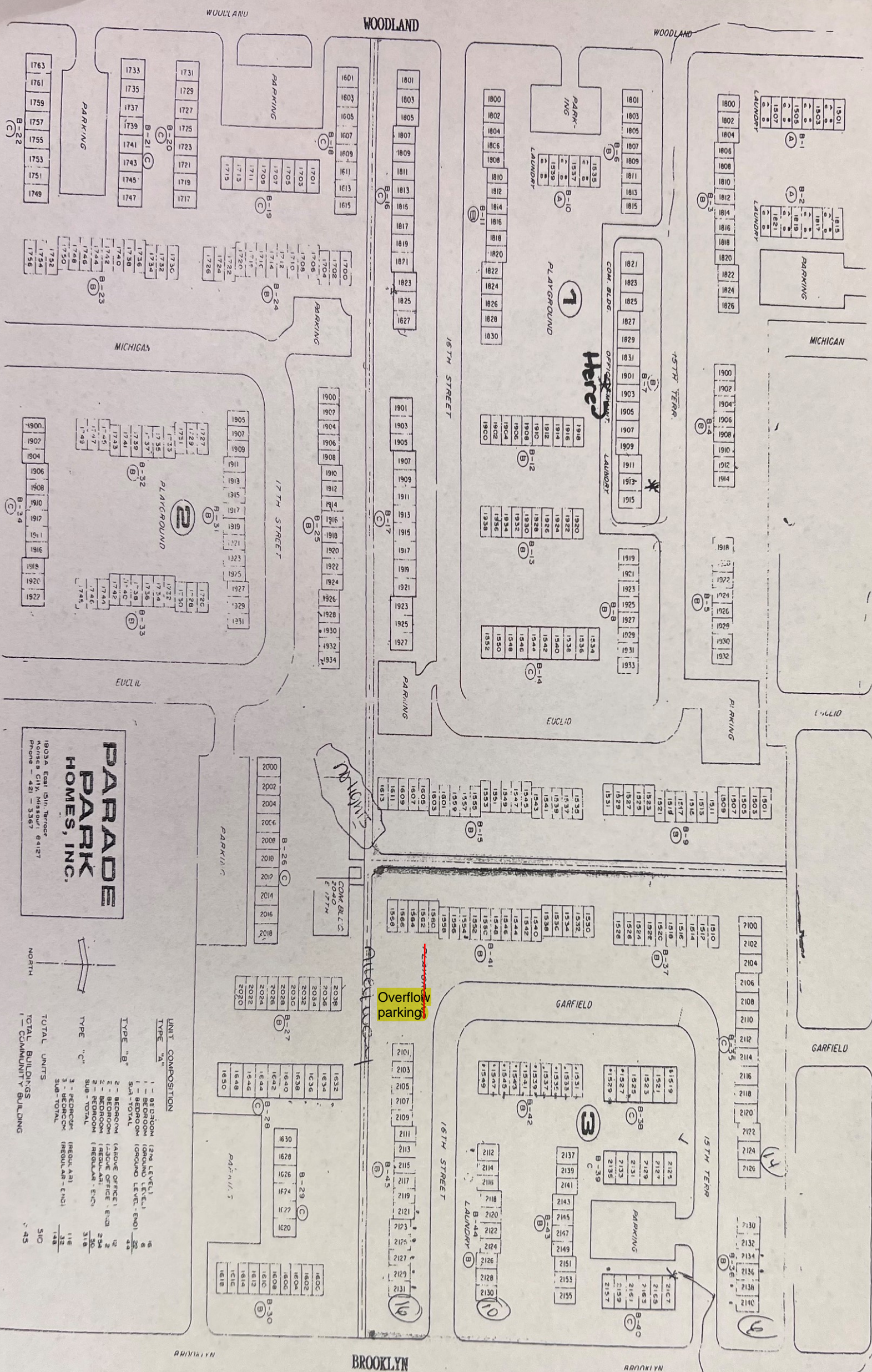




parcel map



Zoning map



**PARADE
PARK
HOMES, INC.**

UNIT COMPOSITION	
TYPE	"A"
1 - BEDROOM	(2ND LEVEL)
1 - BEDROOM	(GROUND LEVEL)
1 - BEDROOM	(GROUND LEVEL - END)
344 - TOTAL	
TYPE	"B"
2 - BEDROOM	(GARAGE OFFICE - END)
2 - BEDROOM	(GARAGE OFFICE - END)
2 - BEDROOM	(REGULAR - END)
346 - TOTAL	
TYPE	"C"
3 - BEDROOM	(REGULAR)
346 - BEDROOM	(REGULAR - END)
TOTAL UNITS	
TOTAL BUILDINGS	
- COMMUNITY BUILDING	

Exhibit 3
Property Summary

Property Name	Parade Park Homes East
Address	1903 E 15th Terrace (1701 Woodland Ave, 1501 Woodland Ave, 1801 E 15th Ter, 1560 Garfield Ave, Kansas City, MO 64127 1519 Garfield Ave, 2020 E 17th St, 1756 Michigan Ave, and 1727 Michigan Ave)
County	Jackson County
Resident Type	Multifamily

Unit Count/Rentable Square Footage

Total Residential Units 510	Subsidized Units 0	No. Commercial Spaces 0
Revenue Units 510	Unsubsidized Units 510	Commercial Rentable Sqft 0
Non-Revenue Units 0	Staff Unit(s) 0	Total Rentable Sqft 440,306

Building/Site

No. of Buildings: 46	Approx. Site Acreage: 26.61
Stories per Building: 2	Foundation: Concrete
Type of Building: Wood frame	Roof Type/Age: <small>Pitched / Composition shingle (10+ bldgs replaced 2023)</small>
Elevator(s) per Building: No	Exterior: Vinyl siding
Year Built: 1963	Flooring: Carpet, vinyl, tile, and hardwood
Rehabilitation Year: 1993 partial rehab	Type of Rehabilitation: <small>vinyl siding and insulated windows, replaced window units with Trane HVAC system</small>

Mechanical Systems

Utilities

Parking

Heating: Gas	Water: City	Assigned: 510 Self-Park 0
Air Conditioning: Central	Sewer: City	Covered: 0 Overflow: 82
Hot Water: Gas	Garbage: City	Garage: 0 Total: 792

Apartment Features	Available	Community Features	Available
Air Conditioning	<input checked="" type="checkbox"/>	Laundry Room	<input checked="" type="checkbox"/>
Dishwasher	<input type="checkbox"/>	Parking	<input checked="" type="checkbox"/>
Microwave	<input type="checkbox"/>	Exercise Room	<input type="checkbox"/>
Garbage Disposal	<input checked="" type="checkbox"/>	Picnic Area	<input type="checkbox"/>
Range/Oven	<input type="checkbox"/>	Playground Equip	<input checked="" type="checkbox"/>
Refrigerator	<input type="checkbox"/>	Swimming Pool	<input type="checkbox"/>
Blinds/Drapes	<input checked="" type="checkbox"/>	Jacuzzi/Whirlpool	<input type="checkbox"/>
Patio/Balcony	<input checked="" type="checkbox"/>	Dog Park	<input type="checkbox"/>
Washer/Dryer (in unit)	<input type="checkbox"/>	Business Center	<input type="checkbox"/>
W/D Connections	<input checked="" type="checkbox"/>	Community Space	<input checked="" type="checkbox"/>
Fireplace	<input type="checkbox"/>	Gated/Security	<input type="checkbox"/>
[list other here]	<input type="checkbox"/>	[list other here]	<input type="checkbox"/>

Historical Occupancy													
Best Data Available													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
2023	217	217	217	202	202	188	187	181	177	167			
2022	243	240	240	239	237	233	219	217	217	217	217	217	228
2021	260	260	255	255	255	249	245	244	244	243	243	243	250

Historical Rents				
Best Data Available				
Type	No. of Units	Unit Sqft	Unit Rent (\$ per/mo)	Market Rent/Comps
1 BR 1 BA	44	493	660	830
2 BR 1 BA	318	797	765	1040
3 BR 1 BA	148	1116	806	1115

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

Use Restrictions/Subsidy Information

Foreclosure Sale Use Agreement with the following Riders attached: Enforcement; Two Year Rent Protection For Pre-Existing Very Low Income Tenants; Non-Discrimination Against Section 8 Holders; Affordability Rider; Repair and Rehab Rider requires \$18,879,650.00 in Capital improvements; Environmental Hazards with Demolition Standards Rider with attached Soil Management Plan (O&M Plan); Relocation Rider for displaced residents; Cultural and Social Significance Preservation Rider; Return Rights for Current and Former Tenants; Tenant Engagement in Redevelopment Rider. Other Attachments with Conditions: Protecting Tenants Against Foreclosure

Minimum Bid Amount/Announcements

- HUD intends to submit a bid for the amount of the indebtedness at the foreclosure sale. Stated minimum bid will be approximately \$11,994,175.02 on March 11, 2024.
- Building #1 and #2 are fire damaged. Building #2 requires demolition. A request to demolish building #1 will not be unnecessarily denied by HUD (see Attachment C #7). The repair rider includes estimated cost for demolition of building #2 damaged by fire. Building #2 was damaged by fire after Cost Estimate Summary was prepared. Page 46 of this Bid Kit has property map with building numbers identified.

Contact Information:

HUD Realty Specialist

Foreclosure Commissioner (for written bids only)

Name: Ms. Janet Osterloh	Name: Mr. Kelly Derryberry
Address: 307 W. 7th Street, Suite 1000	Address: 504 AUTUMN SPRINGS COURT. SUITE 26
City/State/Zip: Fort Worth, Texas 76102	City/State/Zip: Franklin, TN 37067
Phone: 817-978-5656	Phone: 615-807-2351
Email: janet.k.osterloh@hud.gov	Email: kelly@mailpdlaw.com

Attachment A
Acknowledgment by Bidder
Terms and Requirements of Foreclosure Sale

I. TERMS OF BID

- A. The undersigned, _____, (the "High Bidder") submitted a bid of _____ dollars (\$ _____) (the "Bid") at the Foreclosure Sale to purchase _____ (the "Property") held at _____ on _____ 20____ at _____ (AM/PM).

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

1. EARNEST MONEY: \$ 100,000.00 in the form of a money order, certified funds, or cashier's check (the "Earnest Money Deposit") has been collected at the Foreclosure Sale by the Foreclosure Commissioner, and which shall not earn interest, and
2. BALANCE OF THE BID: The High Bidder will pay the difference between the Bid and the Earnest Money Deposit, a sum of \$ _____, (the "Balance") at Closing (as defined below), in the form of a money order, certified funds, or cashier's check as provided in the Acknowledgement.

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

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

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

IV. HIGH BIDDER OBLIGATIONS BEFORE CLOSING

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

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

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

V. HUD'S REVIEW OF POST-BID SUBMISSION

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

VI. CLOSING

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

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

- 2. All payments for an Extension Period must be in the form or a cashier's check or certified check made payable to: The U.S. Department of Housing and Urban Development
- 3. HUD will notify the High Bidder in writing of all approved Extension Periods. HUD will grant an Extension in accordance with the following conditions:
 - i. Extension Fees shall be equal to \$16.92 _____ per unit in the Project per calendar day, or one and one-half percent (1.5%) of the Bid, which ever amount is greater.
 - ii. Extension Fees will not be credited against the Balance. However, if the Closing is held prior to the end of the Extension Period, the prorated amount of the Extension Fees for the unused portion of the Extension Period shall be credited toward the Balance.

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

VII. PRORATIONS

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

VIII. BREACH

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

IX. MISCELLANEOUS

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

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

- B. EXISTING SECURITY DEPOSITS: Any security deposits collected from tenants and paid to HUD or in HUD's control prior to Closing shall be assigned to High Bidder within fifteen (15) business days of Closing. In no event shall HUD deliver security deposits forfeited by a tenant in accordance with the terms of the tenant's lease. Notwithstanding state and local law, HUD will not transfer any other security deposit collected from tenants. HUD has no other liability under state and local law with respect to security deposits. High Bidder agrees to assume all responsibility and liability under state and local law with respect to the collection, application, and return of tenant's security deposits.
- C. SEVERABILITY: If, for any reason, one or more of the provisions contained in the Invitation, including this Acknowledgment, the Use Agreement, or any other attachments or exhibits thereto, shall be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision(s) of the Invitation, but the Invitation shall be construed as if such invalid, illegal, or unenforceable provision(s) had never been included therein.
- D. LIMITATION OF LIABILITY: In no event shall HUD's liability exceed the Earnest Money Deposit and any Extension Fees paid.
- E. ASSIGNMENT: High Bidder may not assign its rights and responsibilities under this Acknowledgment without the prior written consent of HUD.
- F. CONFLICTING TERMS: If there are terms or conditions herein that conflict with the terms or conditions contained in the Invitation incorporated herein by reference, the terms or conditions of this Acknowledgment shall control.
- G. REQUIRED FORMS: The High Bidder acknowledge the receipt of the Use Agreement as a term and condition of the Foreclosure Sale and the inclusion of the riders attached to the Use Agreement in the Invitation.

Signature Page Follows

Unsubsidized

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

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

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

Witness Signature:

By:

Printed Name:

Printed Name:

Address:

Address:

City, State, Zip:

City, State, Zip:

ATTACHMENT C
FORECLOSURE SALE USE AGREEMENT

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

WHEREAS, pursuant to the provisions of the Multifamily Mortgage Foreclosure Act, 12 U.S.C. Sections 3701 et seq. (the "Act"), and the Department of Housing and Urban Development's regulations thereunder at 24 C.F.R. Part 27, the Secretary has elected to exercise the nonjudicial power of sale provided under the Act, or pursuant to a judicial foreclosure the Secretary has elected to apply Section 367(b) of the Act, with respect to Parade Park Homes East HUD Project No. 084-23003 ("Project") a legal description of which is attached as Exhibit "A"; **and**

WHEREAS, pursuant to the Act and to provisions of 12 U.S.C. Section 1715z-11a, the Secretary has authority to impose certain use restrictions, as set forth in this Agreement, on the Project subject to a mortgage held by the Secretary that is sold at foreclosure to a purchaser other than HUD; **and**

WHEREAS, by Deed executed this ____ day of _____, 20 24, by _____, the Project has been conveyed to the Grantee; **and**

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

1. **TERM OF AGREEMENT:** This Agreement shall be in effect for twenty (20) years from the date of this Agreement (the "Restricted Period".) During the Restricted Period the Project Parade Park Homes East must be maintained as rental housing.
2. **CONVEYANCE:** During the term of this Agreement, any Conveyance of the Project must have the prior written approval of HUD, or such Conveyance will be deemed to be null and void, and a default will exist under this Agreement. Conveyance is defined as any sale, assignment, transfer, creation of a leasehold estate in excess of one (1) year, or any other legal or equitable conveyance or transfer of the Project or an interest therein, or any legal or equitable transfer of an interest in the Grantee or any entities that may comprise the Grantee. Without limiting the foregoing and not intending to be all inclusive, a merger, conversion, share exchange, or exchange of corporate or partnership interests is deemed to be a Conveyance, which requires the prior written approval from HUD.

The preceding provisions shall be applicable and in full force and effect notwithstanding that any applicable statutory law or case decision provides that any such merger or conversion or share (or interest) exchange, or leasehold estate transaction or other type of Conveyance does not constitute or involve the occurrence of a "transfer" or "assignment" of the Project, any of the assets related thereto, or an interest in the Grantee

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

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

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

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

4. **PROJECT MANAGEMENT:** HUD reserves the right to approve management for the Project during the term of this Agreement. Any proposed property manager must demonstrate a minimum of five (5) years substantive experience managing multifamily properties of similar size and complexity. If the Project has project-based Section 8 assistance, any proposed property manager must demonstrate a minimum of five (5) years experience managing multifamily properties with project-based Section 8 assistance.
6. **SUBJECT TO EXAMINATION:** The Project shall at all times:
 - a. Be maintained in decent, safe and sanitary condition and in good repair to the greatest extent possible,
 - b. Maintain full occupancy to the greatest extent possible,
 - c. Be maintained as rental housing for the term of this Agreement,
 - d. Be subjected to periodic HUD inspections or inspections under REAC protocol (24 C.F.R. parts 5 and 200) if the property is HUD insured or HUD subsidized.
 - e. The Owner will be obligated to provide audited annual financial statements to HUD (24 C.F.R. parts 5 and 200 if the property is HUD insured or HUD subsidized).
 - f. At the request of the Secretary, Grantee must supply evidence by means of occupancy reports, physical condition reports, reports on operations, or any evidence as requested to ensure that the above requirements are being met.
7. **UNIT NUMBER OR USE CHANGE:** Changes to the use, number, size, or configuration of residential units in the Project, resulting from partial demolition, rehabilitation or redevelopment, as of the date of this Agreement, must receive the written prior approval of HUD.
8. **NON-DISCRIMINATION REQUIREMENTS:** The Grantee will comply with the provisions of all federal, state, or local laws prohibiting discrimination in housing.
9. **HAZARD INSURANCE:** Hazard insurance shall be maintained in an amount to ensure that the Grantee is able to restore the Project so that it meets the rental housing requirements described in this Agreement after restoration.
10. **DESTRUCTION OF PROJECT:** In the event that any, or all, of the Project is destroyed or damaged by fire or other casualty, the money derived from any insurance on the Project shall be applied to rebuild or replace the Project destroyed or damaged, unless the Secretary gives written approval to use insurance proceeds for other purposes.
11. **DEMOLITION OF PROJECT:** The Grantee will not demolish any part of the Project or withdraw any part of the Project from use (except as temporarily necessary for routine repairs), without the prior written approval of HUD.
12. **REMEDIES FOR NONCOMPLIANCE:** Upon any violation of any provision of this Agreement by the Grantee, HUD may give written notice thereof to the Grantee by registered or certified mail, to the address stated in this Agreement, or such other address as subsequently, upon appropriate written notice thereof to the Secretary may be designated by the Grantee as its legal business address. If such violation is not corrected to the satisfaction of the Secretary within thirty (30) calendar days after the date such notice is mailed or within such further time as HUD reasonably determines is necessary to correct the violation, without further notice, HUD may declare a default under this Agreement and may apply to any court, state or federal, for specific performance of this Agreement, for an injunction against any violation of this Agreement, for the appointment of a receiver to take over and operate the Project in accordance with the terms of this Agreement, and/or such other relief as may be appropriate, since the injury to the Secretary arising from a default of the terms of the Agreement would be irreparable and the amount of damage would be difficult to ascertain. The availability of any remedy under the Agreement shall not preclude the exercise of any other remedy available under any provision of the law, nor shall any action taken in the exercise of any remedy be considered a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not be construed as a waiver of the right to exercise that or any other right or remedy at any time.

- 13. CONTRADICTORY AGREEMENTS:** The Grantee certifies that it has not, and agrees that it will not, execute any other Agreement with provisions contradictory of, or in opposition to, the provisions of this agreement, and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations set forth herein and supersede any other provisions or requirements in conflict with this Agreement.
- 14. SEPARABILITY:** The invalidity of any provision of this Agreement shall not affect the validity of the remaining provisions hereof.
- 15. AMENDMENT:** This Agreement may be amended by the mutual written consent of the parties, except those provisions required by statute.
- 16. RIDERS TO THE USE AGREEMENT:** The Riders initialed by the parties are attached to and incorporated into this Use Agreement and will be placed in the Deed to run with the land. Capitalized terms used but not defined in a Rider shall have the meaning ascribed to such term in this Agreement. The use of the term Grantee in a Rider shall be deemed to mean the Purchaser.
- 17. PRIORITY:** This Agreement shall be recorded against the Project in a superior position to any post foreclosure liens or mortgage debts.

IN WITNESS WHEREOF:

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

WITNESS:

GRANTEE:

Signature _____

Typed Name _____

Street Address _____

City, State, Zip _____

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

WITNESS:

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

Official's Signature

Official's Typed Name and Title

ATTACHMENT D
LETTER OF CREDIT (LOC) SAMPLE

(ISSUING BANK'S LETTERHEAD)

IRREVOCABLE UNCONDITIONAL LETTER OF CREDIT NO.

DATE

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

Attention: Sakeena Adams

Dear Sir/Madam:

For the account of _____
(name of account party/customer)

we hereby authorize you to draw on us at sight up to an aggregate amount of U.S. \$ _____ ,
effective immediately and expiring on _____, 20_____.

This Letter of Credit is irrevocable and unconditional.

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

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

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

(Bank's address)

This Credit is governed by the laws of _____ .

Sincerely,

(Issuing Bank)

By:

SAMPLE SIGHT DRAFT

(HUD LETTERHEAD)

(Name and address of bank)

(City, State)

DATE

Pay to the order of the U.S. Department of Housing and Urban Development the sum of

\$ _____ . This draft is drawn under your Irrevocable Letter of
Credit No.

U.S. Department of Housing and Urban Development

By: -----

ATTACHMENT E
POST-CLOSING REPAIR REQUIREMENTS
COST ESTIMATE SUMMARY:
Items in poor condition with 1 – 3 years useful life

	Quantity	Unit Cost	Cost
Division 1: General Requirements			
General Conditions	0	\$0.00	\$0.00
Other:	0	\$0.00	0.00
General Requirements Subtotal			\$0.00
Division 2: Site Construction			
Mold Remediation	128	\$10,000.00	\$1,280,000.00
General Building Demolition: Building #2 (Fire Damage) (Bldg)	1	\$48,000.00	\$48,000.00
Excavation, Fill & Grading:	0	\$0.00	\$0.00
Site Utilities	0	\$0.00	\$0.00
Storm Drainage & Sanitary Sewer	0	\$0.00	\$0.00
Water, Steam & Gas Distribution	0	\$0.00	\$0.00
Miscellaneous Site Improvements	0	\$0.00	\$0.00
Irrigation, Sprinkler Head Systems	0	\$0.00	\$0.00
Landscaping	510	\$750.00	\$382,500.00
Other: Asphalt overlay (Square Ft.)	312,000	\$0.95	\$296,400.00
Site Construction Subtotal			\$2,006,900.00
Division 3: Concrete			
Precast Concrete, cast-in-place entry steps at all bldgs.	0	\$0.00	\$0.00
Specialty Concrete	0	\$0.00	\$0.00
Excavation & Backfill	0	\$0.00	\$0.00
Concrete Forms	0	\$0.00	\$0.00
Foundation forms	0	\$0.00	\$0.00
Footing Forms	0	\$0.00	\$0.00
Forms, Slab on Grade	0	\$0.00	\$0.00
Reinforcing steel	0	\$0.00	\$0.00
Slab Finishes	0	\$0.00	\$0.00
Insulating Decks	0	\$0.00	\$0.00
Fiber Deck	0	\$0.00	\$0.00
Other: Accessible parking and signage at leasing office (Spot)	2	\$1,500.00	\$3,000.00
Other: Repair of sidewalk cracks and tripping hazards	510	\$500.00	\$255,000.00
Concrete Subtotal			\$258,000.00
Division 4: Masonry			
Brick Masonry Restoration	0	\$0.00	\$0.00
Concrete Masonry – Firewall refurbishment and block fencing	510	\$750.00	\$382,500.00
Other:	0	\$0.00	\$0.00
Masonry Subtotal			\$382,500.00
Division 5: Metals			
Structural Steel	0	\$0.00	\$0.00
Decking & Siding	0	\$0.00	\$0.00
Other:	0	\$0.00	\$0.00
Metals Subtotal			\$0.00
Division 6: Woods and Plastics			
Rough Carpentry	0	\$0.00	\$0.00
Vertical Framing, Walls	0	\$0.00	\$0.00
Horizontal Framing	0	\$0.00	\$0.00
Misc. Framing & Materials	0	\$0.00	\$0.00
Sheathing (Square Ft.)	0	\$0.00	\$0.00
Finish Carpentry	0	\$0.00	\$0.00
Beams, trusses	0	\$0.00	\$0.00
Stairs, Wood	0	\$0.00	\$0.00
Rough Hardware	0	\$0.00	\$0.00
Other: Façade refurbishment, siding, soffit, & trim	510	\$2,250.00	\$1,147,500.00
Wood and Plastics Subtotal			\$1,147,500.00
Division 7: Thermal & Moisture Protection			
Waterproofing	0	\$0.00	\$0.00
Thermal & Sound Insulation (Square Ft.)	0	\$0.00	\$0.00
Roofing (Unit)	510	\$3,500.00	\$1,785,000.00

Composite Building Panels	0	\$0.00	\$0.00
Architectural Sheet Metal	0	\$0.00	\$0.00
Caulking & Sealants	0	\$0.00	\$0.00
Other:	0	\$0.00	\$0.00
Thermal and Moisture Protection Subtotal			\$1,785,000.00
Division 8: Doors and Windows			
Hollow Metal Doors & Frames	0	\$0.00	\$0.00
Wood Doors & Frames	0	\$0.00	\$0.00
Wood Garage Doors	0	\$0.00	\$0.00
Wood Door Specialties	0	\$0.00	\$0.00
Special Doors	0	\$0.00	\$0.00
Vinyl, Windows (Unit)	510	\$2,250.00	\$1,147,500.00
Aluminum, Windows & Doors	0	\$0.00	\$0.00
Wood Windows & Doors	0	\$0.00	\$0.00
Finish & Hardware	0	\$0.00	\$0.00
Glass & Glassing	0	\$0.00	\$0.00
Curtain Walls	0	\$0.00	\$0.00
Other: Front and rear doors, Storm Doors (Unit)	510	\$850.00	\$433,500.00
Doors and Windows Subtotal			\$1,581,000.00
Division 9: Finishes			
Studs	0	\$0.00	\$0.00
Furring	0	\$0.00	\$0.00
Lathing	0	\$0.00	\$0.00
Plaster & Lath	0	\$0.00	\$0.00
Gypsum Wall board, Secularities (water damaged unit)	128	\$4,500.00	\$576,000.00
Ceramic Tile	0	\$0.00	\$0.00
Terrazzo	0	\$0.00	\$0.00
Acoustic Ceiling Tiles	0	\$0.00	\$0.00
Wood Flooring, Carpet and Vinyl Replacement (Unit)	510	\$2,500.00	\$1,275,000.00
Resilient Flooring	0	\$0.00	\$0.00
Painting & Wall covering repairs (Unit)	510	\$2,750.00	\$1,402,500.00
Plastic & Factory Finish Wall Surfaces	0	\$0.00	\$0.00
Other: Bathroom Renovations (Sink, Toilet, Tub, and Finishes)	510	\$3,500.00	\$1,785,000.00
Finishes Subtotal			\$5,038,500.00
Division 10: Specialties			
Toilet Partitions & Compartments	0	\$0.00	\$0.00
Partitions Toilet Accessories	0	\$0.00	\$0.00
Misc. Building Specialties	0	\$0.00	\$0.00
Other:	0	\$0.00	\$0.00
Specialties Subtotal			\$0.00
Division 11: Equipment			
Other:	0	\$0.00	\$0.00
Equipment Subtotal			\$0.00
Division 12: Furnishings			
Blinds & Shades (Unit)	510	\$250.00	\$127,500.00
Furnishings and finishes at the Community Room and Leasing Office	1	\$20,000.00	\$20,000.00
Laminated Plastic & Simulated Marble Tops	0	\$0.00	\$0.00
Carpets	0	\$0.00	\$0.00
Draperies & Curtains	0	\$0.00	\$0.00
Other: Kitchen Renovations (Cabinets, Countertops, Stoves, Refrigerators, Disposal) (Unit)	510	\$3,250.00	\$1,657,500.00
Furnishings Subtotal			\$1,805,000.00
Division 13: Special Construction			
Special Construction	0	\$0.00	\$0.00
Prefabricated Structures	0	\$0.00	\$0.00
Other:	0	\$0.00	\$0.00
Special Construction Subtotal			\$0.00
Division 14: Conveying Systems			
Conveying Systems	0	\$0.00	\$0.00
Other:	0	\$0.00	\$0.00
Conveying Systems Subtotal			\$0.00
Division 15: Mechanical (Ex. Plumbing and HVAC)			

Equipment: Domestic water heater	510	\$1,000.00	\$510,000.00
Fixtures	0	\$0.00	\$0.00
Piping – Water line replacement	383	\$1,500.00	\$574,500.00
Valves & Specialties	0	\$0.00	\$0.00
Insulation, Piping	0	\$0.00	\$0.00
Miscellaneous Plumbing Specialties	0	\$0.00	\$0.00
Medical & Laboratory Equipment & Pipe	0	\$0.00	\$0.00
Industrial Piping Insulation	0	\$0.00	\$0.00
HVAC	0	\$0.00	\$0.00
Equipment, Furnaces	0	\$0.00	\$0.00
Equipment, Hot Water Heater	0	\$0.00	\$0.00
Equipment, Cooling	0	\$0.00	\$0.00
Equipment, Heating & Cooling Combinations (Split systems) (Unit)	510	\$4,500.00	\$2,295,000.00
Auxiliary heating & Cooling Equipment	0	\$0.00	\$0.00
Air Handling Equipment (Dwelling Unit)	0	\$0.00	\$0.00
Distribution, Terminal Equipment	0	\$0.00	\$0.00
Miscellaneous Equipment	0	\$0.00	\$0.00
Controls - Thermostats	510	\$75.00	\$38,250.00
Duct Work, Grills & Registers	0	\$0.00	\$0.00
Piping & Insulation	0	\$0.00	\$0.00
Fittings	0	\$0.00	\$0.00
Valves & Specialties	0	\$0.00	\$0.00
Insulation, Piping	0	\$0.00	\$0.00
Fire Protection Systems	0	\$0.00	\$0.00
Other: Smoke Detectors (Unit)	510	\$450.00	\$229,500.00
Mechanical Subtotal			\$3,647,250.00
Division 16: Electrical			
Total Electrical Work, Buildings	0	\$0.00	\$0.00
Main Switchboards, 600v, Service & Distribution	0	\$0.00	\$0.00
Transformers	0	\$0.00	\$0.00
Lighting Fixtures	0	\$0.00	\$0.00
Branch Circuit Runs, Sp Purpose Conduit & Wire	0	\$0.00	\$0.00
Signal & Communications Systems	0	\$0.00	\$0.00
Combination Service & Distribution, Switchboards	0	\$0.00	\$0.00
Motor Control Centers	0	\$0.00	\$0.00
Panelboards, 600v Max, Bolt-On Breakers	0	\$0.00	\$0.00
Lighting Fixtures: Building mounted (Bldg)	46	\$1,750.00	\$80,500.00
Electric & Signal Devices	0	\$0.00	\$0.00
Other: Electrical Upgrade; Breaker panel and GFCI's (Unit)	459	\$2,500.00	\$1,147,500.00
Electrical Subtotal			\$1,228,000.00
TOTAL			\$18,879,650.00

Attachment G
CERTIFICATE OF SUBSTANTIAL COMPLIANCE

TO: The United States Department of Housing and Urban Development

FROM:

I certify to HUD that any and all project(s) that are owned by _____, or its affiliates, and located in _____
(City or Town where project being purchased is located) is/are in substantial compliance with applicable state and/or local housing statutes, regulations, ordinances and codes and are listed on Schedule A attached hereto.

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

By:

Signature

Grantee Name

Title

Address

Telephone/Email

Date

STATE OF: _____)
COUNTY OF: _____)

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

Schedule A

All projects owned by _____ or affiliates.

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

Attachment H
PROTECTING TENANTS AT FORECLOSURE ACT

Applicable to all foreclosure sales.

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

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

Attachment K Post-Closing Repair Report

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

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

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

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

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

Date of Report:
 Report completed by: _____ Title _____

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

Attachments:

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

RIDER 1 OF 10 ENFORCEMENT

The Use Agreement shall contain the following provision:

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

Grantee _____

HUD _____

RIDER 2 OF 10
TWO-YEAR RENT PROTECTION FOR PRE-EXISTING VERY LOW-INCOME TENANTS

The Use Agreement shall contain the following provision:

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

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

Grantee ____

HUD ____

RIDER 3 OF 10
NONDISCRIMINATION AGAINST SECTION 8
CERTIFICATE HOLDERS AND VOUCHER HOLDERS

The Use Agreement shall contain the following provision:

1. In order to comply with Section 204 of the Housing and Community Development Amendments of 1978, 12 USC §1701z-12, as amended, the Grantee, for self, successors and assigns, shall not unreasonably refuse to lease a dwelling unit offered for rent, refuse to offer or sell cooperative stock, or otherwise discriminate in the terms of tenancy or cooperative purchase and sale because any tenant or purchaser is the holder of a Certificate of Family Participation or a Voucher under Section 8 of the United States Housing Act of 1937 (42 USC §1437f), or any successor legislation hereinafter referred to as "Section 8". This provision is limited in application, for tenants or applicants with Section 8 Certificates or Vouchers, to those units, which rent for an amount not greater than one-hundred and twenty percent (120%) of the Section 8 fair market rent for a comparable unit in the area as determined by HUD.
2. This restriction shall bind the Grantee, any/all successors, assigns and Grantees for value, for a period equal to the Restricted Period, which is twenty (20) years from the date of this Use Agreement. In the event of a breach or a threatened breach of this covenant, HUD, any/all successors in office and/or one or more third-party beneficiaries, shall be entitled to institute legal action to enforce performance and observance of such covenant and to enjoin any acts which are in violation of such covenant. For the purposes of this restriction, a third-party beneficiary shall be any person who holds a Certificate of Family Participation or a Voucher under Section 8 or any equivalent document under successor legislation.

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

Grantee _____

HUD _____

RIDER 4 OF 10
AFFORDABILITY

1. For a period of 20 years, beginning on the date of closing, Grantee shall **comply with** rent 20% of units to families or individuals whose income does not exceed 80% of the MFI or AMI, respectively, for Kansas City, MO-KS HUD Metro FMR Area as defined by HUD. In doing this calculation, Grantee will adjust MFI for the number of family members.
2. Grantee shall review HUD's calculated AMI for Kansas City, Mo-KS HUD Metro FMR Area annually and make any necessary adjustments in consultation with the local HUD office.
3. Should Grantee be unable to meet these requirements for more than 60 days, Grantee shall inform the local HUD Office and request HUD's approval to use a higher percentage of AMI.
4. Grantee shall certify to HUD annually, beginning one year after the date of closing, that the affordability requirements have been met.

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

Grantee_____

HUD_____

RIDER 5 OF 10

REQUIRED REPAIRS AND REHABILITATION

The Use Agreement shall contain the following provision:

1. **REQUIRED REPAIRS:** All property and property improvement must meet or surpass, at a minimum, all state and local codes and ordinances, the Uniform Federal Accessibility Standards (UFAS), HUD's Physical Condition Standards pursuant to 24 CFR Part 5, the General Repair and Property Standards (listed below), the Post-Closing Repair Requirements (attached), and the Environmental Hazards provision (collectively the "Repairs").
 - a. **General Repair and Property Standards**
 - i. **Exterior:**
 - Any trip hazards (deviations of $\frac{1}{2}$ in or greater) on all surfaces of the property must be mitigated.
 - Repair and/or replace any loose, damaged or deteriorated facade, trim, posts, and cornice.
 - All exterior paint must be fully intact, mold and rust free.
 - All drainage, water diversion, roofing, and water proofing systems must be performing as originally intended to ensure positive drainage and minimize pooling.
 - All windows and exterior doors must be operable, lockable, draft free and water tight.
 - ii. **Interior/MEPs:**
 - All mechanical, plumbing, plumbing fixtures, electrical fixtures, electrical devices, appliances and HVAC must be in "Good" operating condition and hazard free.
 - All fire protection devices and systems must be working as originally intended.
 - All ventilation systems must be working as originally intended.
 - All interior painted surfaces and millwork must be fully intact, free of excessive grease and dirt.
 - All floor coverings must be fully attached, free of holes, chips, frays and excessive dirt.
 - All interior doors, locks, closures and stops must be operating as originally intended.
 - iii. **Workmanship and Materials:**
 - All work shall be performed in a workmanlike manner and in accordance with generally accepted practices and procedures.
 - Materials installed shall be of such kind and quality to ensure that the dwelling will provide acceptable durability for the duration of the Restricted Period.
 - All repair/rehabilitation work must be performed in a manner compliant with the essential and material requirements of all state codes, local codes, laws, ordinances, regulations, Physical Conditions Standards pursuant to 24 CFR Part 5.
 - All long and short lived building components must be performing as originally designed or intended.
 - b. **Post-Closing Repair Requirements** (attached) describes additional, specific required Repairs. It is probable that not all units were surveyed. However, units not surveyed must also be rehabilitated to the same level as those units that were surveyed.
 - c. All Repairs, required by this provision, will not be considered complete until such time as HUD or its designee has inspected the Repairs and HUD has accepted the Repairs.

2. REPAIR PERIOD: The Repair Period begins at Closing and expires thirty-six (36) months from the date of this Use Agreement. The Grantee covenants that the Repairs will be completed within Repair Period.
3. EXTENSION OF THE REPAIR PERIOD: If the Grantee cannot complete the Repairs within the Repair Period, Grantee shall submit a written request for an extension to HUD stating the reason(s) for Grantee's inability to complete the Repairs. Grantee's request must be received not less than thirty (30) calendar days prior to the expiration of the Repair Period.
 - a. In the event an extension for completion of repairs is granted, the Grantee shall extend expiration of the LOCs, or Payment and Performance Bonds accordingly,
 - b. Extensions of time to complete Repairs are within HUD's sole and absolute discretion, and
 - c. The granting of one or more extensions shall not obligate HUD to grant additional extensions.
4. REPAIR ESCROW: To ensure completion of the Repairs by the Grantee, at Closing the Grantee shall deliver to HUD:
 - a. Letter(s) of Credit (LOCS): A minimum of one (1), and a maximum of four (4) unconditional, irrevocable and non-documentary Letters of Credit (LOCs):
 - i. which total \$ 4,719,912.50 [25% of total cost Repairs], and
 - ii. which shall remain in effect and may be drawn on by HUD for at six (6) months beyond the Repair Period as stated above), **and**
 - iii. LOCs may be returned or amended as the Grantee completes Repairs and HUD has inspected and accepted the Repairs.
 - b. Payment and Performance Bond: **After Closing, and with prior approval by HUD**, the LOC may be replaced with a 100% Payment and Performance Bond:
 - i. Grantee must use HUD Form-92452 for the payment bond and a form for the performance bond that is acceptable to HUD. Evidence of the existence of payment and performance bonds each in the amount of \$ 18,879,650.00 (the total cost of Repairs) must be provided to HUD.
 - ii. Provide HUD with a fully executed copy of the approved The Plans and Specifications and Construction Contract which specifically address items, quantities and timelines specified in paragraphs 1 and 2 of this provision, and the Use Agreement or Deed, as applicable to the sale of the Project prior to the release of the LOC.
 - iii. Grantee must ensure the bonds comply with the following requirements:
 - (a) The surety entity issuing the bonds must be included on the accredited U.S. Treasury list, Circular 570, published annually in the Federal Register on or about July 1 of each year;
 - (b) The payment and performance bonds must not exceed limits listed in the Circular;
 - (c) The payment and performance bonds must show HUD as an Obligee.
 - iv. This Required Repair and Rehabilitation Rider and the Repair List (Form HUD 9552 and/or Cost Estimate Repair Summary) must be attached to and referenced in article 9.1.7 of the construction contract (AIA A101).

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

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

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

6. **RENTS:** The Grantee covenants not to increase the rent for any unit, from the rent HUD is requiring a tenant to pay on the Closing date, until such unit meets all the requirements set forth in paragraph 1, above. Rents for units to be covered by a Housing Assistance Payment Contract may be increased only pursuant to and following execution of such Contract.
7. **RELOCATION:** If temporary or permanent relocation is necessary because of Repairs required under this provision, Grantee covenants to comply with the Relocation provision of this Use Agreement.
8. **NONCOMPLIANCE:** If Grantee fails to complete the required Repairs within the Repair Period and no extension by written agreement has been granted by HUD, HUD and any/all successors in office, in its sole discretion, shall be entitled to:
- a. Enter and terminate the estate hereby conveyed, or
 - b. Cash any LOC or request performance under any payment and/or performance bond, and seek remedies provided in the Enforcement provision of this Use Agreement, as HUD deems appropriate.

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

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

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

- a. Gives written notice to HUD within the period provided for repairs, that it intends to complete the repairs, and
- b. Completes such repairs within thirty (30) calendar days of the notice or within such longer periods as HUD may approve in writing.

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

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

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

Purchaser_____

HUD _____

**RIDER 6 OF 10
ENVIRONMENTAL HAZARDS
WITH DEMOLITION**

The Use Agreement shall contain the following provision:

Grantee covenants to:

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

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

- ☒ **ASBESTOS:** 29 CFR 1926 and any subsequent regulations(s) including, but not limited to, all federal, state and local laws regarding detection, abatement, containment and removal of asbestos containing materials.
- ☒ **LEAD-BASED PAINT:** 42 USC 4821-4886 and the regulations thereunder, 24 CFR Part 35. Grantee shall inspect, test and abate any lead-based paint. Grantee shall comply with Section 35.88 "Disclosure Requirements for Sellers and Lessors" and Section 35.92 "Certification and Acknowledgment of Disclosure" of 24 CFR, *Lead Based Paint Poisoning Prevention in Certain Residential Structures*.
- ☐ **RADON:** All federal, state and local laws, and EPA guidelines regarding detection and abatement.
- ☒ **MOLD:** All federal, state and local laws, and EPA guidelines regarding detection and abatement of mold.
- ☒ **TOXIC AND HAZARDOUS SUBSTANCES:** 29 CFR 1926 subpart Z (where a list of applicable substances can be found).

Operations and Maintenance Plan:

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

Remedies:

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

Demolition:

1. DEMOLITION WHERE LEAD-BASED PAINT MAY BE PRESENT. Grantee agrees to test for lead-based paint prior to any demolition and to apply the EPA Toxicity Characteristic Leaching Procedure (TCLP) to those architectural components with leaded paint to determine if they must be disposed of as hazardous waste under the provisions of EPA's Resource Conservation and Recovery Act (RCRA). The latest revision of those EPA regulations, sometimes referred to as the "toxic characteristic (TC) rules", shall be applied to determine if the waste generated will be classified as hazardous waste. The latest information on the "TC Rules" is available by contacting EPA, RCRA Section, at (800) 4249346. The routine application of the "TC rules" could document that the project will contain no hazardous waste for disposal. Grantee agrees to comply with all applicable EPA regulations pertaining to hazardous waste disposal in effect at the time of demolition.
2. DEMOLITION WHERE ASBESTOS-CONTAINING-MATERIALS (ACMs) MAY BE PRESENT. Grantee agrees to test for and remove all asbestos containing materials prior to any demolition. EPA's Clean Air Act requires that each ACM be removed and disposed of properly before demolition activities commence. Grantee agrees to comply with all applicable EPA, state, and OSHA regulations concerning ACM removal.
3. DEMOLITION WHERE PCB TRANSFORMERS MAY BE PRESENT. Where there are visibly obvious electrical transformers serving the project to be demolished, that may contain dielectric oil which is contaminated with polychlorinated biphenyls (PCB), the owner shall contact the local utility. A PCB transformer is any transformer with at least 500 PPM PCB content. Grantee agrees to notify the local utility of intentions to demolish the structure(s) and request EPA regulations (40 CFR, Part 761) be applied by the utility as electrical transformers are removed from service at the site as a part of the demolition process.
4. DEMOLITION WHERE CFCS MAY BE PRESENT. Grantee agrees to apply EPA regulations in section 608, Clean Air Act, 1990, which require the capturing and recycling of the refrigerant (latest revision). Grantee agrees to have chlorofluorocarbons (CFCs) contractually purged and captured from any and all air conditioning (AC) units present on the site before commencing demolition activities.
5. DEMOLITION WHERE HARMFUL CHEMICAL HAZARDS MAY BE PRESENT. Grantee covenants that any potential Harmful Chemical Hazards will be remediated in accordance with applicable federal, state, and local laws, regulatory standards and guidelines, including without limitation the Environmental Protection Agency (EPA) Guidelines.

Relocation:

1. Grantee 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, Grantee 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"). Grantee shall comply with the Act and Regulations, notwithstanding any contractual obligations with third parties to comply with the Act and Regulations. Grantee shall provide a report on a quarterly basis to HUD which demonstrates compliance with the Acts and Regulations throughout the Repair Period.
 2. If temporary or permanent relocation is necessary, Grantee 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 the assistance, and contain the name, address and phone number of an official responsible for providing the assistance.
 3. If temporary or permanent relocation is necessary, Grantee 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 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 Grantee with any funds or subsidy with which to make the payments required by this paragraph.
4. If temporary or permanent relocation is necessary, Grantee 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 Grantee with any funds or subsidy with which to make the payments required by this paragraph.

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

Grantee _____

HUD_____

SOIL MANAGEMENT PLAN

**Parade Park Homes
1903 East 15th Terrace A
Kansas City, Missouri 64127
(Subject Property)**

Prepared for:

Leetex Group, LLC
1017 North Bowen Rd.
Arlington, TX 76012

User:

U.S. Department of Housing and Urban Development

Prepared by:

LCA Environmental, Inc.
13221 BEE STREET
FARMERS BRANCH, TEXAS 75234
(972) 241-6680

Task Leader:



Dallas L May, PE, ENV SP

Environmental Engineer

Project Manager:



Mark K. Boyd, PhD, PE

Principal Engineer

JULY 2023

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Figure 1 – SMP Site Location Map

Figure 2 –SMP Zone Site PLAN:

Figures 3 – SMP Flowchart Soil Management Procedures

1.0 INTRODUCTION

1.1 SUMMARY

the Leetex Group, LLC. (Leetex) retained LCA Environmental, Inc. (LCA) on behalf of the US Housing and Urban Development (HUD), to develop a Soil Management Plan (hereinafter “SMP”) to address possible subsurface soil contamination at Parade Park Homes – 1903 East 15th Terrace A, Kansas City, Missouri 64127 (Subject Property).

LCA previously conducted Phase I and II Environmental Site Assessments for the Subject Property. After reviewing LCA’s findings of affected soil, HUD decided that development of a SMP (this document) was a prudent measure to be implemented during future subsurface utility repairs at the Subject Property.

This SMP contains guidelines and requirements for future contractors working within the Subject Property (hereinafter “CONTRACTOR”) to manage affected soil and associated regulated waste that may be generated during subsurface utility repair activities. This SMP provides the following:

1. direction and guidance to avoid or minimize work stoppage due to unexpected encounters with affected soil, and
2. procedures and modified work practices to permit the safe and responsible handling and reuse of as much affected materials as possible, minimizing the amounts of affected materials that must be disposed as regulated waste.

Implementation and compliance with the SMP is the sole responsibility of the CONTRACTOR.

SMP Zones are areas where localized subsurface contamination is possible or known and where special work practices and procedures are prescribed for work to proceed safely, minimizing hazardous constituent exposure risks for construction workers and the general public and allowing for the reuse of as much affected materials as practical. For the purposes of this SMP, the entire property located at 1903 East 15th Terrace A, Kansas City, Missouri is considered to be the SMP Zone.

This document contains a series of figures, found in Appendix 1:

Figure 1 – SMP Site Location Map

Figure 2 – SMP Site Plan

Figure 3 – SMP Flowchart Soil Management Procedures

The complete extent of impacted soil may not have been fully delineated by prior investigations listed in Section 3.0 of this document. CONTRACTOR should exercise a degree of extra caution while working within the SMP Zone.

Figures 3 provides SMP procedural flow charts to visually assist in the application of this document and illustrates the steps involved in managing soil that may be affected. While helpful, relying on this flowchart alone is not a substitute for reading and understanding this entire SMP document, including all appendices and referenced materials.

Contractor shall follow all special procedures and specifications in this SMP. CONTRACTOR shall consider this SMP as preferred guidance for best practices anywhere apparent affected soil is encountered on the Subject Property.

The current property owner at the time of the work being performed shall be identified as the Generator of affected soil wastes.

Whenever practical and allowable, the presence of affected soil could require temporary storage or staging before transport and disposal.

The current property owner at the time of the work being performed shall not accept any responsibility or liability for environmental conditions created or exacerbated by the CONTRACTOR in the performance and implementation of this SMP.

1.2 SMP OBJECTIVES

- Establish minimum qualifications for ENVIRONMENTAL SPECIALIST personnel responsible for the proper implementation of this SMP.
- Provide procedures for field-screening soil produced from Subject Property construction and utility trenching or excavations.
- Provide guidance for reuse of affected soil, emphasizing affected soil reuse within the same or nearby excavations and minimizing off-site disposal.

Present all guidance and procedures in a clear manner that is fully understood by the CONTRACTOR and which, when followed, shall minimize delays and project expenses, and maximize efficiency and safety.

1.4 SOIL REUSE APPROACH OF THIS SMP

Soils excavated from anywhere within the Subject Property determined by prior investigations not to contain RCRA metals, petroleum substances or exhibit field indicators of petroleum or other hazardous substances may be reused or removed at the CONTRACTOR's discretion in accordance with responsible standard industry construction practices. Affected soils identified by field-screening processes described in this SMP or confirmed by analytical testing may only be reused or placed within the trench or excavation from which it was removed. If reuse is not possible, affected soil must be removed from the Subject Property as prescribed herein. See details in Section 6.0.

2.0 INFORMATION SOURCES

In preparing this SMP, LCA has relied on information obtained from other sources. Files and related data pertaining to historic investigations and activities reflect conditions at the time the work was performed. Actual conditions or circumstances may have changed since the conditions or circumstances were originally reported.

LCA utilized the following sources of information to develop this SMP:

Stantec Inc., Phase II Environmental Site Assessment; Parade Park Homes, 1903 East 15th Terrace A, Kansas City, Missouri. 8 May 2023.

LCA Environmental, Inc., Phase I Environmental Site Assessment (ESA), Limited Asbestos Inspection and Lead Risk Assessment; Parade Park Homes – 1903 East 15th Terrace A, Kansas City, Missouri; 3 November 2022

The above referenced documents shall be provided to the CONTRACTOR upon CONTRACTOR's request.

3.0 CHEMICALS/CONSTITUENTS OF CONCERN (COCs)

Based on currently available information about the Subject Property, CONTRACTOR shall expect to encounter some or all the following potential COCs in shallow surface and subsurface soil. The suspected presence of these COCs is attributed to environmental releases from historical uses near or within the Subject Property excavations. Affected soil could be encountered from the surface to below 20 feet below ground surface (bgs).

COCs from historic environmental releases:

- Benzene
- Toluene
- Ethyl benzene
- Xylene(s)
- Naphthalene
- Total Petroleum Hydrocarbons (TPH)
- Polycyclic Aromatic Hydrocarbons (PAH)
- Volatile Organic Compounds (VOCs)
- Semi-Volatile Organic Compounds (SVOCs)
- Lead
- Arsenic

4.0 ENVIRONMENTAL SPECIALIST

To oversee and direct SMP-related activities during construction, CONTRACTOR shall employ or otherwise engage the services of an ENVIRONMENTAL SPECIALIST with the minimum qualifications described in this section. The ENVIRONMENTAL SPECIALIST is responsible for being knowledgeable of environmental conditions within the SMP Management Area and Affected Area, and for all reporting and documentation aspects of this SMP. The ENVIRONMENTAL SPECIALIST may be responsible for producing a final report. The duties of the ENVIRONMENTAL SPECIALIST include but are not limited to:

- Ensure CONTRACTOR and subcontractors' compliance with requirements of this SMP and all applicable environmental regulations.
- Monitor for hazardous and/or explosive conditions in trenches and other excavations in the SMP Zone.
- Field-screen excavated soils and related general construction debris, as described in Section 6.0.
- Characterize excavated soil material as suitable for re-use or appropriate for removal and disposal.
- For removed affected soils, verify or conduct soil sampling, as necessary, to support pre-profile waste characterization and/or comply with landfill or regulatory requirements.
- Oversee loading and prepare manifests and other documentation for any soil wastes taken to a permitted landfill.
- Inspect groundwater in trenches or excavations.

- Supervise trench or excavation water removal and conveyance of water to containers or monitor allowable discharge.

The minimum qualifications of the ENVIRONMENTAL SPECIALIST are as follows:

- Two years of verifiable experience in sampling and waste management of contaminated soil and groundwater.
- Successful completion of 40-hour Hazardous Waste Operation and Emergency Response (HAZWOPER) training and current annual refresher.
- Professional licensure or registration as one or more of the following:
 - licensed Professional Engineer by the State of Missouri
 - licensed Professional Geoscientist by the State of Missouri
 - or working under the direct supervision of an individual in responsible charge and licensed as a Professional Engineer or Professional Geoscientist by the State of Missouri,
 - Registered Environmental Manager by the National Registry of Environmental Professionals

5.0 SOIL MANAGEMENT SPECIAL PROCEDURES

****Note****

Figure 3 is a soil management flow chart that graphically presents the procedures described in this section.

6.1 FIELD-SCREENING FOR VOCs AND ASSOCIATED COCs

This SMP does not prescribe all detailed means and methods of field-screening that could be available to the ENVIRONMENTAL SPECIALIST. As a general rule, screen *at least* one representative soil sample for approximately every 10 cubic yards of excavated soils. The soil screening activities and readings shall be documented in the field as they are obtained.

Field-screening will typically involve utilization of a photo-ionization detector (PID) (or, alternately, a flame-ionization detector, FID) to identify the presence of volatile organic compounds (VOCs) as well as an X-ray fluorescence instrument (XRF) to identify the presence of elevated arsenic and lead. When conditions dictate, as determined by the ENVIRONMENTAL SPECIALIST, it may also be necessary to use a properly calibrated combustible gas indicator capable of reporting percent lower explosive limit (% LEL). Field-screening and visual inspection may be performed within the Management Area and shall be performed within the Affected Area during excavation and handling of soils, including transport and disposal if required. Some petroleum compounds are not reliably detected by a PID, so the ENVIRONMENTAL SPECIALIST shall also be alert to other subjective indicators of potential soil contamination (e.g., soil staining and/or odors).

The following general procedures shall be followed for field-screening soil samples within the SMP Zone:

- Before each day's work, the ENVIRONMENTAL SPECIALIST shall calibrate the selected field-screening instrument (PID is assumed) according to manufacturer specifications.
- During trenching, excavation, tunneling or other sub-surface work in the management area, the ENVIRONMENTAL SPECIALIST shall field-screen approximately every 10 linear feet of trench or 10 cubic yards of excavated soils. If the field instrument indicates a bucket load of soil is affected, the ENVIRONMENTAL SPECIALIST shall instruct the equipment operator to halt while poly sheeting is placed on the ground and subsequent soil shall be placed on the poly sheeting. Each affected bucket load shall be placed on poly sheeting until field-screening indicates the soil is no longer affected.
- When field-screening loose soil in an excavation bucket indicates soil is affected, the ENVIRONMENTAL SPECIALIST shall collect representative soil sample(s), wearing disposable latex or nitrile gloves, and immediately place the sample in an appropriate container (e.g., sealed Ziplock bag).
- After allowing the sample to sit for approximately 10 minutes, measure the vapors in the sample bag headspace and record results. This process of head-spacing shall continue so long as field-screening of loose excavated soil indicates the soil is affected.
- Decontaminate sampling tools as soon as practical after each use and before any re-use.

The final decision concerning how long field-screening is performed shall be at the discretion of the ENVIRONMENTAL SPECIALIST. The CONTRACTOR and ENVIRONMENTAL SPECIALIST shall be cautious about classifying excavated soil as unaffected *until* the soil has been carefully examined and field screened. It is the CONTRACTOR's responsibility, and liability, if affected soil is improperly classified and handled or disposed of as unaffected.

The CONTRACTOR should have the ENVIRONMENTAL SPECIALIST available and on-call as excavation work begins in the SMP Area.

The ENVIRONMENTAL SPECIALIST may leave the work site if trenching, excavation or tunneling activity in the SMP Area ceases or is completed with no field indications that affected media (i.e., soil and/or groundwater) will be disturbed by CONTRACTOR.

To identify the possible presence of COCs in excavated soil during utility trenching or any other activities that require digging below surface grade (see Section 6.3), the ENVIRONMENTAL SPECIALIST shall field-screen soil as it is removed and initially stockpiled on poly sheeting adjacent to the excavation area anywhere within the Management Area. The CONTRACTOR should be prepared to spread poly sheeting, at least 6-mil thick, on the ground next to the excavated trenches *if the PID or other subjective indicators suggest the soil is affected*. The poly sheeting prevents affected soil from being placed directly on the ground surface. If the ENVIRONMENTAL SPECIALIST determines that the excavated soil is not affected, it is not necessary to spread poly sheeting on the ground beneath the excavated soil. Affected media stockpiles shall be covered during any precipitation event or at the end of each workday. Protect all stockpiles with appropriate Best Management Practices (BMPs) to prevent stormwater from coming into contact with the affected soil.

6.2 UNAFFECTED SOIL

As illustrated by the Figure 3 Soil Management Flow Chart, excavated soil that produces no PID readings above background and exhibits no other field indicators of affected soil (e.g., odors, staining, etc.) may be returned to the trench or used or disposed by the CONTRACTOR in any manner the CONTRACTOR chooses, so long as the choices are within the bounds of customary responsible construction procedures.

6.3 AFFECTED SOIL

The CONTRACTOR should be prepared to encounter potentially affected soil associated with excavation of trenches during utility work within the SMP Zone.

Affected soil should be reused if the following conditions can be satisfied:

- The affected soil is reused within the SMP Zone.
- The trench does not contain groundwater.
- Before the affected soil is placed back into an open trench at least 12" of unaffected soil shall be used to cover the newly installed utilities. The affected soil may then be placed on top of this layer of unaffected backfill soil.
- Affected soil may not be used to backfill an open trench all the way up to surface grade. At least 12" of unaffected soil shall be placed on top of the affected soil to bring the backfill level up to surface grade. New paving may partially or fully cover the top layer of unaffected backfilled trench.
- Affected soil may not be reused outside of the SMP Zone.
- Affected soil from one Project trench or excavation within the SMP Zone as mapped in Figure 2 may not be reused in a different trench or excavation within or outside the SMP Zone.

Affected soil that cannot be reused within the SMP Zone where it originates shall be removed and disposed of properly as regulated waste at a permitted landfill. Such waste soil shall be loaded into lined (e.g., with 6-mil poly) containers or directly into similarly lined dump trucks by CONTRACTOR for transportation to a permitted landfill. At the conclusion of transportation activities, or after each delivery to the permitted landfill if the liners become torn, the disposable liners should be removed and disposed along with the affected soils. The CONTRACTOR shall comply with any additional landfill requirements for soil testing and waste profiling.

If excavated affected soil shall be temporarily staged outside the ROW, (such as temporary storage within an equipment staging area controlled by the CONTRACTOR while awaiting appropriate waste characterization, profiling, and manifesting), the soil shall be placed on and covered with 6-mil poly until the soil is either returned to the ROW for reuse or transported away from the Project Site for disposal. While the soil is stockpiled, CONTRACTOR shall place non-hazardous waste stickers in visible locations on the sheeting. The CONTRACTOR shall take the necessary steps to secure the cover and direct stormwater run-off away from the soil stockpiles.

6.3.1 Supplemental Soil Testing

For every 50 cubic yards of segregated soil that accumulates for disposal, the ENVIRONMENTAL SPECIALIST shall collect a composite sample and submit it to an accredited analytical laboratory for analysis. The ENVIRONMENTAL SPECIALIST shall review the analytical results and compare them with applicable Residential Protective Concentration Levels (PCLs). If the reported concentrations of all COCs are *less than* (<) the respective Residential PCLs, then such soil may be reused or relocated without restriction at the CONTRACTOR's discretion, in accordance with customary responsible construction practices.

If any COC analytical result equals or exceeds a respective regulatory PCL, as confirmed by the ENVIRONMENTAL SPECIALIST, the soil is confirmed as contaminated and shall be properly profiled and manifested to the landfill as regulated waste. Affected soil that contains COCs that equals or exceeds a respective PCL may be pre-profiled in accordance with a licensed landfill's requirements.

6.4 DECONTAMINATION PROCEDURES FOR EXCAVATION EQUIPMENT

Excavation equipment (i.e., backhoes, excavators, trenchers) shall be decontaminated when moved from the SMP Zone. The ENVIRONMENTAL SPECIALIST shall determine the best decontamination procedures for a given piece of equipment. Presumably, the decontamination procedures shall include some combination of scraping and brushing gross amounts of clinging soil from equipment surfaces and pressure washing to remove the remaining material. The wash ("decon") water shall be collected and managed. Vehicles utilized for transporting affected soil from the Subject Property need not undergo decontamination procedures each time they enter or exit the SMP Zones, so long as the cargo areas are lined (e.g., with 6 mil polyethylene sheeting) to prevent contact of the waste with truck surfaces when the truck is loaded. The ENVIRONMENTAL SPECIALIST shall be responsible for ensuring that proper loading procedures prevent affected soil from falling onto the roadway when a truck is being loaded such that the affected soil is not then tracked onto the roadway by the truck's tires.

6.5 SPECIAL REQUIREMENTS FOR TRENCHES, TUNNELS OR EXCAVATIONS CONTAINING GROUNDWATER

Additional precautions are necessary for subsurface utility installation when shallow groundwater is present. Within the SMP Zone, Trenches, tunnels or excavations may encounter shallow affected groundwater.

To prevent contaminated groundwater from entering newly installed storm sewer pipe or from being conveyed along the utility line in the embedment or backfill material, the following construction modifications are required.

- Replace the standard pipe gaskets with petroleum-resistant gaskets
- Replace the normal backfill with cement stabilized backfill (CSB).

These special requirements are required within the SMP Zone whenever shallow ground water is present and is shown, through testing, to be affected. It is the responsibility of the CONTRACTOR to determine if shallow groundwater is present in a trench, tunnel or excavation. It is the responsibility of the ENVIRONMENTAL SPECIALIST to determine if such groundwater, including in the Management Area adjoining the Affected Area, is affected. If so, the special construction requirements of gasket substitution and CSB shall be extended as far as the groundwater is affected. The CONTRACTOR shall make all reasonable attempts to prevent storm water from entering open excavations. Storm water (rainwater runoff) that enters an excavation shall be treated as groundwater, and if the excavation contains affected soil or groundwater then the stormwater that comes into contact with the affected media shall henceforth also be considered to be affected.

6.0 WASTE STORAGE AREA

If necessary, one or more Waste Storage Areas may be established by the CONTRACTOR for the interim storage of affected soil and groundwater prior to re-use or offsite disposal. Signs shall be placed on the perimeter of each Waste Storage Area indicating “RESTRICTED ACCESS – AUTHORIZED PERSONNEL ONLY”. The signs shall be visible on each side of the Waste Storage Area.

Soil shall be stored in a controlled manner that does not allow contamination to spread and does not allow storm water to contact the waste. Examples of appropriate storage for soil include sealed roll-off containers, stockpiles placed on and covered with minimum 6-mil plastic sheeting, drums, etc. Examples of appropriate storage for affected water include sealed holding tanks (e.g., frac tanks), drums, etc. Storage containers shall be in accordance with the following requirements:

Roll-off containers: Containers shall be constructed of steel and shall be in good condition and working order without damage that would allow contents to escape. Containers shall include a rust resistant coating in good condition. Roll-off containers that are deteriorating (e.g., cracked, rusted) or leaking shall not be used. Waste stored in defective containers shall be immediately transferred to containers in good condition. The roll-off containers shall be sealed during periods when they are not being loaded or during precipitation events. Any roll-off container used to store hazardous waste shall comply with 40 CFR 264/265 Subpart I. Any roll-off containers used to transport hazardous materials or wastes shall comply with United States Department of Transportation (US DOT) regulations on packaging in 49 CFR parts 173, 178, and 179.

Drums: Drums shall be constructed of steel and shall be in good condition and working order without damage that would allow contents to escape. Each drum shall include a cover/top which shall allow the drum to be closed and sealed at all times, except when materials are being added to or removed from the drum or during precipitation events. Any drum used to store hazardous waste shall comply with 40 CFR 264/265 Subpart I. Any drum used to transport hazardous materials or wastes shall comply with all US DOT regulations on packaging in 49 CFR parts 173, 178, and 179.

Holding tanks: Holding tanks (e.g., frac tanks or totes) shall be in good condition and working order without damage that would allow contents to escape. Holding tanks shall include a rust resistant coating to prevent rust. All valves, outlets and openings shall be secured and in good working order. Any holding tank used to store hazardous waste shall comply with 40 CFR 264/265 Subpart I. Any holding tank used to transport hazardous materials or wastes shall comply with all US DOT regulations on packaging in 49 CFR parts 173, 178, and 179.

Plastic sheeting: All plastic sheeting used shall be new, composed of high-density polyethylene, a minimum of 6-mil thickness, and shall be free of cuts or tears. Sheets shall be placed so as to prevent impacted material from contacting the ground surface. Materials need to be segregated by potential disposition. Soil shall be segregated by categories of hazardous waste, Class 1 non-hazardous waste, Class 2 non-hazardous waste, and material that may be re-used without restriction. Water and drilling mud shall be segregated as either hazardous waste, Class 1 nonhazardous waste, or Class 2 non-hazardous waste. All staging areas shall be appropriately labeled.

The Waste Storage Areas shall be in reasonable proximity to the construction area so the CONTRACTOR can stage soil and groundwater. The Waste Storage Areas shall also have access to public roadways so the waste transportation CONTRACTOR can load the soil and groundwater for transport and disposal. The Waste Storage Areas shall be kept free of uncontrolled contamination so that vehicles being used for transportation do not have to be decontaminated before departure from the Waste Storage Areas. The CONTRACTOR equipment entering the Waste Storage Areas shall also be free of exterior (e.g., tires, truck beds, etc.) contamination. The Waste Storage Areas shall be secured with temporary fencing and appropriate signs.

Personnel working in the Waste Storage Areas shall have appropriate training and personal protective equipment (PPE) as defined by the CONTRACTOR.

7.0 SPECIAL PROVISION FOR CONTRACTOR HEALTH AND SAFETY GUIDELINES

With respect to CONTRACTOR's workers (direct employees, subcontractor personnel, and contracted consultant personnel), CONTRACTOR is solely responsible for complying with all applicable U.S. Department of Labor Occupational Safety & Health Administration (OSHA) rules, regulations and guidelines. The following information is provided to assist the CONTRACTOR in complying with OSHA regulations and safely planning construction with respect to special hazards that are not otherwise anticipated.

8.1 PERSONAL PROTECTIVE EQUIPMENT

Due to the potential presence of COCs within soil and groundwater, construction workers could potentially be exposed to COCs via dermal contact, ingestion, and/or inhalation exposure pathways. Proper use of PPE is required where there are exceedances of the applicable protective concentration levels (PCLs).

The CONTRACTOR shall ensure that all applicable worker health and safety and construction safety regulations, including 20 CFR 1910.120, are properly applied. All required medical monitoring, worker health and safety monitoring, and PPE shall be provided by the CONTRACTOR. The CONTRACTOR's ENVIRONMENTAL SPECIALIST shall monitor site conditions to ensure that proper worker PPE is being used.

8.2 POTENTIALLY EXPLOSIVE CONDITIONS ADVISORY

No explosive conditions are anticipated within open trenches at the Subject Property, based on available information (see Section 3.0). However, elevated Soil Vapor Concentrations were identified. Atmospheres with concentrations of soil vapors at or above 10% of the Lower Explosive Limit (LEL) would be considered hazardous when working within confined spaces. The ENVIRONMENTAL SPECIALIST may decide to have an explosivity detector instrument on site. Operated by a qualified ENVIRONMENTAL SPECIALIST, the explosivity detector used during subsurface work is a defense against explosion hazards. As a best practice, it is suggested that the CONTRACTOR's health and safety officer work closely with the designated ENVIRONMENTAL SPECIALIST to determine if special provisions to CONTRACTOR's regular health and safety plan are warranted to cover this special hazard. Common sense rules such as no smoking or welding near open excavations where odors or field-screening indicators such as elevated PID readings of contamination have been detected (especially pier holes where the smaller space can concentrate gases) are advisable. This advisory is not exhaustive; the CONTRACTOR is encouraged to formulate its safety procedures in the most thorough manner possible to avoid incidents related to explosive gases that may be encountered during construction.

8.3 HAZARDOUS MATERIALS ADVISORY

There is no current evidence to suggest the likely presence of acutely hazardous waste or materials that present an immediate danger to life and health (IDLH) at the Subject Property. The availability of the CONTRACTOR's well-trained and qualified ENVIRONMENTAL SPECIALIST during subsurface activities is a defense against the possibility that significant volumes of hazardous materials might be unexpectedly uncovered and then potentially mismanaged or handled in an unsafe manner. This advisory is not exhaustive; the CONTRACTOR is encouraged to formulate its safety procedures in the most thorough manner possible to avoid incidents related to hazardous materials that may be encountered during construction.

8.4 SITE SECURITY

To protect the public from potential exposure to COCs and physical hazards, temporary fencing shall be installed around the perimeter of excavations where contamination is present. Such temporary fencing shall be secured at the completion of each day or when construction personnel are not onsite.

8.0 PLAN DOCUMENTATION AND OTHER REQUIREMENTS

9.1 COMMUNICATION PLAN

The CONTRACTOR shall prepare a Communication Plan (CP) to outline notification procedures to ensure appropriate individuals are informed of SMP activities and their respective roles. The overall goal of this CP is to provide an effective communication process that ensures work is performed in a manner to protect the health and safety of site workers, the public, and the environment and prevent construction delays due to environmental issues.

9.2 FIELD DOCUMENTATION

To document field conditions, the on-site ENVIRONMENTAL SPECIALIST shall maintain daily entries in a weather-resistant field notebook. The entries will record CONTRACTOR activity and all observations relative to the proper implementation of the SMP. All field instrument readings and sample collection data shall be kept in the field notebook.

9.3 REVISIONS TO THE SMP

Any necessary changes to this SMP should be discussed with the property owner, or his/her designated representative, at the time of construction activities and be fully documented as an Addendum to the SMP with signatures of acknowledgement. Special circumstances may dictate temporary or permanent changes or exceptions to this plan.

Overall supervision of construction under the SMP should be documented in a bound field notebook, which should be reviewed and executed by the Engineer in Charge. This notebook should be used to summarize and document overall compliance with the SMP during specific continuous periods of time such as a single day, several continuous days, or up to a full week of project progress.

9.4 FINAL REPORT

The ENVIRONMENTAL SPECIALIST may be requested to submit a report summarizing observations and conclusions following completion of field activities. The final report shall contain, at a minimum:

- Daily field logs annotated with soil screening data and other relevant information.
- All laboratory results with sample locations.
- All corrections and/or revisions to the SMP.
- Waste Disposal manifests and tracking information.
- Personnel and companies responsible for managing the SMP, including names and certifications.
- All other items related to the regulatory management of the contaminated media, per the SMP.

9.5 PLAN CERTIFICATION

Persons critical to the proper implementation of this SMP should become familiar with its requirements and file appropriate certifying documents. An acceptable form is included at the end of the report text.

CONTRACTOR CERTIFICATION

Project:

Parade Park Homes
1903 East 15th Terrace A
Kansas City, Missouri 64127
(Subject Property)

I certify that I understand the requirements of the Soil Management Plan (SMP) construction site identified as part of this certification. Specifically, I understand that the construction crew under my control (including all sub-contractor crews) shall follow the instructions of the on-site ENVIRONMENTAL SPECIALIST in the areas identified to potentially contain affected soil and groundwater that may require special handling and procedures as detailed in the SMP.

Signed: _____

Name: _____

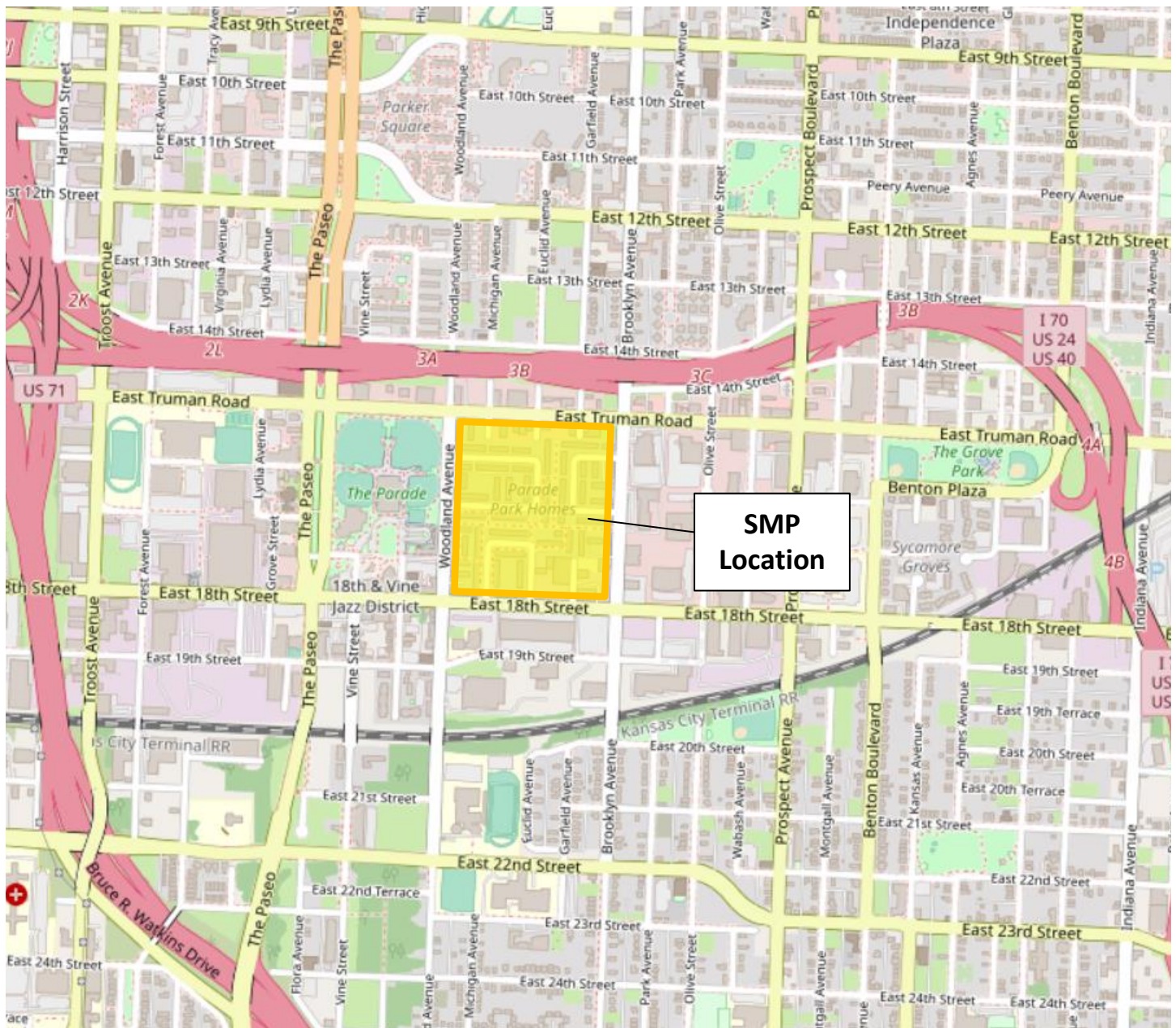
Title: _____

Company: _____

Address: _____

Telephone: _____

Date: _____



LCA Environmental, Inc.
13221 Bee St.
Farmers Branch, Texas

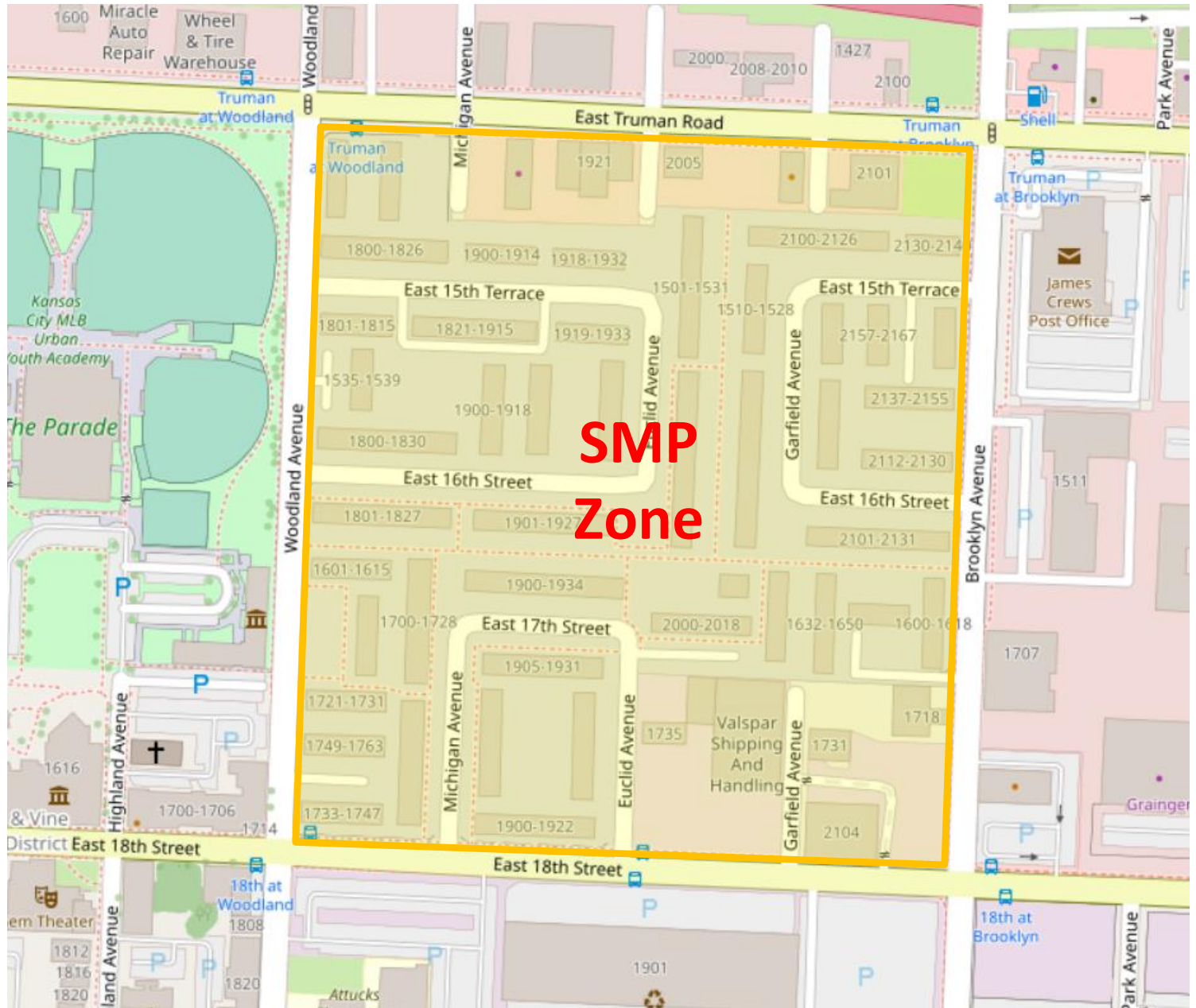
Drawn By: DLM
Checked By: MKB
Date: 07/27/2023

Soil Management Plan

Parade
Park Homes Facility
1903 East 15th Terrace A
Kansas City, Missouri

Site Location Map

Sheet 1 of 3



LCA Environmental, Inc.
13221 Bee St.
Farmers Branch, Texas

Drawn By: DLM
Checked By: MKB
Date: 07/27/2023

Soil Management Plan

Parade
Park Homes Facility
1903 East 15th Terrace A
Kansas City, Missouri

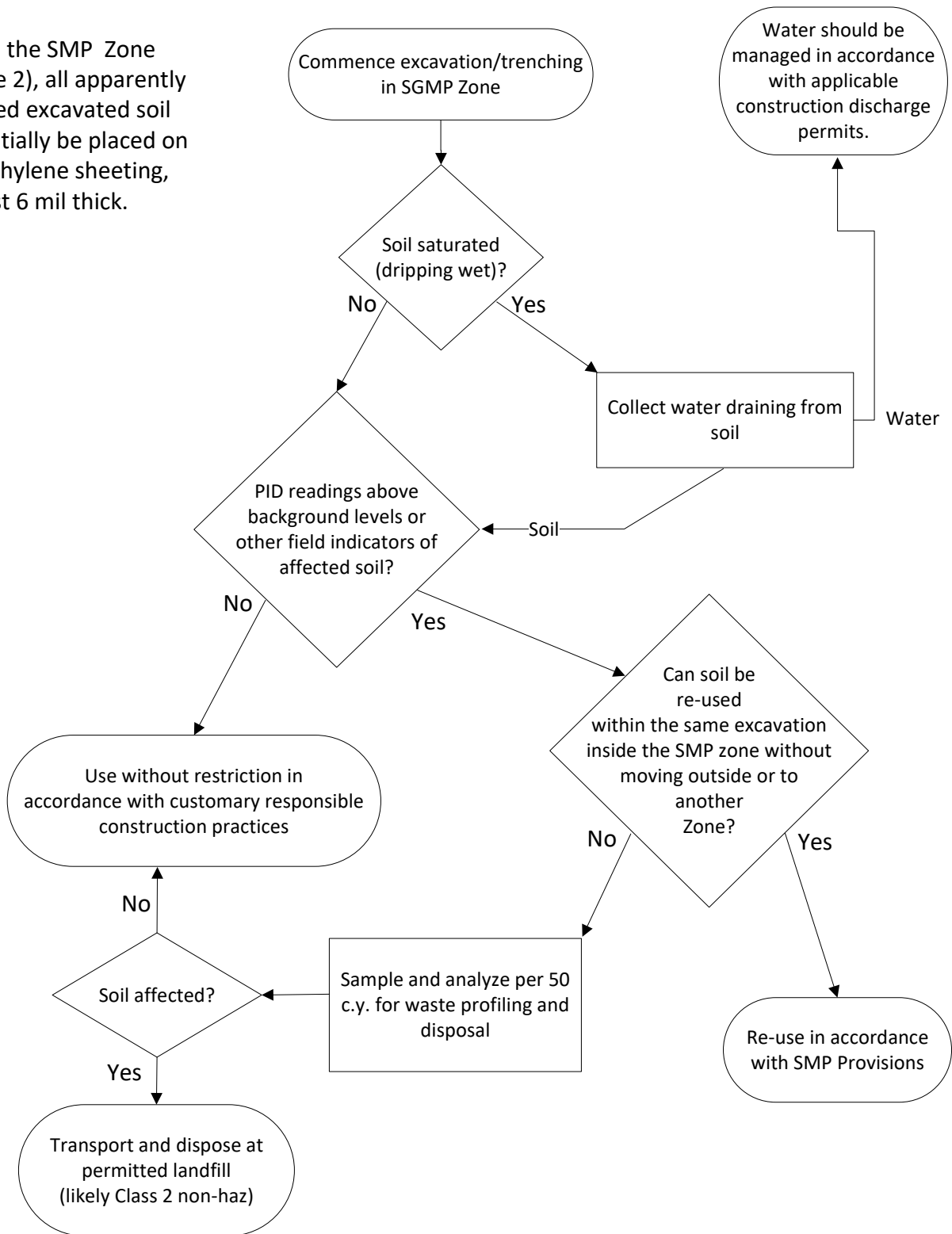
SMP Zone

Sheet 2 of 3

Figure 3: Affected Soil Management Procedures

Notes:

1. Within the SMP Zone (Figure 2), all apparently affected excavated soil will initially be placed on polyethylene sheeting, at least 6 mil thick.



LCA Environmental, Inc.
13221 Bee St.
Farmers Branch, Texas

Drawn By: DLM
Checked By: MKB
Date: 07/27/2023

Soil Management Plan

Parade
Park Homes Facility
1903 East 15th Terrace A
Kansas City, Missouri

SMP Zone

RIDER 7 OF 10 RELOCATION

The Use Agreement shall contain the following provision:

1. Grantee 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, Grantee 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"). Grantee shall comply with the Act and Regulations, notwithstanding any contractual obligations with third parties to comply with the Act and Regulations. Grantee shall provide a report on a quarterly basis to HUD which demonstrates compliance with the Acts and Regulations throughout the Repair or Redevelopment Period.
2. Grantee covenants that if the Use Agreement requires rehabilitation or hazard remediation such work shall be performed in accordance with all applicable federal, state and local laws, codes, ordinances and regulations, and HUD's Physical Condition Standards ("PCS").
3. If temporary or permanent relocation is necessary because of such rehabilitation and/or hazard remediation, if required, Grantee 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 the 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 such rehabilitation and/or hazard remediation, if required, Grantee 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 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 Grantee 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 such rehabilitation and/or hazard remediation, if required, Grantee 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 Grantee with any funds or subsidy with which to make the payments required by this paragraph.
6. Grantee covenants not to increase the rent for any unit, from the rent the tenant pays on the Closing date, until such unit meets all the rehabilitation and/or hazard remediation requirements of this Use Agreement are completed by Grantee and inspected and accepted by HUD. 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.

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

Grantee _____

HUD _____

RIDER 8 OF 10
CULTURAL AND SOCIAL SIGNIFICANCE PRESERVATION

The Use Agreement shall incorporate the following provisions:

1. The Property is located in a Historic Preservation area or may be eligible for preservation under the National Historic Preservation Act. Therefore, in order to assure compliance with Section 106 of the National Historic Preservation Act of 1966, as amended by 16 USC §470f, the regulations thereunder, and its implementing regulation, 36 CFR 800, "Protection of Historic Properties," the Grantee covenants that the Property's cultural and social significance shall be preserved.
2. The State Historic Preservation Officer, utilizing sole discretion for good cause, may modify or cancel any or all of the foregoing restriction upon written application of the Grantee, any/all successors and assigns.
3. The Grantee, its successors and assigns, will obtain written permission or approval from the State (or Tribal) Historic Preservation Officer before initiating any rehabilitation or alterations to the Property, or changes to its current use, that would appear to reduce the cultural and social significance of the property.
4. The Grantee shall preserve the historical significance of the property with a requirement that the purchaser fund and create a permanent historical display within the project that acknowledges and preserve the history of the site.

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

Grantee_____

HUD _____

RIDER 9 OF 10
RETURN RIGHTS FOR CURRENT AND FORMER TENANTS

The use agreement shall contain the following provisions:

1. Grantee shall be required to offer eligible current and former tenants the opportunity to rent prior to offering to rent any units to any other persons.
 - a. Grantee shall not be required to lease to any individual or family who is otherwise an ineligible tenant under Grantee's lease policies.
 - b. HUD shall provide to Grantee, prior to the conclusion of the right to return process, a priority list of tenants.
2. No less than 7 days after the date of closing, HUD shall provide a list of last known addresses for former residents of the property.
 - a. Grantee shall maintain this list and update it as appropriate.
 - b. Grantee shall keep this list and all information contained therein confidential and will only share the list with those individuals directly involved in contacting former residents.
3. Initial Notice to Former Tenants: Grantee shall, no later than 30 days after the date of closing, send a certified letter to each prior tenant identified by HUD. This letter shall include the following information:
 - a. HUD has identified the named person as a former tenant.
 - b. Grantee purchased the property at a foreclosure sale.
 - c. Grantee will be engaging in repairs to the project.
 - d. The time Grantee anticipates will be required to complete repairs such that units will be available for occupancy.
 - e. As a former tenant, the individual or family will receive a one-time preference in tenancy upon completion of repairs, provided they are otherwise an eligible tenant under Grantee's lease policies.
 - f. Tenants will be given at least 45 days' notice prior to completion of repairs and given the option to rent any available unit.
 - g. Upon receipt of that notice, the former tenant will have 45 days to respond in writing stating their desire to re-occupy a unit.
 - h. Failure to provide and maintain their current address to Grantee or reply in a timely manner to future notices will result in the loss of this housing preference.
4. Initial Notice to Current Tenants: Grantee shall, no later than 30 days after the date of closing, send a certified letter to each current tenant at their address in the property. This letter shall include the following information:
 - a. Grantee purchased the property at foreclosure sale.
 - b. Grantee will be engaging in repairs to the project.
 - c. The repairs may result in displacement of some or all tenants.
 - d. The time Grantee anticipates will be required to complete repairs such that units will be available for occupancy.

e. As a current tenant, should they be displaced, they will be offered a one-time preference in tenancy upon completion of repairs, provided they are otherwise an eligible tenant under Grantee's lease policies.

f. Tenants will be given at least 45 days' notice prior to completion of repairs and given the option to rent any available unit.

g. Upon receipt of that notice, the former tenant will have 45 days to respond in writing stating their desire to re-occupy a unit.

h. Failure to provide and maintain their current address to Grantee or reply in a timely manner to future notices will result in the loss of this housing preference.

5. Notice Regarding Completion of Repairs and Opportunity to Exercise Housing Preference: No more than 90 days and no less than 45 days before the completion of repairs, Grantee shall send a certified letter to all former and current tenants informing them of the status of repairs and offering the option to rent any available unit for which they are eligible. Grantee shall inform the tenants they have 45 days to provide a written notice of their intention to utilize their housing preference.

a. This letter shall include a physical and electronic address where former and current tenants can provide written notice of their intention to utilize their housing preference.

b. Tenants shall also be informed that, should they choose to exercise their preference, they will have 60 days from the date they are notified of readiness for lease to complete any eligibility determinations, to sign a lease, and make any required payments.

6. Notice Regarding Readiness for Lease

a. Upon readiness for lease, Grantee shall send a certified letter to those tenants who have provided written notice of their intention to utilize their housing preference of the completion of the readiness for lease. Tenants shall be informed that they have 60 days from the date of the Notice to complete any eligibility determinations, to sign a lease, and make any required payments.

b. Grantee shall not be required to rent to any current or former tenant who fails to respond to the notice within the required time frame or who fails to sign a lease within the required time frame, subject to any reasonable accommodation requirements.

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

Grantee_____

HUD_____

RIDER 10 OF 10
TENANT ENGAGEMENT IN REDEVELOPMENT

1. The Grantee shall, within 30 days of the date of closing, create and submit to HUD a plan for receiving and considering tenant feedback.
2. If HUD does not approve Grantee's plan, HUD shall provide feedback within a reasonable time period, describing its objections.
 - a. Upon receiving HUD's feedback, Grantee will have five days to resubmit a plan.
3. Grantee will follow the plan for a period of five years from the date of HUD's approval.

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

Grantee_____

HUD_____