

Mortgagor's Certificate

TO: _____ Project Name _____
Mortgagee

Dear Sir:

The undersigned hereby agrees to accept a loan upon the terms set forth in the commitment to coinsure dated _____ for the above project (hereinafter referred to as the "Project") and extension and amendments thereof, and certifies to you, as agent for the Secretary of the Department Housing and Urban Development as follows:

(1) That the undersigned possesses the powers necessary for and incidental to the ownership and operation of a rental housing project as required by the provisions of the National Housing Act and the Regulations applicable thereto.

(2) That the instrument securing said loan is a good and valid first lien on the property therein described and the mortgaged premises are free and clear of all liens other than that of the insured Mortgage except those specifically permitted by you. That any such liens other than the insured mortgage (other than the liens of taxes and assessments of the State or subdivision of the State, not yet due or payable, or ground rents) do not have a priority equal or superior to the insured mortgage.

(3) That we do not have any additional obligations in connection with the purchase of the property, repairs and improvements of the Project, or the mortgage transaction which exceed the limits set out in 24 CFR Section 255.210. Any additional obligations are represented by a promissory note on a form approved by HUD and such obligations are of a lesser priority for payment than the obligation for payment of the insured mortgage.

(4) That you and your authorized representatives are hereby granted the right to enter upon the mortgaged

premises at any and all times for the purposes of the inspection thereof.

(5) That it and anyone authorized to act for it shall comply with the provisions of Title VIII of the Civil Rights Act of 1968, as amended, and Executive Order 11063, and, that neither it nor anyone authorized to act for it will refuse to sell or rent, after the making of a bona fide offer, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny the property covered by the mortgage to any person because of race, color, religion, sex, or national origin; that any restrictive covenant on such property relating to race, color, religion, sex, or national origin is recognized as being illegal and void and is hereby specifically disclaimed; and that civil action for preventive relief may be brought by the Attorney General in any appropriate U. S. District Court against any persons responsible for a violation of this certification.

(6) That it will not discriminate on the basis of race, color, creed, sex or national origin against any employee or applicant for employment; and that any contract or subcontract executed for repairs and improvements shall contain a provision to this effect. In addition, the provisions of Executive Order 11246 and Title 24 CFR Part 130 shall apply, when appropriate.

(7) That, from this date and for so long as the mortgage is co-insured by HUD,

- (a) the project books and records will be established and maintained in accordance with the requirements of the mortgagee and HUD, and in such condition as to permit a speedy and effective audit;
- (b) such books and records will be retained for such period as may be prescribed by the mortgagee and HUD;
- (c) such books and records will be available to the Secretary, the Inspector General of HUD, the mortgagee, and the Comptroller General of the United States for such examination and audits as they may desire to make.

(8) That the following reports will be filed with the mortgagee, verified by the signature of such officers of the mortgagor as the mortgagee may designate, and in such form as prescribed by the mortgagee.

- (a) Complete annual financial reports based upon examination of the books and records of the mortgagor, prepared in accordance with the requirements of the Secretary and the mortgagee, certified to by an officer of the mortgagor and, when required by the Secretary prepared and certified by a Certified Public Accountant, and submitted within 60 days after the end of each fiscal year.
- (b) Monthly occupancy reports when required by the mortgagee.
- (c) Properly certified copies of minutes of meetings of the directors, officers, stockholders, shareholders or beneficiaries when required by the mortgagee.
- (d) Specific answers to questions upon which information is desired from time to time relative to the actual cost of repairs and improvements, the disposition of mortgage funds, the operation and condition of the property and the status of the insured mortgage.

Mortgagor

ATTEST

By _____
(Signature and Title of Officer)