



FORECLOSURE SALE

Lafayette Towers Apartments

1301 and 1321 Orleans

Detroit, MI 48207

A 584 Unit Multifamily Community

Is offered for sale at foreclosure:

❖ **HUD intends to submit a bid for the amount of the indebtedness at the foreclosure sale.**



Oral bids will be accepted on:
November 30th, 2012
at: 1:30 pm (local time)

Sale Location:
McNamara Federal Building
Room 1725
477 Michigan Avenue
Detroit, MI 48226

Persons planning to attend the foreclosure sale should be aware that building security requires "walk-through" screening. Plan to arrive at the building early to allow for the security clearance.



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

DUE DILIGENCE SHOULD BE PERFORMED IN ADVANCE OF SUBMITTING A BID. WHILE CARE HAS BEEN EXERCISED TO ENSURE ACCURACY, ALL INFORMATION PROVIDED IS SOLELY FOR THE PURPOSE OF PERMITTING PARTIES TO DETERMINE WHETHER OR NOT THE PROPERTY IS OF SUCH TYPE AND GENERAL CHARACTER AS TO INTEREST THEM IN ITS PURCHASE. HUD MAKES NO WARRANTY AS TO THE ACCURACY OF SUCH INFORMATION

INVITATION TO BID

Consistent with and subject to the terms and conditions of this Invitation to Bid, 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 a "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 (Form HUD-2530) requirements and a list of the forms necessary to submit a complete, responsive bid.

INVITATION DEFINITIONS

The following definitions apply to capitalized terms in this Invitation.

1. **APPS:** The Active Partners Performance System (APPS) allows HUD's business partners to manage their company and individual participation information and submit their APPS Previous Participation Certification (APPC) requests directly to HUD for processing via the Internet.
2. **Acknowledgment:** The document executed at the Foreclosure Sale by the High Bidder, obligating the High Bidder to the terms and requirements of the Foreclosure Sale, the form of which is attached to this Invitation as Attachment B.
3. **Act:** Multifamily Mortgage Foreclosure Act, 12 U.S.C. § 200.215.
4. **Affiliate:** Persons are affiliates of each other if, directly or indirectly, either one controls or has the power to control the other or a third person controls or has the power to control both. The ways we use to 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. ([24 C.F.R. § 200.215](#) - Affiliate.)
5. **Cash Due at Closing:** The bid price less the Earnest Money Deposit received, plus any prorations. Cash due at Closing includes all initial deposits to escrow and/or reserve accounts as may be required by HUD. Funds shall be paid in the form of a money order, certified funds or a cashier's check made payable to: The U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.
6. **Cash Escrow:** An assurance of completion of HUD required repairs. The amount(s) identified in the Property at a Glance. The cash escrow shall be held by HUD.
7. **Certification of Substantial Compliance:** A certification by High Bidder that its other properties in the jurisdiction of the Project are in substantial compliance with state and local laws. Attachment G of this Invitation.
8. **Closing:** When title to the Project is transferred to the bidder that HUD deems qualified to purchase the Project.
9. **Days:** Federal government business days, unless otherwise stated as calendar days.
10. **Deed:** See Foreclosure Deed.
11. **Earnest Money Deposit:** The amount of the deposit identified in the Property at a Glance. Must be submitted at the Foreclosure Sale.
12. **Evidence of APPS registration:** After the foreclosure sale, this is certification that must be submitted to the Realty Specialist identified in the Property at a Glance and can be in the form of a copy of the *Participant Successfully Registered* page from the APPS system **and** a copy of the *Multifamily Coordinator and User Registration page* from Secure Systems **or** a copy of the *Participant Detail* page. (See APPS User Guide-Industry for printing instructions).
13. **Extension Fees:** The fee that must be paid to HUD when requesting an extension of the time, or deadline, for the Closing. If an extension of the deadline for the Closing to occur is authorized, the Purchaser must pay a fee for each thirty (30) calendar day extension period, the amount of which will be determined by HUD consistent with current policies and procedures.
14. **Extension Period:** Extensions of time for Closing are granted for a thirty (30) calendar day period.
15. **Foreclosure Commissioner:** An attorney or law firm designated by HUD to conduct the Foreclosure Sale of the Project, pursuant to 12 U.S.C. §3704.
16. **Foreclosure Deed:** The deed that will transfer title to the Purchaser. It will not contain any warranties of title.
17. **Foreclosure Sale:** Sale of the Project resulting from a mortgage foreclosure by HUD.
18. **Form HUD-9552:** Post-Closing Repair Requirements and Exhibits, Attachment E of this Invitation ("Repairs".)
19. **High Bidder:** Highest, responsive bidder at Foreclosure Sale.
20. **LOC:** Letter of Credit: An assurance of the completion of HUD required Repairs. An unconditional, irrevocable and nondocumentary Letter of Credit, issued from a recognized FDIC-insured lending institution. The amount is identified in the Property at a Glance.
21. **Payment and Performance Bonds:** An assurance of completion of HUD required Repairs. Form HUD-92452A should be used for payment bonds and form for the performance bond that is acceptable to HUD, each equaling 100% of HUD's estimate of the required Repairs.

22. PCS: Physical Condition Standards; The HUD minimum physical condition standards for dwelling units occupied by families receiving Section 8 project-based assistance. ([24 C.F.R. § 5.703](#)). These are the decent, safe and sanitary conditions, and in good repair, standards which must be met within a specified number of calendar days after Closing.
23. Post-Bid Document Submittals: All documents, statement, and forms listed in the Invitation that must be submitted by High Bidder in order to be considered for HUD approval to purchase the Project.
24. Post-Closing Repairs: A list of HUD required "Repairs" to be performed by Purchaser post-Closing. The cost of the repairs has been estimated by HUD; see Attachment E to this Invitation (Form HUD-9552).
25. Previous Participation: It is HUD's policy that participants in its housing programs be responsible individuals and organizations that will honor their legal, financial, fair housing and contractual obligations. ("Responsibility" is a term used by HUD to mean business integrity, honesty and capacity to perform). Accordingly, uniform standards are established in HUD regulations for approval, disapproval or withholding of action on principals for projects in which they apply to participate.
26. Previous Participation Certification: Form HUD-2530. The information within this form, in combination with other factors and submitted documentation, will be used to determine whether HUD will approve a bidder to purchase, operate, and/or manage the Project.
27. Principal: Principal means (a) An officer, director, owner, partner, principal investigator, or other person within a participant with management or supervisory responsibilities related to a covered transaction; or (b) A consultant or other person, whether or not employed by the participant or paid with Federal funds, who (1) Is in a position to handle Federal funds; (2) Is in a position to influence or control the use of those funds; or, (3) Occupies a technical or professional position capable of substantially influencing the development or outcome of an activity required to perform the covered transaction. (c) A person who has a critical influence on, or substantive control over, a covered transaction, whether or not employed by the participant. (For complete definition see [24 C.F.R. § 200.215](#) – Principal.)
28. Project: The multifamily apartment project and all real and personal property appurtenant thereto, as presented on the cover of this Invitation.
29. Property at a Glance: Contains information about the Project and contact information for the Realty Specialist – see Attachment A to Invitation.
30. Purchaser: Person or entity receiving HUD approval to purchase the Project.
31. Realty Specialist: HUD staff member to be contacted for additional information concerning the Project or the Foreclosure Sale. Identified on the Property at a Glance.
32. Repairs: See Post-Closing Repairs.
33. Second High Bidder: Second highest, responsive bidder at Foreclosure Sale.
34. Section 8: Section 8 of the United States Housing Act of 1937 and applicable regulations within Title 24 of the Code of Federal Regulations.
35. Statement of Experience: The written statement to be submitted by High Bidder, as part of the qualification process in order to be considered by HUD for approval to purchase the Project.
36. Use Agreement: The Foreclosure Sale Use Agreement in the form attached as Attachment C to this Invitation, which will be executed by Purchaser of the Project at Closing and run with the land to bind the grantee and any permitted successors and assigns.

SECTION 1 - INTRODUCTION AND GENERAL INFORMATION

1. **BID RESPONSIVENESS:** A bid must be responsive to the terms of the Foreclosure Sale. To be considered for award, a bid must comply in all material respects with this Invitation. Each bid on its face shall be firm, unconditional, responsive, fixed in one amount certain, and not in the alternative. Special conditions, alterations, or deletions will render a bid non-responsive. The terms of the Foreclosure Sale are those set out in this Invitation and Attachments. Lack of an Earnest Money Deposit, as required by this Invitation, will be cause for bid rejection.
2. **SALE TO HIGHEST QUALIFIED BIDDER:** Sale of this Project will be awarded to the highest bidder determined to be qualified to purchase the Project. The defaulting owner of the Project, or any affiliate thereof, will not be permitted to bid.
3. **NO REDEMPTION PERIOD:** This Foreclosure Sale is not subject to redemption by the defaulting owner of the Project.
4. **BID ACCEPTANCE OR REJECTION:** At any time prior to Closing, HUD reserves the right to reject any and all bids, to waive any informality in any bid received, and to reject the bid of any bidder HUD determines lacks the experience, ability, or financial responsibility necessary to own and provide management acceptable to HUD.
5. **CANCELLATION OF SALE:** HUD reserves the unconditional right to cancel this Invitation and reject any and all bids at any time prior to the Closing of the Foreclosure Sale.
6. **BIDDER'S DUE DILIGENCE:** Bidders, their agents and advisors should review carefully the information in this Invitation and Attachments, and any additional information made available by HUD, and should undertake their own investigation of the Project to evaluate the risks associated with purchasing the Project.
7. **POST-CLOSING REQUIRED REPAIRS:** Any Repairs that must be completed by Purchaser after Closing, if applicable to this Foreclosure Sale, are included in Attachment E to this Invitation. The required Repairs listed in Attachment E survive the Foreclosure Sale and will be recorded with the Deed. NOTE: The Form HUD-9552 and Exhibits are cost estimates of the required Repairs. Actual costs ultimately incurred by the Purchaser may be more or less than the estimates.
8. **While care has been exercised to assure accuracy, all information provided is solely for the purpose of permitting parties to determine whether or not the Project is of such type and general character they are interested in purchasing. HUD makes no warranty as to the accuracy of the information. The failure of any bidder to inspect or be fully informed as to the condition of all or any portion of the Project, or any conditions of Foreclosure Sale, will not constitute grounds for any claim, demand, adjustment, or withdrawal of a bid.**
9. **OUTSTANDING ENCUMBRANCES THAT SURVIVE FORECLOSURE:** By entering its bid, the High Bidder agrees to assume all responsibility for paying all outstanding encumbrances and expenses, including, but not limited to, taxes, assessments, utility bills and any liens not extinguished by the foreclosure. Bidders are advised to determine outstanding expenses, taxes, utilities, assessments, and liens as part of the due diligence process and take them into consideration when bidding.
10. **RECORDATION OF CERTAIN DOCUMENTS:** The Use Agreement, with any riders thereto (if provided herein) and Attachment E with any exhibits and/or attachments thereto (if provided herein) will be recorded with the Deed.
11. **ADDITIONAL INFORMATION:** For further information, please contact the Realty Specialist.

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

1. **GENERAL:** All bidders, management agents and other participants as required by HUD must file a Previous Participation Certification (Form HUD-2530) in either electronic or paper format. Bidders must comply with all HUD Previous Participation Certification (Form HUD-2530) requirements as outlined in the Acknowledgment (Attachment B.)
2. **ELECTRONIC FILING:** If filing electronically, use [APPS](#) to submit Previous Participation Certification (Form HUD-2530) on HUD's Secure Systems Internet Site. Prior registration is not mandatory in order to bid at the Foreclosure Sale. However, all potential bidders registering for the first time in Secure Systems and/or APPS should do so at least two (2) weeks prior to the Foreclosure Sale because it takes approximately two (2) weeks after registration to receive the User/Coordinator ID. For instructions for registering for both Secure Systems and APPS are located on the [Active Partners Performance System \(APPS\) web site](#).
3. **PAPER FILING:** If filing in paper format, submit the Form HUD-2530, and an Organizational Chart of the proposed ownership entity to the Realty Specialist.

4. **UPDATES:** If a management agent will be participating in the management of the Project, or if bidder is changing principals, adding principals, changing the name of the purchasing entity, or changing tax identification from information already recorded in APPS or on a paper 2530, **it is the High Bidder's responsibility to ensure that all required participants register and complete the 2530 process within the prescribed time frames.**
- **Failure of any participant to submit a Previous Participation Certification (Form HUD-2530) or other required document(s) within the indicated time frame specified in Section 4 below, may be grounds for rejection of the bid.**
 - **The High Bidder's experience, qualifications and capacity to purchase the Project must be approved by HUD in order to purchase the Project. This includes, but is not limited to, 2530 approval.**

SECTION 3 - FORECLOSURE SALE PROCEDURES AND SUBMISSION OF BIDS

1. **GENERAL:** In order to submit a complete, responsive bid to this Invitation, a bidder must submit the items listed in this Section, and the additional items as indicated in Section 4, below.
2. **BIDDING AT THE FORECLOSURE SALE:**
 - a. The Foreclosure Sale is an oral, open bid sale that takes place at the date, time and place indicated on the cover of this Invitation. HUD has designated a Foreclosure Commissioner to conduct the sale of this Project.
 - b. The bidder must either:
 - i. State a bid price orally at the sale, or
 - ii. Submit a written bid to the Foreclosure Commissioner two (2) calendar days before the date of the Foreclosure Sale. Written bids, if received, will be read aloud at the Foreclosure Sale before oral bids are accepted. Only the bidder that submitted the written bid, or an agent thereof, may raise a written bid price. Please contact the Realty Specialist identified in the Property at a Glance for details regarding submitting a written bid.
3. **CORRECTIONS:** Any changes or erasures made to information submitted by a bidder in connection with a written bid may be made by the bidder or their agent only and must be initialed by the bidder or agent.
4. **TELEGRAPHIC OR FACSIMILE BIDS:** Emailed, telegraphic or facsimile bids and/or bid modifications will not be considered.
5. **ITEMS THAT MUST BE SUBMITTED AT THE FORECLOSURE SALE:**
 - a. **Earnest Money Deposit:**
 - i. The Earnest Money Deposit, for the amount specified in the Property at a Glance (Attachment A), must be submitted to the Foreclosure Commissioner prior to presenting an oral or written bid, at the start of the Foreclosure Sale.
 - ii. The Earnest Money Deposit must be in the form of a money order, certified funds, or cashier's check payable to: **THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.** No other method of payment is acceptable.
 - iii. A financial organization submitting a bid on its own behalf must have the Earnest Money Deposit drawn on another financial organization.
 - iv. Lack of proper deposit will be cause for rejection of the bid by HUD.
 - v. Immediately following the Foreclosure Sale, the Earnest Money Deposit will be returned to all but the High Bidder.
 - b. **Evidence of bidder eligibility**, if applicable (ex: non-profit organization.) See Attachment I, if provided.
6. **NOTIFICATION TO THE HIGH AND SECOND HIGH BIDDER:** The High Bidder and Second High Bidder will be notified orally of their bidding positions by the Foreclosure Commissioner immediately after the Foreclosure Sale.
7. **ACKNOWLEDGMENT BY BIDDER:** Immediately after the Foreclosure Sale, the High Bidder must submit **ONE** (1) signed copy of the Acknowledgment to the Foreclosure Commissioner.

SECTION 4 - POST FORECLOSURE SALE PROCEDURES

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

- (i) **Form HUD-2530:** A completed paper Form HUD-2530(s), with original signatures, for the purchasing entity and all principals. Proposed ownership must have established tax identification or social security number; an entity not yet formed cannot be accepted, and all principals. Proposed ownership must have established tax identification or social security number; an entity not yet formed cannot be accepted, and
- (ii) **Organization Chart:** An organization chart, reflecting all principals of the purchasing entity and each principal's percentage of ownership must accompany the completed paper Form HUD-2530.
- (b) Electronic filing:
 - (i) **Bidders not registered in APPS and Secure Systems:** Submit certification of registration in Secure Systems and APPS.
 - (ii) **Electronic Filers registered in APPS and Secure Systems:** Submit evidence of filing in accordance with Section 2 herein
- ii. Certification of Substantial Compliance: A completed and original, Attachment G to this Invitation. If HUD determines that such projects of the High Bidder, are not in substantial compliance with state and local codes, HUD may determine that the High Bidder is not qualified to purchase the Project. The Earnest Money Deposit may be forfeited.
- b. Five (5) days After Foreclosure Sale: The High Bidder must submit a written Statement of Experience. Instructions for preparing the written Statement of Experience are provided in the Acknowledgment.
- c. Ten (10) days After Foreclosure Sale: The High Bidder must submit the documents checked below:
 - ☐ Affirmative Fair Housing Marketing Plan (Form HUD-935.2A)
 - ☒ Form HUD-2530 for Purchaser, if different from High Bidder
 - ☒ Form HUD-2530 for the Management Agent, if applicable
 - ☒ Personal Financial and Credit Statement (Form HUD 92417), for each proposed
 - ☒ Management Entity Profile (Form HUD-9832)
 - ☒ Project Owner's Certification for Owner-Managed Multifamily Housing Projects (Form HUD-9839A):
 - OR**
 - ☒ Project Owner's/Management Agent's Certification for Multifamily Housing Projects for Identity-of-Interest or Independent Management Agents (Form HUD-9839B):
 - OR**
 - ☐ Project Owner's/Borrower's Certification (Form HUD-9839C-for elderly housing project managed by Administrators only)
- (Only one of these forms A, B or C will be required for management certification.)
- d. Ten (10) days After Foreclosure Sale: Electronic filing of the Form HUD-2530 for the management agent or the High Bidder's ownership entity must be completed and a signed copy provided to the Realty Specialist.

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

3. QUALIFICATION, ACCEPTANCE, REJECTION OF BID:

- a. **Required Bidder Qualifications to Purchase Project:**
 - i. It is the objective of the Department's multifamily foreclosure process to transform troubled and distressed multifamily properties into viable, long-term rental housing resources. To accomplish this objective, the Department will only award a HUD-foreclosed property to a High Bidder that has the financial capacity and demonstrated experience (approximately five (5) years) of successfully owning, managing and transforming distressed and troubled multifamily properties as viable, rental housing resources.
 - ii. The Department has the discretion to evaluate, starting with the High Bidder and proceeding in descending order, if necessary, the bidder's experience, qualifications and capacity to purchase the Project based on a review of the documentation described below, information independently obtained and verified by HUD, and the Post-Bid Document Submittals required herein. The documentation must demonstrate that the bidder owns (or has owned) and is successfully managing and operating (or has successfully managed and operated) properties of similar size and characteristics (including problematic complexities) as the Project being sold. The documentation will be used by HUD to determine whether the bidder has the financial capacity and demonstrated experience to acquire and successfully transform the Project into a long-term, viable rental housing resource.
 - iii. HUD may, in its sole discretion, accept or reject any bid submitted for the purchase of the Project. The review and approval of the Previous Participation Certification (Form HUD-2530) is a requirement for the purchase of the Project. However, Previous Participation Certification approval is only one aspect of HUD approval of the bidder's qualifications.

- iv. Based on HUD's review of the documentation submitted, as well as any additional information independently obtained and verified by the Department, HUD will determine whether the bidder has the requisite experience, qualifications and financial capacity to purchase the Project. This determination is within HUD's sole and absolute discretion. If HUD determines that the bidder does not have the experience, qualifications and/or financial capacity to purchase the Project, HUD will reject the bid and proceed to the next highest bidder pursuant to the terms of the Invitation.
- v. In the event that HUD rejects a bid, HUD will return the bidder's earnest money deposit, provided the bidder has not failed to meet time limits required to submit documentation, or made any misrepresentation or material omission(s) in the bidder's submission of documentation. If the bidder fails to properly submit all required documentation within the required time limit or HUD determines that the bidder misrepresented his or her experience, qualifications, or financial capacity, the Earnest Money Deposit will be forfeited and retained as liquidated damages. HUD may seek any and all additional remedies.
- vi. HUD may require the High Bidder to obtain the services of a qualified multifamily project management firm. Management acceptable to HUD (see paragraph 5 below) must be approved prior to Closing.

b. Bidder Approval:

- i. If HUD determines that the High Bidder is qualified, the High Bidder will be confirmed as and identified as the Purchaser;
- ii. If the high bid is rejected due to HUD's determination that the High Bidder is not qualified to purchase the Project, HUD will notify the High Bidder in writing;
- iii. If HUD rejects the High Bidder, HUD may in its sole discretion elect to contact the Second High Bidder, and/or succeeding bidders as bidders withdraw or do not qualify, to purchase the Project. If contacted by HUD, the Second High bidder or succeeding bidder will be offered the opportunity to purchase the Project and will be given twenty-four (24) hours to submit the earnest money deposit and execute the Acknowledgment, and thereby will be deemed as the High Bidder. HUD will review the bidder's Post- Bid Document Submittals, which must be submitted within the same timeframes detailed in Section 4 of this Invitation beginning from the date the Acknowledgment is executed, in order to determine if the bidder is qualified to purchase the Project;
- iv. HUD's notification of rejection due to lack of qualifications, if applicable, shall be deemed to be given when mailed to the individual that executed the Acknowledgment; and
- v. The written rejection of the bid will be made as promptly as possible and generally within thirty (30) days after the date of the Foreclosure Sale.

- 4. **EARNEST MONEY DEPOSIT:** All bidders must submit the Earnest Money Deposit to the Foreclosure Commissioner at the start of the Foreclosure Sale. Immediately following the Foreclosure Sale the Earnest Money Deposit will be returned to all but the High Bidder. Interest will not be paid on Earnest Money Deposits.
 - a. If HUD determines that the High Bidder is qualified to own and manage the Project, its bid is acceptable and the High Bidder complies with the requirements of this Invitation, the Earnest Money Deposit will be credited against the bid price at Closing.
 - b. If the bid amount is unacceptable, the bidder's Earnest Money Deposit will be refunded.
 - c. If, during the review of the High Bidder, it is found that the High Bidder has made any misrepresentation or material omission(s) in the bidder's submission of documentation, the Earnest Money Deposit will be forfeited.
 - d. If the High Bidder is determined not to be qualified to purchase the Project **and** the High Bidder has complied with the requirements of this Invitation the Earnest Money Deposit will be refunded.
 - e. If the High Bidder has failed to comply with the provisions outlined in this Invitation, the Earnest Money Deposit will be forfeited.
- 5. **REVIEW OF PROJECT MANAGEMENT:** HUD will review the statements and Post-Bid Document Submittals to determine, in its sole discretion, if the proposed management entity has the necessary qualifications to operate, manage, and/or administer the type and nature of the project being offered for sale. HUD may elect to discuss Project management plans after submission of the Post-Bid Document Submittals by the High Bidder. HUD reserves the right to reject the bid of any bidder and retain the Earnest Money Deposit, if the High Bidder does not provide management acceptable to HUD.
- 6. **CLOSING DATE REQUIREMENT:** The date and place for Closing will be determined by HUD and the Foreclosure Commissioner and occur within the time period specified in the Acknowledgment, (Attachment B).
- 7. **EXTENSION OF CLOSING:** The right to extend the Closing is expressly reserved by HUD as set forth in the Acknowledgment (Attachment B).

SECTION 5 – CLOSING

1. **EXECUTION OF USE AGREEMENT:** The Purchaser and HUD will execute the Use Agreement at Closing. HUD will have the Deed, Use Agreement and all attachments recorded.
2. **CASH DUE AT CLOSING:** Cash due at Closing is the bid price less the Earnest Money Deposit received, plus any outstanding encumbrance amount that survived foreclosure and/or any pro-rations (see Paragraph 3 below.) All initial deposits to escrows and/or reserve accounts, if applicable, must be made at Closing.
3. **PRORATIONS:**
 - a. Purchaser is responsible for paying all taxes, assessments, liens, and utility bills including but not limited to, water, sewer, gas and electric, and any other encumbrances not extinguished by the foreclosure. These amounts will not be prorated.
 - b. If Extension Fees were paid, and the Closing occurs prior to the expiration of an Extension Period, the prorated amount of the Extension Fees for the unused portion of the Extension Period will be credited toward the amount due from Purchaser at Closing.
4. **CLOSING EXPENSES:** Irrespective of local custom, the Purchaser shall pay all Closing expenses, including, but not limited to, all documentary stamp taxes, and any costs in connection with a review of title or title insurance. The fees for the recordation of the HUD Deed and Use Agreement will be paid by HUD.
5. **METHOD OF PAYMENT:** Cash Due at Closing shall be paid in the form of a money order, certified funds, or cashier's check made payable to:
THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.
6. **REPAIR ESCROW:** If Repairs are required as a condition of Closing Purchaser shall provide assurance at Closing that the Repairs will be completed. The Purchaser must submit either a LOC or Cash Escrow, the choice of which shall be at HUD's sole discretion.
7. **CONVEYANCE:** Conveyance of the Project shall be by Foreclosure Commissioners Deed ("Deed"). The Deed will not contain any warranties of title.
8. **RECORDATION OF DEED:** HUD shall record the Deed and the Use Agreement.
9. **DOCUMENTS TO BE FURNISHED OR EXECUTED AT CLOSING:**
☒ Foreclosure Sale Use Agreement ☒ Letter(s) of Credit ☒ Closing Statement
OR Cash Escrow

SECTION 6 – POST-CLOSING

POST-CLOSING REPAIRS: Repairs required by HUD are included in the Form HUD-9552, Attachment E to this Invitation. The Repair requirements survive the Foreclosure Sale and will be recorded with the Deed.

NOTE: The Form HUD-9552 and Exhibits are **cost estimates**. Actual costs may be more or less than the estimates.

While care has been exercised to assure accuracy, all information provided is solely for the purpose of permitting parties to determine whether or not the Project is of such type and general character they are interested in purchasing, and HUD makes no warranty as to the accuracy of such information. The failure of any bidder to inspect, or be fully informed as to the condition of all or any portion of the Project being offered, or condition of Foreclosure Sale, will not constitute grounds for any claim, demand, adjustment, or withdrawal of a bid.

SECTION 7 – DISCLAIMERS

1. **DISCLAIMER:**
 - a. This is an "all-cash", "as-is" sale. As stated in paragraph 6 of Section 1 bidders interested in purchasing this Project are expected to perform due diligence to arrive at conclusions as to physical condition, number and occupancy of revenue producing units, estimates of operating costs, repair costs (where applicable), and any other factors bearing upon valuation of the Project. **Any bid submitted shall be deemed to have been made with full knowledge of all the terms, conditions and requirements contained in this Invitation and in any Addendum hereof.**
 - b. While care has been exercised to assure accuracy, all information provided is solely for potential purchasers to determine whether or not the Project is of such type and general character as might interest them in its purchase. **HUD makes no warranty as to the accuracy of such information.** The failure of any bidder to inspect, or be fully informed as to the condition or value of the Project, or conditions of sale, will not constitute ground for any claim, demand, adjustment or withdrawal of a bid.
2. **UNAUTHORIZED ORAL STATEMENT OR MODIFICATIONS:** Any oral statement or representation by any representative of HUD changing or supplementing this Invitation, or any condition hereof, is unauthorized and shall confer no right upon the bidder (Purchaser).
3. **HUD LIABILITY:** HUD's liability shall not exceed the amount of such portion of the bid price that has been paid to HUD.

ATTACHMENTS

- | | |
|--|--|
| <input checked="" type="checkbox"/> ATTACHMENT A - Property at a Glance
<input checked="" type="checkbox"/> ATTACHMENT B - Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder
<input checked="" type="checkbox"/> ATTACHMENT C - Foreclosure Sale Use Agreement
<input checked="" type="checkbox"/> ATTACHMENT D - Letter of Credit (LoC) Sample
<input checked="" type="checkbox"/> ATTACHMENT E - Repair Summary and narrative; and Environmental information if available | <input type="checkbox"/> ATTACHMENT F - Reserved
<input checked="" type="checkbox"/> ATTACHMENT G - Certification of Substantial Compliance
<input checked="" type="checkbox"/> ATTACHMENT H - Protecting Tenants at Foreclosure Act
<input type="checkbox"/> ATTACHMENT I - Evidence of Bidder Eligibility
<input type="checkbox"/> ATTACHMENT J - Reserved
<input checked="" type="checkbox"/> ATTACHMENT K - 24 CFR PART 5, Physical Condition Standards
<input checked="" type="checkbox"/> ATTACHMENT L - Post-Closing Repair Report |
|--|--|

THESE FORMS ARE AVAILABLE AT

http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/forms

OR USE THE URL PROVIDED BELOW TO OBTAIN THE FORM

<input checked="" type="checkbox"/>	Previous Participation Certification (Form HUD-2530) http://www.hud.gov/offices/adm/hudclips/forms/files/2530.pdf
<input checked="" type="checkbox"/>	Personal Financial and Credit Statement (Form HUD-92417) for each proposed principal and/or partner http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_20675.pdf
<input checked="" type="checkbox"/>	Management Entity Profile (Form HUD-9832) http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_35584.pdf
<input checked="" type="checkbox"/> OR <input checked="" type="checkbox"/> OR	Project Owners Certification for Owner-Managed Multifamily Housing Projects (Form HUD-9839 A) http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_35589.pdf Project Owner's/Management Agent's Certification for Multifamily Housing Projects for Identity of Interest or Independents Management Agents (Form HUD-9839 B) http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_9839-b.pdf
<input type="checkbox"/>	Project Owner's/Borrower's Certification (Form HUD-9839 C) - For elderly housing projects managed by Administrators only http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_35591.pdf

(Only one of these forms, 9839A, B or C, will be required for management certification.)

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



Attachment A PROPERTY AT A GLANCE



Lafayette Towers FHA #: 044-11151

ADDRESS: **1301 & 21 Orleans** EARNEST MONEY: **\$100,000** SALES PRICE: **HUD to Bid the Debt**
Detroit, MI 48207 TERMS **"All Cash- As Is"; 30 calendar days to close**
COUNTY: **Wayne** LETTER OF CREDIT/CASH ESCROW: **\$2,524,428** SALE TYPE: **Foreclosure**

PROJECT INFORMATION

Total Units	Residential	Commercial	Foundation:	Concrete footings, foundation walls, basement
584	Revenue 584	0	Roof:	Multiply builtup membrane/gravel
	Non-Revenue 0		Exterior:	Aluminum frame, glass panel
Building/Site Type 2 high-rise buildings			Floors/Finish:	Concrete/carpet, tile

Number of Buildings	Stories	Year Built	Rehab Year	Approximate Site Acreage	Approximate Net Rentable Area
2	22	1964	N/A	9.86	384,836

Mechanical Systems

Heating:	Air Conditioning
Fuel Gas	Windows PTAC
System Individual	Single pane
Hot Water:	
Fuel Gas	
System Central	

Utilities

Public Water	<input checked="" type="checkbox"/>
Gas Main	<input checked="" type="checkbox"/>
Electric	<input checked="" type="checkbox"/>
Sanitary Sewer	<input checked="" type="checkbox"/>
Storm Sewer	<input type="checkbox"/>
Septic Tank	<input type="checkbox"/>

Parking

Street	Asphalt
Curb	Concrete
Sidewalk	Concrete
Parking Lot	Asphalt
Parking Spaces	Site and garage 551

Apartment Features

<input checked="" type="checkbox"/>	Air Conditioning
<input checked="" type="checkbox"/>	Dishwasher (2 & 3 Bdr)
<input checked="" type="checkbox"/>	Garbage Disposal
<input checked="" type="checkbox"/>	Refrigerator
Elec	Range/Oven
<input checked="" type="checkbox"/>	Drapes/Blinds

Community Features

<input checked="" type="checkbox"/>	Garage
<input type="checkbox"/>	Covered Parking
<input checked="" type="checkbox"/>	Laundry Facility
<input checked="" type="checkbox"/>	Cable/Sat Hookup
<input checked="" type="checkbox"/>	Playground
<input checked="" type="checkbox"/>	Pool
<input checked="" type="checkbox"/>	Community Space

Owner Expense

Water (hot and cold)
Pool, playground
Community Space
Refuse Removal

Tenant Expense

Electricity
Garage Parking

OCCUPANCY: Approximate data provided:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	70%	71%	71%	72%	73%	76%	76%	78%	82%			
2011	68%	65%	62%	62%	65%	64%	63%	65%	66%	68%	68%	68%

ESTIMATED ANNUAL RENTAL INCOME and EXPENSE:

# of Units	Type (# of Bdrs)	Approx Square Feet	Current Gross Rent	After Sale Rent	Total After Sale Rent
35	0	414	512	512	\$17,920
82	0	528	544	544	44,608
72	0	570	572	572	41,184
74	1	761	734	734	54,316
82	1	781	743	743	60,926
79	1	781	789	789	62,331
71	2	1188	916	916	65,036
73	2	1230	915	915	66,795
4	2	1400	1,173	1,173	4,692
4	3	1500	1,425	1,425	5,700
8	3	1800	1,575	1,575	12,600
Estimated/Possible Monthly Total					\$436,108

Total Estimated/Possible Annual Income	
Rent	\$5,233,296
Commercial	
Parking	65,790
TOTAL	\$5,299,086
Estimated Annual Expenses	
Administrative	\$697,000
Utilities	980,000
Operating	631,000
Taxes/Insurance	803,000
Reserve/Replace	175,200
O&M Maintenance	2,000
TOTAL	\$3,288,200

COMMENTS CONCERNING PROJECT INFORMATION:

HUD intends to "bid the debt" at the foreclosure sale.

HUD is not offering financing with this sale. There is no project-based Section 8 Housing Assistance Payment Contract being offered with this sale.

Persons planning to attend the foreclosure sale should be aware that building security requires "walk-through" screening. Plan to arrive at the building early to allow for the security clearance.

Due diligence should be performed in advance of submitting a bid. While care has been exercised to ensure accuracy, all information provided is solely for the purpose of permitting parties to determine whether or not the Project is of such type and general character as to interest them in its purchase. HUD makes no warranty as to the accuracy of such information.

USE RESTRICTIONS

Rent protection for eligible very low-income residents.

TERMS OF SALE

- HUD intends to submit a bid in the amount of the indebtedness at the foreclosure sale.
- This is an "All-Cash" – "As-Is" sale. HUD is not providing financing for this sale. Payment of the full bid price must be presented at Closing.
- HUD **is not** offering Section 8 Project-Based **or** Tenant Based Rental Assistance with this sale.
- No consideration will be given to a bid submitted by any party currently suspended or debarred from participating in HUD programs. As provided for in 24 C.F.R. Part 27, the defaulting mortgagor, or any principal, successor, affiliate, or assignee on the mortgage at the time of default shall not be eligible to bid on or otherwise purchase this Project. ("principal" and "affiliate" are defined at [24 C.F.R. § 200.215](#).)
- Bids for this Project will only be considered for acceptance if properly submitted by following the bidding instructions which includes but is not limited to submitting the Earnest Money Deposit, forms and statements as required in the Invitation. High Bidder will be reviewed to determine if qualified to purchase, own and manage the Project.
- The High Bidder must certify to HUD that any/all projects that are owned by the bidder or its affiliates and are located in the same jurisdiction (City or Town) where the Project is located are in substantial compliance with applicable state and local housing statutes, regulations, ordinances and codes. See Attachment G, Certification of Substantial Compliance.
- High Bidder has the option to file the required Previous Participation Certification (Form HUD-2530) in electronic or paper format. **For questions concerning APPS contact the Multifamily Housing Systems Help Desk at 1-800-767-7588. For questions concerning Secure Systems contact the REAC Help Desk at 1-888-245-4860.**
- Repairs estimated at \$10,097,714, must be completed to HUD's satisfaction within eighteen (18) months of Closing. Refer to the Use Agreement, Rider "Required Rehabilitation", for more information. Closing is to be held thirty (30) calendar days after HUD notifies the High Bidder that they are qualified to purchase the Project being offered.
- If HUD approves an extension of the Closing, the Purchaser must pay a fee which is the greater of 1.5% of the bid price or HUD's holding costs of \$40.80 per unit per calendar day for each thirty (30) calendar day period.
- The Use Agreement will include the following Riders: Required Rehabilitation, Rent Protection for Pre-Existing Very Low-Income Tenants, Nondiscrimination Against Section 8 Certificate Holders and Voucher Holders, Relocation, Historic Preservation, Environmental Hazards, Residual Receipts (Applies Only to Non-Profit Ownership), Conveyance to a Non-Public or For-Profit Entity, Equity Participation, Enforcement.

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

INFORMATION AND BID KIT

INFORMATION and BID KIT may be viewed or printed at

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

You may also sign up for our electronic mailing list at

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

Bids for Lafayette Towers Apartments:

MUST BE PRESENTED ON: November 30th, 2012

At: 1:30 pm (local time)

Location of Foreclosure Sale:

McNamara Federal Building

Room 1725

477 Michigan Avenue

Detroit, MI 48226

HUD Office and Contact Information for submission of documents:

Fort Worth HUD Office

Multifamily Property Disposition Center, 6AHMLAT

801 Cherry Street, Unit #45, Ste. 2500

Fort Worth, TX 76102

Realty Specialist: Debie Bolin

Phone: (817) 978-5822

Fax: (817) 978-6018

Email: debie.f.bolin@hud.gov

INSPECTION OF PROJECT

HUD does not own or operate this facility and cannot grant access for viewing. Viewing is at the discretion of the current owner. No Open House has been scheduled for this sale.

ATTACHMENT B

TERMS AND REQUIREMENTS OF FORECLOSURE SALE - ACKNOWLEDGMENT BY BIDDER

PART I

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

1. EARNEST MONEY: \$ 100,000 in the form of a money order, certified funds, or cashier's check, as the Earnest Money Deposit, which has been submitted at the Foreclosure Sale to the Foreclosure Commissioner, and which shall not earn interest, **and**
2. BALANCE OF THE BID PRICE: \$ _____, to be paid by the High Bidder at Closing, in the form of a money order, certified funds, or cashier's check in accordance with the Acknowledgment. The Closing will be held at a place, date and time established in accordance with Part II, paragraph 4 below.
3. CLOSING COSTS, DEPOSITS, REPAIR ESCROW: In addition to the above, the High Bidder will be required to pay at Closing all Closing costs, regardless of local custom, and, where applicable, deposits to reserve accounts, Letters of Credit, and/or Cash Escrow, as described in Riders incorporated herein, the Invitation, the Use Agreement.
4. PRORATIONS:
 - a. High Bidder is responsible for paying all taxes, assessments, liens, and utility bills including, but not limited to, water/sewer, gas and electric, and any other encumbrances not extinguished by the foreclosure. These amounts will not be prorated.
 - b. If Extension Fees were paid, and the Closing occurs prior to the expiration of the Extension Period, the prorated amount of the Extension Fees for the unused portion of the Extension Period shall be credited against the amount owed by the High Bidder at Closing.

PART II

The High Bidder, by executing this document, acknowledges the following requirements as conditions of purchasing the Project:

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

NOTE: If HUD determines that such projects of the High Bidder are not in substantial compliance with state and local codes, HUD may refuse to sell the Project to the High Bidder and retain its Earnest Money Deposit.
 - b. Within Five (5) Days of the Foreclosure Sale: The High Bidder must submit a written Statement of Experience demonstrating approximately five (5) years of experience in successfully owning and managing properties similar to the Project. The written Statement of Experience shall provide the following information for all properties similar to the Project being sold, not to exceed three (3) specific examples. The written Statement of Experience should not exceed five (5) pages per property:
 - The location of other owned multifamily properties.
 - The number of units and construction type (garden, walk-up, hi-rise) for each property.
 - Identify type of management.

- Identify properties that have government assistance and type of assistance, i.e., project-based assistance, tenant-based voucher assistance, etc.
- Identify the initial physical needs of each property and how they were addressed.
- Identify the social needs of each property and how they were addressed.
- Identify the economic needs of each property and how they were addressed.

For the Project being sold, describe how you will:

- Satisfy conditions of the sale, i.e., repair program, income and rent limitations, etc.
- Implement a sound financial and physical management program for the Project.
- Respond to the needs of the tenants and work cooperatively with resident organizations.
- Provide adequate organizational staff and financial resources to the Project.
- Provide services, maintenance and utilities to the Project.
- In addition, disclose whether any government assistance will be utilized. **HUD is not providing project-based Section 8 assistance.**

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

- c. Within Ten (10) Days of Foreclosure Sale: The High Bidder must, if checked below, submit the additional post-bid documents:
- ☐ Affirmative Fair Housing Marketing Plan (Form HUD-935.2A)
 - ☒ Form HUD-2530 for Purchaser, if different from High Bidder (See paragraph 3 above)
 - ☒ Form HUD-2530 for the Management Agent, if applicable (See paragraph 3 above)
 - ☒ Personal Financial and Credit Statement (Form HUD-92417), for each proposed principal/general partner
 - ☒ Management Entity Profile (Form HUD-9832)
 - ☒ Project Owner's Certification for Owner-Managed Multifamily Housing Projects (Form HUD-9839A)
 - OR**
 - ☒ Project Owner's/Management Agent's Certification for Multifamily Housing Projects for Identity-of-Interest or Independent Management Agents (Form HUD-9839B)
 - OR**
 - ☐ Project Owner's/Borrower's Certification (Form HUD-9839C) for elderly housing project managed by Administrators only
- (Only one of the forms, 9839 A, B or C, will be required for management certification)**
- ☐ Direct Deposit Signup – Standard form 1199A
 - ☐ Applicant/Recipient Disclosure/Update Report (Form HUD-2880).

- d. Within Ten (10) Days of Foreclosure Sale: If the management agent or the High Bidder's ownership entity registered Form HUD-2530 electronically (e2530), the High Bidder and/or management agent must subsequently electronically file the e2530 after registration has been completed.

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

All forms and instruments referred to in this Acknowledgment are standard HUD forms and instruments prepared by HUD, used by HUD in the jurisdiction in which the Project is located and contain any additional covenants and conditions required by the Invitation.

4. ESTABLISHMENT OF CLOSING DATE, TIME AND PLACE:

- Time is of the essence.
- If HUD approves the High Bidder as being qualified, the High Bidder will be confirmed, identified as the Purchaser and notified in writing of the approval. Approval to purchase is subject to review and approval of bidder's Post Bid Document Submittals as required in Section 4 (Post Foreclosure Sales Procedures) of the Invitation, and in Acknowledgment, specifically Part II, paragraph 3. The Closing **shall be within thirty (30) calendar days of such notification**, unless extended pursuant to paragraph 9 below.
- The Closing date and place will be determined by the Foreclosure Commissioner and/or HUD and will take place within the time period specified above in paragraph 4.b. The Purchaser will be notified of said date and place by HUD and the Foreclosure Commissioner.

5. CLOSING, CLOSING EXPENSES AND TRANSFER OF POSSESSION:

- The sale shall be effective upon Closing.
- Purchaser shall pay all Closing costs and expenses, excluding fees for recording the Deed and Use Agreement, irrespective of local custom. Recording fees for the HUD Deed and Use Agreement shall be paid by HUD.

c. Transfer of title and possession of the Project shall become effective as of the Closing date.

6. PAYMENT OF BID PRICE AT CLOSING: The Purchaser shall pay the balance of the bid price at Closing and, where applicable, make the deposits to escrows and reserve accounts, in the form of a money order, certified funds or cashier's check made payable to:

THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

7. REPAIR ESCROW: At Closing the Purchaser shall submit to HUD:

- ☒ LETTERS OF CREDIT (LOCS): A minimum of two (2), and a maximum of four (4) unconditional, irrevocable and non-documentary Letter of Credits (LOCs):
- which total \$2,524,428, and
 - which shall remain in effect and may be drawn on by HUD for at least twenty-four (24) months, six (6) months past the deadline for the completion of repairs, **and**
 - at least one (1) of the LOC's (the final LOC) must be equal to ten percent (10%) of the total amount of the LOC requirement, or two and one-half percent (2.5%) of the total estimated repair cost identified on the 9552.

Each LOC must have an expiration date that extends beyond HUD's repair completion date by at least six (6) months. LOCs may be returned as the Grantee completes repairs and HUD has inspected and accepted the repairs, with the exception of the final LOC, which will be held for six (6) months past the deadline for the completion for repairs.

- ☒ A Cash Escrow in the amount of \$2,524,428, to be held by HUD in a non-interest bearing escrow account. The Cash Escrow will be returned to the Purchaser after Repairs have been satisfactorily completed, except for ten percent (10%) which will be held for an additional six (6) months to ensure the integrity of Repairs.

8. LIQUIDATED DAMAGES: Should the High Bidder/Purchaser fail or refuse to perform all obligations hereunder for any reason including, but not limited to, failure to establish the legal entity that is to take title in a timely manner that permits Closing within the deadline set forth in paragraph 4, the Earnest Money Deposit and any Extension Fees, paid under paragraph 9, HUD reserves the right to retain the Earnest Money Deposit.

9. EXTENSION FEES: The granting of extensions of time to close the sale is within the sole and absolute discretion of HUD. Any extension, if granted, will be on the following conditions:

- A written request, which clearly states the reason for the Purchaser's inability to close the sale on or before the prescribed Closing date, or any Extension Period, must be received within fifteen (15) calendar days prior to the prescribed Closing date, or within any Extension Period. The request **must be accompanied by the payment** of the required Extension Fee and sent to the following address:
Fort Worth Multifamily PD Center
Attn: Scott R. Bearden, Director
801 Cherry Street, Unit #45, Ste. 2500
Fort Worth, TX 76102
- Extensions shall be for thirty (30) calendar days.
- For each thirty (30) calendar day period requested by Purchaser and approved by HUD, Extension Fees shall be equal to;
 - \$ 40.80, per unit, per calendar day, which is \$ 23,827.20 daily, a cost of \$ 714,816.00, which covers the 30-calendar day period (the holding cost for such period), **or**
 - one and one-half percent (1.5%) of the bid price, whichever is greater.
- The Extension Fees are not credited against the amount due from Purchaser at Closing. However, if the Closing is held prior to the expiration of an Extension Period, the prorated amount of the Extension Fee, for the unused portion of the Extension Period, shall be credited toward the amount due from the Purchaser at Closing.
- The granting of one or more extensions shall not obligate HUD to grant additional extensions.
- If any form or instrument required by HUD is not submitted within sufficient and reasonable time for HUD's review or processing and such delay necessitates an extension of the Closing deadline, an Extension Fee must be paid for this period.
- Extension fees must be submitted by money order, certified funds or cashier's check made payable to:

THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

10. BIDDER RESTRICTIONS:

- No Member of/or Delegate to Congress, resident commissioner, or local elected official, shall be admitted to any share or part of this Foreclosure Sale ("Sale"), or to any benefit arising from it. However, this provision does not apply to this Sale to the extent that this Sale is made with a corporation for the corporation's general benefit.
- If bidder is, or becomes suspended, debarred, or temporarily denied from participating in HUD programs prior to Closing, this Sale shall be terminated. In addition, if such suspension, debarment or temporary denial of participation occurs either before or after bidder's execution of this Acknowledgment, any Extension Fees paid under paragraph 9 shall be retained by HUD as liquidated

damages.

- c. Pursuant to 24 C.F.R. Part 27.20(f), the defaulting mortgagor, or any principal, successor, affiliate, or assignee thereof, on the multifamily mortgage being foreclosed, shall not be eligible to bid on, or otherwise acquire, the Project being foreclosed by the Department under this subpart or any other provision of law. A "principal" and an "affiliate" are defined as provided at 24 C.F.R. § 200.215.

11. AS-IS SALE; NO REPRESENTATIONS:

- a. Purchaser shall accept the Project "as is." HUD makes no representations or warranties concerning the physical condition of the Project. In addition, HUD does not represent or warrant the number and occupancy of revenue producing units, or any factor bearing upon the value of the Project or otherwise.
- b. High Bidder acknowledges that the bid price set forth in this Acknowledgment is based on its own evaluation of the Project and not upon any representations by HUD. High Bidder's failure to inspect, or to be fully informed as to any factor bearing upon the valuation of the Project, shall not affect the liabilities, obligations or duties of HUD, nor be a basis for termination of this Foreclosure Sale or for the return of any Earnest Money Deposit or Extension Fees paid to HUD.

12. RISK OF LOSS AND RIGHTS OF RESCISSION: In the event of any substantial damage to the Project prior to Closing by any cause including, but not limited to, fire, flood, earthquake, tornado and significant vandalism other than willful acts or neglect, HUD, in its sole discretion, may negotiate with the High Bidder for a reduction in the bid price corresponding to the estimated amount of damages. Such amount shall be added to the Repair requirements, Form HUD-9552, included in the Invitation. If a bid price reduction cannot be negotiated or if the High Bidder and HUD are unable to agree on the amount by which the bid price should be reduced or on the amendment to the Repair requirements, High Bidder may withdraw the bid. In such case, the Earnest Money Deposit and any Extension Fees paid will be returned, *unless* there is cause to retain the Earnest Money Deposit based on breach of the Invitation and/or Acknowledgment.

13. SECURITY DEPOSITS: Notwithstanding state or local law, the High Bidder will receive only those security deposits which are on hand at the Project and made available to HUD on the date of Closing. The High Bidder will assume all liability under state and local law with respect to security deposits.

14. LIMITATION OF LIABILITY: In no event shall HUD's liability exceed the portion of the bid price that has been paid to HUD.

15. ANTI-COLLUSION CERTIFICATION:

- a. The High Bidder certifies:
 - i. The bid price in this offer was arrived at independently, without (for the purposes of restricting competition) any consultation, communication, or agreement with any other bidder relating to:
 - (a) the bid price;
 - (b) the intention to submit a bid price; or
 - (c) the methods or factors used in calculating the bid price offered.
 - ii. The bid price in this offer has not been and will not be knowingly disclosed by the bidder, directly or indirectly, to any other bidder or competitor before or during the actual time of the bid event, unless otherwise required by law; **and**
 - iii. No attempt has been made or will be made by the bidder to induce any other bidder to submit or not to submit a bid price for the purpose of restricting competition.
- b. If the bid procedure requires or permits written bids, each signature on the offer is considered to be certification by the signatory that the signatory:
 - i. Is the person in the High Bidder's organization responsible for determining the bid price being offered in this bid and that the signatory has not participated and will not participate in any action contrary to paragraph a. above; **or**
 - ii. Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and will not participate in any action contrary to paragraph a., above;

Name: _____

Title: _____

Organization responsible
for determining price _____

- (a) As an authorized agent, does certify that the principals named in the above have not participated, and will not participate, in any action contrary to paragraph 15 a. above;
and

(b) As agent, has not personally participated, and will not participate, in any action contrary to paragraph a. above.

16. **FAILURE TO COMPLY:** Upon the failure or refusal of the High Bidder to comply with any of the requirements listed above or elsewhere in this Invitation, HUD may declare the High Bidder ineligible to purchase the Project. In which case the High Bidder shall forfeit the Earnest Money Deposit and any Extension Fees paid.

HUD reserves the right to review, approve or reject the proposed management. If HUD determines that the High Bidder is not qualified to self-manage the Project, HUD, in its sole discretion, may either reject the bid or require the High Bidder to obtain the services of a property management firm satisfactory to HUD. If HUD chooses the later, the High Bidder must provide HUD with evidence that a qualified property management firm has been retained prior to Closing. HUD must approve form and type of management prior to Closing and throughout the term of the Use Agreement. If the High Bidder does not meet this obligation, HUD reserves the right to reject the bid and retain the High Bidder's Earnest Money Deposit and any Extension Fees paid.

17. **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.
18. **ASSIGNMENT:** The High Bidder may not assign its rights and responsibilities under this Acknowledgment without the prior written approval of HUD.
19. **CONFLICTING TERMS:** In the event that there are terms or conditions herein that conflict with terms or conditions contained in the Invitation incorporated herein by reference, the terms or conditions of this Acknowledgment shall control.

20. **REQUIRED STATEMENTS AND FORMS:**

The High Bidder acknowledges the receipt of the Use Agreement applicable to this Project's Foreclosure Sale and the inclusion of the following Riders to that Use Agreement:

- Required Rehabilitation
- Rent Protection for Pre-Existing Very Low-Income Tenants
- Nondiscrimination Against Section 8 Certificate Holders and Voucher Holders
- Relocation
- Historic Preservation
- Environmental Hazards
- Residual Receipts (Applies Only to Non-Profit Ownership)
- Conveyance to a Non-Public or For-Profit Entity
- Equity Participation
- Enforcement

21. **EXECUTION**

- a. By signature below, High Bidder indicates acknowledgment of and agreement to the terms and requirements of this Foreclosure Sale.
- b. In the case of a bid submitted by an agent or representative of the High Bidder, the signatory attests to be duly authorized to submit the bid on behalf of the High Bidder and to execute this Acknowledgment.

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

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

Witness: _____

By: _____

Typed Name: _____

Typed Name: _____

Address: _____

City, ST Zip: _____

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

ATTACHMENT C
FORECLOSURE SALE USE AGREEMENT

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 Lafayette Towers, HUD Project No. 044-11151, (the "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___, 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 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 properties of a similar size and type 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 with the Physical Condition Standards and inspection requirements of 24 CFR Part 5, Subpart G, including any changes in the regulation and related Directives. In addition, the 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. **RENTAL RATES:** The rental rates for very low-income tenants will be controlled by the Rent Protection for Pre-Existing Very-Low Income Tenants, Rider 2 of 7.

5. **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.

Any change in management of the Project must have HUD's prior written approval. Any request for HUD's approval of the proposed Grantee's/owner's management of the Project must include the entity and all principals obtaining Previous Participation Certification approval (clearance) and the proposed management agent for the Project must submit for HUD's review and approval the following documents/forms:

- Management Entity Profile (Form HUD-9832),
- Project Owner's Certification for Owner-Managed Multifamily Housing Projects (Form HUD-9839A) **or**
- Project Owner's/Management Agents Certification for Multifamily Housing Projects for Identity-of-Interest (Form HUD-9839B), **or**
- Project Owner's/Borrower's Certification - for elderly housing project managed by Administrators only (Form HUD-9839C).

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

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).

The Owner will be obligated to provide audited annual financial statements to HUD (24 C.F.R. parts 5 and 200.)

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; e.g., apartment units, beds in a care facility, from the use as of the date of this Agreement, must receive the written prior approval of HUD.
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. **SUCCESSORS AND ASSIGNS:** This Agreement is binding upon the Grantee's heirs, successors and assigns. If HUD approves a Conveyance during the term of this Agreement, it may be conditioned upon, among other things, the grantee assuming in writing Grantee's obligations under this Agreement.
14. **RESTRICTIONS:** No Member of Congress or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of the benefits of the Use Agreement, but this provision shall not be construed to extend to this Agreement if the Agreement is made with a corporation for its general benefit.
15. **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.
16. **SEPARABILITY:** The invalidity of any provision of this Agreement shall not affect the validity of the remaining provisions hereof.
17. **AMENDMENT:** This Agreement may be amended by the mutual written consent of the parties, except those provisions required by statute.
18. **RIDERS TO THE USE AGREEMENT:** The Riders checked and 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.
 - Required Rehabilitation
 - Rent Protection for Pre-Existing Very Low-Income Tenants
 - Nondiscrimination Against Section 8 Certificate Holders and Voucher Holders
 - Relocation
 - Historic Preservation
 - Environmental Hazards
 - Residual Receipts (Applies Only to Non-Profit Ownership)
 - Conveyance to a Non-Public or For-Profit Entity
 - Equity Participation
 - Enforcement
19. **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:

 By: Signature

 Typed Name of Grantee

 Street Address

 City, State, Zip Code

(Signatures continued on next page)

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

WITNESS:

FOR: THE SECRETARY OF HOUSING AND URBAN
DEVELOPMENT

BY: _____

Official's Typed Name

Title

Exhibit A
Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF WAYNE, STATE OF MICHIGAN, AND IS DESCRIBED AS FOLLOWS:

Land Situated in the State of Michigan, County of Wayne, City of Detroit

A parcel of land being a part of Lots 13 and 14 of Lafayette Park Subdivision, as recorded in Liber 80, Pages 87, 88, 89, 90, and 91, being more particularly described as follows:

Beginning at the Southeasterly corner of Lot 14 of said Lafayette Park Subdivision, thence South 59 degrees 52 minutes 15 seconds West 106.17 feet along the Southerly line of said Lot 14; thence North 29 degrees 58 minutes 57 seconds West 307.16 feet; thence South 59 degrees 52 minutes 15 seconds West 378.50 feet; thence North 30 degrees 11 minutes 17 seconds West 12.31 feet; thence South 59 degrees 59 minutes 33 seconds West 59.10 feet; thence South 30 degrees 00 minutes 11 seconds East 29.17 feet; thence South 59 degrees 52 minutes 15 seconds West 80.29 feet to a point on the Westerly line of said Lot 13; thence North 26 degrees 07 minutes 53 seconds West 639.08 feet along the Westerly line of said Lot 13; thence North 59 degrees 52 minutes 15 seconds East 634.02 feet to a point on the Easterly line of said Lot 13; thence South 26 degrees 16 minutes 00 seconds East 580.76 feet along the Easterly line of said Lot 13; then South 27 degrees 28 minutes 54 seconds East 348.89 feet calculated (348.99 feet recorded) along the easterly line of said Lots 13 and 14 to the point of beginning of this parcel.

PARCEL ID: WARD 7, ITEM 292.002L

STREET ADDRESS: 1301 Orleans, Detroit

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

RIDER 1 OF 10
REQUIRED REHABILITATION

The Use Agreement shall contain the following provision:

1. **REQUIRED REPAIRS:** All repair/rehabilitation work (the "Repairs") must be performed in a manner compliant with the essential and material requirements of the state and local codes and laws, ordinances, regulations, Physical Conditions Standards pursuant to 24 CFR Part 5, and if applicable, Post Closing Repair Requirements (Form HUD 9552), and/or other requirements set forth in any repair summaries and narratives, attached hereto.

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 Grantee covenants that the Repairs will be completed within eighteen (18) months from the date of this Use Agreement (the "Repair Period").
3. **EXTENSION OF THE REPAIR PERIOD:** If the Grantee cannot complete the Repairs within the prescribed Repair Period, **thirty (30) calendar days prior to the expiration of 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.
 - 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.
 - 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 two (2), and a maximum of four (4) unconditional, irrevocable and non-documentary Letter of Credits (LOCs):
 - i. which total \$2,524,428, and
 - ii. which shall remain in effect and may be drawn on by HUD for at least twenty-four (24) months, six (6) months past the Repair Period (deadline for repairs stated above), **and**
 - iii. at least one (1) of the LOC's (the final LOC) must be equal to ten percent (10%) of the total amount of the LOC requirement, or two and one-half percent (2.5%) of the total estimated repair cost identified on the 9552.Each LOC must have an expiration date that extends beyond the Repair Period by at least six (6) months. LOCs may be returned as the Grantee completes Repairs and HUD has inspected and accepted the Repairs, with the exception of the final LOC, which will be held for six (6) months past the Repair Period; OR
 - b. **Cash Escrow:** A cash escrow in the amount of \$2,524,428, to be held by HUD in a non-interest bearing escrow account. The cash escrow will be returned to the Grantee after Repairs have been satisfactorily completed, except for ten (10) percent which will be held for an additional six (6) months.
 - c. **Payment and Performance Bond:** **After Closing** the LOC or Cash Escrow may be replaced with a 100% Payment and Performance Bond. The Plans, Specifications, and/or Construction Contract must include items, quantities and timelines addressed in paragraphs 1 and 2 of this provision. Compliance with Physical Condition Standards pursuant to 24 CFR Part 5, and if applicable, the Post Closing Repair Requirements (HUD Form- 9552), and/or other requirements set forth in any attached repair summaries, must be clearly referenced or restated in the approved and bonded Plans and Specifications and/or Construction Contract:
 - 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 \$10,097,714 (the total cost of repairs) must be provided to HUD.
 - ii. Provide HUD a 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 or Cash Escrow.
 - 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 payee, along with Grantee's mortgagee, at the mortgagee's request.
- 5. **REPORTS:** HUD will monitor the progress of the Repairs.
 - a. Quarterly Reports: Grantee must submit quarterly reports to HUD on the status of Repairs as required above in paragraph 1 (see Post-Closing Repair Report, Attachment L.) The report must include:
 - i. the number and type of units completed,
 - ii. a list of major repairs and percentage completed,
 - iii. a narrative describing:
 - (a) any special circumstances which may, or have delayed the repairs,
 - (b) the status of the planned rehabilitation, i.e. are repairs ahead of, on schedule, or behind on the original rehabilitation schedule.
 - 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.
- 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 repair requirement within the prescribed timeframe, 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, withdraw remaining funds in the Cash Escrow account, or request payment and 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, withdraws Cash Escrow funds, or files a claim against the bonding company as a remedy for the Grantee's default under this Section, HUD may apply the funds to complete the repairs, correct latent defects in the completed repairs, retain the funds as liquidated damages, or for such other project purposes as HUD deems appropriate.

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.

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
RENT PROTECTION FOR PRE-EXISTING VERY LOW-INCOME TENANTS

The Use Agreement shall contain the following provision:

1. During the Restricted Period, as defined in the Use Agreement, 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 during the term of residence of the family.
2. On the date of acquisition, the Grantee must provide notice to all tenants residing in unassisted units that they may qualify for the 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 rent protection including a provision for an initial tenant income certification and not more than one tenant income certification a year, except upon reduction of tenant income or upon tenant request.
5. Grantee shall provide to the Fort Worth Property Disposition Center 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 yearly as evidence of compliance with this provision.

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

Grantee_____

HUD_____

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
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 covered by the Affordability of Units rider may be increased only pursuant to and following approval by HUD.

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
HISTORIC PRESERVATION

The Use Agreement shall contain the following provision:

1. The Property is located in a Historic Preservation area or may be eligible for preservation under the National Historic Preservation Act. Therefore, in order to assure compliance with Section 106 of the National Historic Preservation Act of 1966, as amended by 16 USC §470f, the regulations thereunder, and its implementing regulation, 36 CFR 800, "Protection of Historic Properties," the Grantee covenants that the Property shall be preserved and maintained in accordance with the recommended approaches in "The Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitation of Historic Buildings" (U.S. GPO: 1983 0-416-688).
2. The State Historic Preservation Officer, utilizing sole discretion for good cause, may modify or cancel any or all of the foregoing restriction upon written application of the Grantee, any/all successors and assigns.
3. Further, the Grantee, its successors and assigns, shall obtain written permission or approval from the State Historic Preservation Officer before initiating any repairs, rehabilitation, or alterations to the Property as required by HUD for the foreclosure sale.

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

Grantee_____

HUD_____

RIDER 6 OF 10
ENVIRONMENTAL HAZARDS

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 checked and any additional Hazardous Substances it becomes aware of concerning:

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

Operations and Maintenance Plan:

1. Grantee shall develop and maintain on the site at all times an Operations and Maintenance Plan (O&M Plan) that complies with EPA guidelines for Operations and Maintenance Programs. The O&M Plan shall:
 - a. identify areas where Hazards exist;
 - b. establish guidelines for maintenance work and repairs and employee training;
 - c. establish tenant notification systems; and
 - d. 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 the remedies listed below:
 - a. Enter and terminate the estate hereby conveyed,
 - b. Cash Grantee's LOC(s),
 - c. Withdraw remaining funds in the Cash Escrow account;
 - d. Request payment and performance under any Payment and Performance Bonds provided to HUD.
2. If HUD cashes the Grantee's LOC(s), withdraws Cash Escrow funds, or files a claim with the surety company as a remedy for the Grantee's default under this provision, HUD may apply the funds to perform the Inspect and Remediate Requirements, retain the funds as liquidated damages, or for such other project purposes as HUD deems appropriate.
3. HUD shall not exercise its available remedies if any lender holding a lien or security interest on the Property:
 - a. Gives written notice to HUD within the period provided for repairs, that it intends to complete the Inspect and Remediate Requirements, and
 - b. Completes the Inspect and Remediate Requirements within thirty (30) calendar days of the notice or within such extended period that HUD may approve in writing.

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

Grantee_____

HUD_____

RIDER 7 OF 10
RESIDUAL RECEIPTS
APPLIES ONLY TO NON-PROFIT OWNERSHIP

The Deed shall contain the following provision:

1. If Grantee is a not-for-profit (non-profit) ownership, the Grantee, all/any successors, assigns or Grantees for value shall establish and maintain a Residual Receipts account in an interest bearing bank account. The Grantee, any/all successors, assigns or Grantees for value, shall deposit into this account at the end of each fiscal year for twenty (20) years, or at the end of the period when the property is no longer being utilized for rental housing, whichever is earlier, all surplus cash after all project expenses have been paid, and any required deposits have been made to a Reserve Fund for Replacements account as may be required by a lender.
2. The Residual Receipts account shall be subject to the control of HUD and disbursements from such funds may be made only with the written consent of the HUD. The Grantee may request the release of funds from the Residual Receipts account for the replacement of structural elements and mechanical equipment of the property or for any other purpose including, but not limited to, implementing educational programs for the tenants at the property. The Grantee, any/all successors, assigns, or Grantees for value shall project how much money will be needed at specific points in the future.
3. Within sixty (60) calendar days following the end of each fiscal year, the Grantee shall submit to HUD a complete annual financial report, including deposits and withdrawals from the Residual Receipts account, based upon an examination of the books and records of Grantee prepared in accordance with the requirement of HUD, prepared and certified to by a Certified Public accountant. Any funds remaining in the receipts account at the end of the twenty (20) year period, or the period when the redeveloped property is no longer being utilized for rental housing, whichever is earlier, will be divided equally between HUD and the Grantee, any/all successors, assigns or Grantees for value.
4. The fiscal year for audit purposes is: December 31.

The Grantee, any/all successors, assigns or Grantees for value shall comply with HUD's rules and regulations concerning residual receipts and surplus cash.

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
CONVEYANCE TO A NON-PUBLIC OR FOR PROFIT ENTITY

The Deed shall contain the following provision:

1. Grantee covenants that the Property shall not be conveyed to a non-public or for-profit entity except through a public disposition process consistent with the disposition procedures of the Unit of Local Government (ULG). The ULG must certify compliance of this provision to HUD. Further, any subsequent conveyance of the property must be completed through a public disposition process approved by HUD.
2. The Purchaser identified through this process must be approved by HUD under its Previous Participation Certification procedure (HUD 2530):
 - a. Review of Purchaser's Previous Participation under HUD's Active Partners Performance System (APPS). Purchasers have the option to file the required Previous Participation Certification (aka Form HUD-2530) in electronic or paper format.
 - b. The paper format can be located and downloaded at www.hudclips.gov. Instructions on registering in the APPS and HUD's Secure System (electronic version) can be found at: <http://hudatwork.hud.gov/po/h/hm/apps/appshome.cfm>.
3. Grantee is required to review and report to HUD the experience, qualifications and capacity of the proposed purchaser to own the Property, in accordance with the review criteria listed below:
 - a. **Certification of Substantial Compliance** – proposed Purchaser must certify that properties owned by it or any affiliates that are located in the same jurisdiction as the Property are in substantial compliance with state and/or local housing statutes regulations, ordinances and codes.
 - b. **Property Management** – the proposed management entity shall be identified. Describe its qualifications and experience in managing similar types of properties, including any proposed purchaser's own management company or identity-of-interest management company.
 - c. **Written Statement of Experience** – proposed purchaser shall submit a written statement demonstrating approximately five (5) years of experience in successfully owning and managing properties similar to the Property. The statement shall include information on properties similar to the Property, not to exceed three (3) examples. The written statement should address the following:
 - i. Location of property;
 - ii. Number of units and construction type (garden, walk-up, scattered site, hi-rise);
 - iii. Any government assistance and type of assistance, i.e., project-based assistance tenant-based voucher assistance, low-income housing tax credits;
 - iv. Initial physical needs of property and how they were addressed;
 - v. The social needs of each property and how they were addressed; and
 - vi. The economic needs of the property and how they were addressed.
 - d. **Conditions of Sale** – describe how the proposed purchaser shall:
 - i. Satisfy conditions of the sale, i.e., repair program, income and rent limitations, etc.;
 - ii. Implement a sound financial and physical management program for the Property;
 - iii. Respond to the needs of the tenants and work cooperatively with resident organizations;
 - iv. Provide adequate organizational staff and financial resources to the Property;
 - v. Provide a description of services, maintenance and utilities that will be provided; and
 - vi. If Property has a Project Based HAP Contract, disclose whether any other government assistance will be utilized.

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
EQUITY PARTICIPATION

The Deed shall contain the following provision:

1. If Grantee (which includes, without limitation, any/all successors, assigns or transferee of Grantee) sells, assigns, transfers or conveys the Property or any interest therein, and/or any interest in the ownership entities that comprise the Grantee, directly or indirectly (collectively, a "Sale"), the Sale proceeds, less any expenses incurred by the Grantee, as approved by HUD and which are not funded by a grant, consisting of:
 - Reasonable transaction costs;
 - Purchase price ;
 - Amounts paid previously by Grantee to HUD under paragraph 2 of this provision subsequent to the transfer of the Property from HUD to Grantee;
 - Costs of renovation and rehabilitation, including any funded by Low Income Tax Credits (less developer fees), that are not routine maintenance and repairs,shall be assigned to HUD in the following amounts:
 - a. between the date of the Deed and five (5) years from the date of the Deed, one hundred (100%) percent; **and**
 - b. between five (5) years, one (1) day and fifteen (15) years from the date of the Deed, seventy-five percent (75%); **and**
 - c. between fifteen (15) years, one (1) day and twenty-five (25) years from the date of the Deed, fifty percent (50%); **and**
 - d. between twenty-five (25) years, one (1) day and thirty (30) years from the date of the Deed, twenty-five percent (25%); **and**
 - e. over thirty years, zero percent (0%).
2. Grantee (which includes, without limitation, any/all successors, assigns or transferee of Grantee), shall not refinance the Property or any interest therein, or encumber or refinance any interest in the ownership entities that comprise Grantee, directly or indirectly, including without limitation the placement of any debt secured by the Property (a "Refinancing"), without the written consent of HUD. HUD may condition such consent on, among other things, the proceeds from the Refinancing being paid to HUD in the manner provided in paragraph 1, a - e above, less expenses incurred by Grantee consisting of:
 - Reasonable transaction costs;
 - Mortgage debt paid off by the Refinancing;
 - Amounts paid previously by Grantee to HUD under paragraph 2 of this provision subsequent to the transfer of the Property from HUD to Grantee;
 - Costs of renovation and rehabilitation, including any funded by Low Income Tax Credits (less developer fees), that are not routine maintenance and repairs.
3. Grantee shall keep or cause to be kept, accurate records of account of any Sale or Refinancing and of the cost of renovation and rehabilitation. HUD, its agents or contractors, during Grantee's normal working hours, shall have the right to enter and have free access to inspect all books and records of Grantee. Upon the written request of HUD, Grantee shall retain an independent certified public accountant to prepare an accounting of any Sale, Refinancing, or cost of renovation or rehabilitation.
4. A merger, conversion, share exchange, interest exchange of corporate or partnership interest in the entity owning the Property is also a Sale and requires the approval of HUD and shall be subject to the provision of the above paragraph 1.
5. 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 transaction does not constitute or involve the occurrence of a "transfer" or "assignment" of a real estate interest or other assets of a constituent party to any such transaction.

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

Grantee_____

HUD_____

RIDER 10 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_____

ATTACHMENT D
LETTER OF CREDIT (LoC) SAMPLE

(ISSUING BANK'S LETTERHEAD)

IRREVOCABLE UNCONDITIONAL LETTER OF CREDIT NO. _____
_____, 20____

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

Attention: Mr. Jack Stark
6AC – 28th Floor

Dear Sir:

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) _____
_____, 20____
(City, State)

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:_____

Post Closing Repair Requirements

U. S. Department of Housing and Urban Development Office of Housing – Federal Housing Commissioner

Project Name	Project Number	Location
Lafayette Towers	044-11151	Detroit, MI

The Grantee must repair the Project to meet the following requirements within the time frame noted in the Contract of Sale or Terms and Requirements of Foreclosure Sale – Acknowledgement by Bidder:

<input checked="" type="checkbox"/> Applicable state and local codes	<input checked="" type="checkbox"/> Physical Condition Standards (set forth in 24 CRF Part 5)	<input checked="" type="checkbox"/> Additional repairs required by HUD
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HUD will monitor to ensure compliance. Repairs shall be considered complete only after: (1) Grantee provides written certification that repairs are completed; (2) Grantee requests final inspection by HUD, and (3) HUD verifies in writing completion and compliance with the requirements stated herein.

Trade Item Cost Breakdown: HUD's estimate of repairs is broken out by trade item. Detailed descriptions of repairs are stated in exhibits to this form. Unless checked as **Mandatory** on this form, repairs may begin upon conveyance. For repair items checked on this form as **Mandatory**, the Grantee, prior to beginning work, must submit specifications for approval to the HUD office with jurisdiction over this Project. **GRANTEE MUST COMPLY WITH THE HISTORIC PRESERVATION REQUIREMENTS AND ACHIEVE PRIOR REVIEW AND APPROVAL FROM SHPO.**

The repairs listed herein represent HUD's estimate of the Project's repair needs. These repairs may not represent all repairs needed to satisfy HUD's requirements and/or requirement other than HUD's. HUD does not warrant that the list is either comprehensive or sufficient. The Grantee accepts responsibility for: (1) developing independent repair cost estimate, (2) determining what, if any, repairs are needed in excess of those listed herein, and (3) providing funding for such repairs.

Such Repairs.					
Item	Mandatory	Estimated Cost	Item	Mandatory	Estimated Cost
Repairs to Residential Structures (including commercial areas)					
1 Concrete	<input type="checkbox"/>		17 Wood Flooring	<input type="checkbox"/>	
2 Masonry	<input type="checkbox"/>		18 Resilient Flooring	<input type="checkbox"/>	7,735
3 Metals	<input type="checkbox"/>	125	19 Painting and Decorating	<input type="checkbox"/>	215,949
4 Rough Carpentry	<input type="checkbox"/>		20 Specialties	<input type="checkbox"/>	2,092
5 Finish Carpentry	<input type="checkbox"/>		21 Special Equipment	<input type="checkbox"/>	
6 Waterproofing	<input type="checkbox"/>	4,251	22 Cabinets	<input type="checkbox"/>	17,643
7 Insulation	<input type="checkbox"/>		23 Appliances	<input type="checkbox"/>	37,878
8 Roofing	<input type="checkbox"/>	15,140	24 Blinds and Shades	<input type="checkbox"/>	3,080
9 Sheet Metal	<input type="checkbox"/>		25 Carpets	<input type="checkbox"/>	128,560
10 Doors	<input type="checkbox"/>	28,035	26 Special Construction	<input type="checkbox"/>	272,551
11 Windows	<input type="checkbox"/>		27 Elevators	<input type="checkbox"/>	
12 Glass	<input type="checkbox"/>	2,750	28 Plumbing and Hot Water	<input type="checkbox"/>	1,979,624
13 Lath and Plaster	<input type="checkbox"/>		29 Heat and Ventilation	<input type="checkbox"/>	763,875
14 Drywall	<input type="checkbox"/>	5,900	30 Air Conditioning	<input type="checkbox"/>	212,668
15 Tile Work	<input type="checkbox"/>	19,148	31 Electrical	<input type="checkbox"/>	29,362
16 Acoustical	<input type="checkbox"/>		Residential Structures Subtotal		3,746,366
Repairs to Accessory Structures (community, maintenance, mechanical, garages, carports, etc.)					
32 Accessory Structure	<input type="checkbox"/>		34	<input type="checkbox"/>	
33	<input type="checkbox"/>		Accessory Structures Subtotal		
Site Work					
37 Roads & Walks	<input type="checkbox"/>	80,599	39 Lawns and Plantings	<input type="checkbox"/>	
38 Tower Exteriors, Cabanas & Garage	<input type="checkbox"/>	2,694,922	40 Unusual Site Conditions	<input type="checkbox"/>	
			41	<input type="checkbox"/>	
			Site Work Subtotal		2,775,521
Environmental Mitigation					
42 O&M Plan	<input type="checkbox"/>	500	44 Waste	<input type="checkbox"/>	3,000
43 Mold (Stdy/Rem)	<input type="checkbox"/>	10,457	Environmental Mitigation Subtotal		13,957
Totals					
Units not inspected:					1,542,327
Estimated Total Hard Cost					6,535,844
Contingency = Hard Cost X 10% =					807,817
Overhead/General Requirements = Hard Cost X 15% =					1,211,726
Estimated Total Repair Cost					\$10,097,714

COMPREHENSIVE REPAIR SURVEY WORK WRITE UP

150 of 584 units were inspected. Regardless of whether a unit was inspected and work items noted for a unit, the purchaser is responsible for rehabilitating every unit and common area. For units and common areas for which there are no work requirements listed, the purchaser is still required to rehabilitate those units and common areas to a level which is similar to those units that were inspected and for which work tasks are listed.

For apartments and common areas that were inspected and work tasks listed, the work items are the minimum required repairs and are not inclusive. The work required in apartments may be more extensive than the work tasks listed. Regardless of the work tasks listed, the purchaser must rehabilitate every apartment (and all common areas) to (1) meet applicable state and local codes, and (2) Physical Conditions Standards as enumerated in 24 CFR Part 5 Subpart G.

Notes: UFAS = Uniform Federal Accessibility Standards
ADA = Americans with Disabilities Act

Where write up indicates "paint entire unit", this means paint walls, ceilings, doors, door frames, window sills, and wood base.

Where location and address are not both provided, East Tower refers to 1301 Orleans and West Tower refers to 1321 Orleans.

GENERAL REQUIREMENTS:

ADMINISTRATIVE

Provide an Operations and Maintenance (O&M) Plan Manual to manage Asbestos Containing Materials (ACM) and Lead-Based Paint (LBP). Perform a comprehensive mold survey to determine the cause of moisture intrusion and identify the extent of the impact to the remaining apartments (apartments not inspected for this report) on-site.

SITE WORK AND IMPROVEMENTS

1. Provide sealant cracks/open joints in concrete sidewalks.
2. Replace portions of damaged sidewalk.
3. Replace damaged asphalt curbs throughout site.
4. Repair potholes and large cracks in drive and parking pavement.
5. Replace damaged areas of asphalt pavement, including areas of "fissured cracking".
6. Seal cracks in asphalt pavement drives and parking areas.
7. Stripe unmarked parking spaces.
8. Provide concrete tire stops at parking spaces where missing.
9. Replace damaged concrete tire stops at parking spaces.

EXTERIOR

No items to list.

INTERIOR

Commons:

Emergency/Access Stairs:

- Replace existing door hardware with lever handle hardware.
- Replace/provide interior window glazing.

Apartments:

Entire Unit:

- Rekey all locksets and deadbolts to new "Master Key" system.
- Replace/provide interior window glazing.

Bathrooms:

- In every bathroom (Bathroom 1 or Bathroom 2) with a tub, remove the existing and replace the tub including replacement of ceramic tile/poly surrounds, faucet, drain, and all sealants)

East and West Tower Plumbing:

- Replace heating water flex connections at risers.
- Replace domestic hot water risers.
- Replace domestic hot water horizontal supply lines.

SPECIFIC REQUIREMENTS:
SITE WORK AND IMPROVEMENTS

Parking Areas

Correct existing accessible parking space striping and access aisle and striping to comply with UFAS/ADA requirements.

Parking Garage:

Replace ventilation fans.
Repair concrete floor.
Repair concrete slab underside
Repair concrete walls.
Repair concrete columns.
Seal cracks in concrete.
Replace damaged joint sealant.
Repair masonry walls.
Repair stairs concrete and metal railing.
Repair and/or replace drains and drain covers.
Repair and/or replace drain pipe.
Repair Plaza deck and remove and replace concrete topping.
Replace swimming pool bathhouse in its entirety.
Replace deck coating.
Repair electrical in entire building.
Remove existing waterproof membrane and replace with new waterproof membrane.

Pool

Replace chemical feeder.
Replace filters and related piping.
Replace circulating pump.

EXTERIOR

Commons (Both Towers)

Repair and/or replace damaged Terrazzo pavers.
Repair trench drains
Repair soffit light fixtures.

Building Façade (Both Towers)

Replace/provide exterior window glazing.
Clean building exterior.
Install bird/insect screens at air vents.
Coat concrete columns at floors 3 through 22.
Repair soffits.
Recoat soffits.
Recoat concrete columns at lower level.
Repair penthouse.
Repaint penthouse.

Roof (Both Towers)

Remove debris from roof.
Repair edge flashings.
Repair roof blisters in roof membrane.
Repair roof drain(s).
Remove debris from roof drains.
Repair curb flashings.
Repair counter flashings.
Replace damaged sealant.

INTERIOR

EAST Tower, 1301 Orleans Street

Basement

Mechanical Room:

- Repair Boiler #1.
- Provide heating water Boiler #5 and all accessories including but not limited to piping, insulation, gauges, valves, pumps and controls.
- Repair double check valve assembly.

Corridor:

- Provide light fixture lens.

A/C – PTAC Maintenance Shop:

- Treat concrete walls for mold.
- Paint concrete walls.
- Repair unit heater
- Replace unit heater water piping and insulation.
- Repair light fixtures.
- Provide light fixture lens.

Laundry:

- Repair unit heater.
- Replace unit heater water piping and insulation.

Service Entrance:

- Repair unit heater.
- Replace unit heater water piping and insulation.

First Floor

Lobby:

- Repair light fixtures.

Mail Room:

- Repair light fixtures.

Fitness:

- Repair light fixtures.

Office:

- Repair light fixtures.

MEP Utility space between First and Third floors

- Replace heat / air-conditioning air-handling units.
- Replace domestic hot water riser manifolds.
- Replace heating water riser manifolds.
- Provide domestic hot water isolation valves and drains @ each riser.
- Provide heating water isolation valves and drains @ each riser.

Fire Stair "A (1)"

- Secure telephone cables.
- Repair cable television junction box.
- Replace emergency light fixture.

Fire Stair "B (2)"

- Replace emergency light fixture.

Third Floor

Apartment 1301 - 306

Studio/1 Bath STUB1

Entire Unit:

- Paint entire unit.
- Repair PTAC.

Living/Sleeping:

- Provide window blinds.

Bathroom:

- Repair base ceramic tile.
- Repair plaster walls.
- Replace sealant at lavatory.
- Repair toilet.
- Repair lavatory and faucet.

Kitchen:

- Provide stove/range.
- Provide refrigerator.
- Repair garbage disposal.
- Repair kitchen sink faucet drain.

Hallway:

- Provide closet doors.
- Provide closet door hardware.

Apartment 1301 - 310

Studio/1 Bath STUC1

Entire Unit:

- Replace carpet.
- Paint entire unit.

Living/Sleeping:

- Repair plaster walls.
- Paint window vents.

Kitchen:

- Repair plaster walls.
- Replace kitchen sink.
- Replace garbage disposal.
- Replace kitchen sink faucet.

Hallway:

- Replace plaster at walls.

Apartment 1301 - 312

2 Bedroom/2 Bath 2BB2

Entire Unit:

- Replace carpet.
- Replace VCT.
- Paint entire unit.
- Replace entry door peephole.
- Replace entry door threshold.

Entry:

- Repair closet door and closet door hardware.

Bathroom:

- Replace sealant at lavatory and at shower pan.
- Replace portion of ceramic tile surround at shower.
- Replace lavatory faucet.
- Replace shower pan.

Kitchen:

- Replace kitchen sink.
- Replace garbage disposal.
- Replace kitchen sink faucet.

Bedroom 1:

- Repair closet door.
- Repair closet door hardware.

Apartment 1301 - 314**2 Bedroom/2 Bath 2BA2**

Entire Unit:

Replace carpet.
Replace VCT.
Paint entire unit.

Kitchen:

Replace VCT.

Fourth Floor**Apartment 1301 - 402****1 Bedroom/1 Bath 1BA1**

Entire Unit:

Replace carpet.
Replace entry door.
Replace entry door hardware.
Replace entry door peephole.

Kitchen:

Provide GFCI electrical outlet.
Replace kitchen sink.
Replace garbage disposal.
Replace kitchen sink faucet.

Apartment 1301 - 404**1 Bedroom/1 Bath 1BB1**

Kitchen:

Provide GFCI electrical outlet.
Provide stove/range.
Provide refrigerator.

Hallway:

Provide closet doors.
Provide closet door hardware.

Apartment 1301 - 411**2 Bedroom/2 Bath 2BB2**

Entire Unit:

Replace carpet.
Paint entire unit.

Kitchen:

Provide GFCI electrical outlet.
Replace garbage disposal.

Bathroom 2:

Replace GFCI electrical outlet.
Repair lavatory faucet.

Apartment 1301 - 415**Studio/1 Bath STUA1**

Entire Unit:

Paint entire unit.

Bathroom:

Provide sealant at lavatory.
Provide ceramic tile.
Provide toilet.
Provide lavatory.
Provide lavatory faucet.

Kitchen:

Provide GFCI electrical outlet.

Fifth Floor**Fire Stair "B (2)"**

Replace emergency light fixture.

Apartment 1301 - 505 1 Bedroom/1 Bath 1BA1

Entire Unit:
 Paint entire unit.
 Provide smoke detector.
Kitchen:
 Replace garbage disposal.

Apartment 1301 - 513 Studio/1 Bath STUC1

Entire Unit:
 Replace VCT.
Bathroom:
 Replace sealant at lavatory.
Kitchen:
 Repair stove/range.
 Repair garbage disposal.

**Sixth Floor
Fire Stair "A (1)"**

 Repair light fixture.

Fire Stair "B (2)"

 Secure telephone cables.

Apartment 1301 - 601 2 Bedroom/2 Bath 2BA2

Entire Unit:
 Paint entire unit.
Bathroom 1:
 Replace sealant at lavatory.
 Replace lavatory.
 Replace lavatory faucet.

Apartment 1301 - 604 1 Bedroom/1 Bath 1BB1

Entire Unit:
 Replace carpet.
 Paint entire unit.
Bathroom 1:
 Repair plaster at ceilings.
Kitchen:
 Provide missing section of wall cabinets.
 Provide GFCI electrical outlet.
 Repair stove/range.
Bedroom 1:
 Replace entry door.
 Replace entry door hardware.
Hallway:
 Provide closet door.
 Provide closet door hardware.

Apartment 1301 - 606 Studio/1 Bath STUB1

Entire Unit:
 Replace carpet.
 Paint entire unit.
Bathroom:
 Repair plaster walls.
Replace medicine cabinet.
 Provide light fixture globe.
Kitchen:
 Provide stove/range.
 Provide refrigerator.
 Replace garbage disposal.

Apartment 1301 - 607**1 Bedroom/1 Bath 1BC1**

Entire Unit:

- Replace carpet.
- Replace VCT.
- Paint entire unit.
- Replace entry door threshold, entry door, entry door hardware and peephole.
- Provide smoke detector.

Bathroom:

- Replace sealant at lavatory.
- Repair toilet.

Apartment 1301 - 609**Studio/1 Bath STUB1**

Entire Unit:

- Replace carpet.
- Replace VCT.

Bathroom:

- Provide light fixture globe.

Kitchen:

- Replace wall cabinets.
- Provide stove/range.

Hallway:

- Provide closet door and closet door hardware.

Seventh Floor**Fire Stair "A (1)"**

- Replace emergency light fixture.

Fire Stair "B (2)"

- Replace emergency light fixture.

Corridor

- Replace emergency light fixture.

Apartment 1301 - 703**1 Bedroom/1 Bath 1BB1**

Entire Unit:

- Replace carpet.
- Paint entire unit.

Bathroom:

- Replace sealant at lavatory.
- Replace lavatory and lavatory faucet.

Kitchen:

- Replace ceramic tile.
- Provide GFCI electrical outlet.
- Replace refrigerator.

Bedroom 2:

- Replace window blinds.

Apartment 1301 - 707**1 Bedroom/1 Bath 1BC1**

Entire Unit:

- Replace carpet.
- Replace VCT.
- Paint entire unit.

Living Room:

- Repair vents.

Dining Area:

- Repair vents.

Bathroom:

- Replace sealant at lavatory.
- Provide mirror

Kitchen:

- Replace VCT.

Apartment 1301 - 710**Studio/1 Bath STUC1**

Entire Unit:

Paint entire unit.

Bathroom:

Repair lavatory faucet.

Kitchen:

Provide GFCI electrical outlet.

Apartment 1301 - 712**2 Bedroom/2 Bath 2BB2**

Entire Unit:

Replace carpet.

Entry Hallway:

Provide closet door.

Provide closet door hardware.

Living Room:

Replace window blind.

Provide window blinds.

Dining Area:

Provide light fixture.

Bathroom 1:

Replace medicine cabinet.

Replace sealant at shower.

Provide toilet tank lid.

Kitchen:

Repair garbage disposal.

Repair kitchen sink faucet drain.

Bedroom 1:

Provide closet doors.

Provide closet door hardware.

Provide light fixture globe.

Hallway:

Provide closet shelves.

Bathroom 2:

Provide ceramic tile base.

Eighth Floor**Fire Stair "A (1)"**

Replace emergency light fixture.

Apartment 1301 - 802**1 Bedroom/1 Bath 1BA1**

Entire Unit:

Replace carpet.

Replace VCT.

Paint entire unit.

Bathroom:

Secure light switch.

Bedroom 1:

Repair plaster walls.

Hallway:

Replace closet door.

Replace closet door hardware.

Apartment 1301 - 806**Studio/1 Bath STUB1**

Refer to GENERAL REQUIREMENTS - INTERIORS.

Apartment 1301 - 807 1 Bedroom/1 Bath 1BC1

Entire Unit:
 Replace carpet.
 Paint entire unit.
Entry Hallway:
 Provide light fixture globe.
Bathroom:
 Replace sealant at lavatory.

Apartment 1301 - 814 2 Bedroom/2 Bath 2BA2

Entire Unit:
 Replace carpet.
 Paint entire unit.
Bathroom 1:
 Repair plaster walls.
 Repair lavatory faucet.
Bathroom 2:
 Replace plaster at walls.

**Ninth Floor
Fire Stair "B (2)"**

 Repair light fixture.

Apartment 1301 - 901 2 Bedroom/2 Bath 2BA2

Entire Unit:
 Replace carpet.
 Paint entire unit.
Bathroom 1:
 Replace sealant at shower.
Replace shower pan.
Kitchen:
 Provide GFCI electrical outlet.
Bathroom 2:
 Repair lavatory faucet.

Apartment 1301 - 905 1 Bedroom/1 Bath 1BA1

 Refer to GENERAL REQUIREMENTS - INTERIORS.

Apartment 1301 - 909 Studio/1 Bath STUB1

Kitchen:
 Provide GFCI electrical outlet.

Apartment 1301 - 915 Studio/1 Bath STUA1 (IC) Under renovation.

Kitchen:
 Repair stove/ range.

Tenth Floor

Apartment 1301 - 1004 1 Bedroom/1 Bath 1BB1

Entire Unit:
 Replace carpet.
Bathroom:
 Replace sealant at lavatory.
Hallway:
 Provide closet doors.
 Provide closet door hardware.

Apartment 1301 - 1011 2 Bedroom/2 Bath 2BB2

Entire Unit:
 Replace carpet.
 Paint entire unit.
Bathroom 1:
 Replace sealant at shower.
 Replace shower pan.

Apartment 1301 - 1013 Studio/1 Bath STUC1

Entire Unit:
 Paint entire unit.
Dining Area:
 Provide light fixture globe.
Bathroom 1:
 Repair lavatory faucet.
Kitchen:
 Provide GFCI electrical outlet.

Eleventh Floor

Apartment 1301 - 1102 1 Bedroom/1 Bath 1BA1

Entire Unit:
 Replace carpet.
 Paint entire unit.
Kitchen:
 Provide GFCI electrical outlet.

Apartment 1301 - 1103 1 Bedroom/1 Bath 1BB1

Entire Unit:
 Paint entire unit.
Bathroom:
 Repair GFCI electrical outlet.
 Repair lavatory faucet.

Apartment 1301 - 1110 Studio/1 Bath STUC1

Entire Unit:
 Replace carpet.
 Replace VCT.
 Paint entire unit.
Kitchen:
 Provide GFCI electrical outlet.

Apartment 1301 - 1112 2 Bedroom/2 Bath 2BB2

Entire Unit:
 Replace carpet.
 Provide entry door deadbolt.
Entry Hallway:
 Repair closet door.
 Repair closet door hardware.
Bathroom 1:
 Replace sealant at shower.
 Replace portion of ceramic tile surround at shower.
 Replace shower pan.
Kitchen:
 Provide GFCI electrical outlet.
Bedroom 1:
 Repair closet door.
 Repair closet door hardware.

Twelfth Floor

Apartment 1301 - 1201

2 Bedroom/2 Bath 2BA2

Entire Unit:

Paint entire unit.

Provide entry door deadbolt.

Bathroom 1:

Replace sealant at shower.

Kitchen:

Provide GFCI Electrical outlet.

Apartment 1301 - 1204

1 Bedroom/1 Bath 1BB1

Entire Unit:

Replace carpet.

Paint entire unit.

Kitchen:

Provide GFCI electrical outlet.

Apartment 1301 - 1205

1 Bedroom/1 Bath 1BA1

Entire Unit:

Replace carpet.

Living Room:

Provide seals at vent openings.

Kitchen:

Provide GFCI electrical outlet.

Repair stove/range.

Bathroom:

Replace sealant at lavatory.

Replace lavatory.

Replace lavatory faucet.

Apartment 1301 - 1213

Studio/1 Bath STUC1

Entire Unit:

Replace VCT.

Paint entire unit.

Bathroom:

Replace sealant at lavatory.

Kitchen:

Replace base cabinets.

Replace sealant at base cabinets.

Replace kitchen sink.

Replace kitchen sink faucet.

Apartment 1301 - 1214

2 Bedroom/ 2 Bath

Entire Unit:

Paint entire unit.

Repair entry door door knob.

Provide entry door deadbolt.

Bathroom 1:

Replace sealant at lavatory.

Replace shower pan.

Kitchen:

Provide GFCI electrical outlet.

Thirteenth Floor

Fire Stair "A (1)"

Replace emergency light fixture.

Fire Stair "B (2)"

Replace emergency light fixture.

Apartment 1301 - 1307**1 Bedroom/1 Bath 1BC1**

Entire Unit:

- Replace carpet.
- Paint entire unit.
- Provide entry door deadbolt.
- Provide smoke detector.

Entry Hallway:

- Repair plaster walls.
- Provide closet doors.
- Provide closet door hardware.

Living room:

- Repair plaster walls.
- Provide window blinds.

Dining area:

- Provide window blinds.

Kitchen:

- Provide GFCI electrical outlet.
- Replace refrigerator.

Bathroom:

- Replace sealant at lavatory.
- Provide GFCI electrical outlet.
- Provide toilet tank lid.

Bedroom 1:

- Replace closet door.
- Replace closet door hardware.
- Provide window blinds.

Apartment 1301 - 1311**2 Bedroom/2 Bath 2BB2**

Entire Unit:

- Replace carpet.
- Paint entire unit.
- Provide entry door deadbolt.

Bathroom:

- Replace sealant at lavatory.
- Replace sealant at shower.

Bathroom 2:

- Replace toilet paper holder.

Apartment 1301 - 1315**Studio/1 Bath STUA1**

Entire Unit:

- Provide entry door deadbolt.

Bathroom:

- Replace sealant at lavatory.

Kitchen:

- Provide GFCI electrical outlet.
- Replace garbage disposal.

Fourteenth Floor**Apartment 1301 - 1402****1 Bedroom/1 Bath 1BA1**

Entire Unit:

- Paint entire unit.

Bathroom:

- Replace sealant at lavatory.

Apartment 1301 - 1406**Studio/1 Bath STUB1**

Bathroom:

- Replace sealant at lavatory.

Kitchen:

- Provide GFCI electrical outlet.

Apartment 1301 - 1408**1 Bedroom/1 Bath 1BC1**

Entire Unit:

- Replace carpet.
- Paint entire unit.
- Provide entry door hardware.

Living Room:

- Repair plaster walls.

Bathroom:

- Replace sealant at lavatory.

Kitchen:

- Provide GFCI electrical outlets.

Bedroom 1:

- Replace entry door.
- Replace entry door hardware.

Apartment 1301 - 1414**2 Bedroom/2 Bath 2BA2**

Living room:

- Repair plaster walls.

Bathroom 1:

- Replace sealant at lavatory.

Bedroom 1:

- Replace closet door.
- Replace closet door hardware.

Fifteenth Floor**Fire Stair "A (1)"**

- Replace emergency light fixture.

Apartment 1301 - 1503**1 Bedroom/1 Bath 1BB1**

Entire Unit:

- Replace carpet.
- Replace VCT.

Living Room:

- Replace window glass.

Kitchen:

- Provide GFCI electrical outlet.
- Replace garbage disposal.

Bedroom:

- Replace plaster at walls.

Apartment 1301 - 1509**Studio/1 Bath STUB1**

Entire Unit:

- Replace carpet.
- Paint entire unit.

Entry Hallway:

- Repair closet door.
- Repair closet door hardware.

Bathroom:

- Replace sealant at lavatory.

Kitchen:

- Replace garbage disposal.
- Repair kitchen sink faucet.

Apartment 1301 - 1513**Studio/1 Bath STUC1**

Entire Unit:

- Replace carpet.

Apartment 1301 - 1514 2 Bedroom/2 Bath 2BA2

Living Room:
 Repair plaster walls.
Bathroom 2:
 Replace sealant at lavatory.

Sixteenth Floor

Apartment 1301 - 1608 1 Bedroom/1 Bath 1BC1

Bathroom:
 Replace GFCI electrical outlet.
Kitchen:
 Replace GFCI electrical outlet.

Apartment 1301 - 1612 2 Bedroom/2 Bath 2BB2

Entire Unit:
 Replace VCT.
 Provide smoke detector.
Kitchen:
 Repair GFCI electrical outlets.

Apartment 1301 - 1615 Studio/1 Bath STUC1

Entire Unit:
 Replace carpet.
 Provide smoke detector.
Kitchen:
 Provide GFCI electrical outlet.
 Repair stove/range.

Seventeenth Floor

Fire Stair "A (1)"

 Replace emergency light fixture.

Corridor

 Replace emergency light fixture.

Apartment 1301 - 1703 1 Bedroom/1 Bath 1BB1

Entire Unit:
 Replace carpet and VCT.
 Paint entire unit.
 Repair PTAC.
Kitchen:
 Replace countertops.
 Replace sealant at countertops and cabinets.
 Replace base cabinets.
 Provide GFCI electrical outlet.
 Repair kitchen sink drain.
Bedroom 1:
 Provide window blinds.

Apartment 1301 - 1713 Studio/1 Bath STUC1

Entire Unit:
 Clean carpet.
Entry Hallway:
 Provide closet door and closet door hardware.
Dining Area:
 Replace light fixture.
Kitchen:
 Provide GFCI Electrical outlet.

Eighteenth Floor
Fire Stair "A (1)"

Repair cable television junction box.

Fire Stair "B (2)"

Repair CMU wall.

Corridor

Secure WIFI router to wall.

Apartment 1301 - 1802 1 Bedroom/1 Bath 1BA1

Entire Unit:

Replace carpet.

Kitchen:

Provide GFCI electrical outlet.

Apartment 1301 - 1807 1 Bedroom/1 Bath 1BC1

Entire Unit:

Provide entry door deadbolt.

Kitchen:

Provide GFCI electrical outlet.

Apartment 1301 - 1811 2 Bedroom/2 Bath 2BB2

Entire Unit:

Paint entire unit.

Dining Area:

Remove platform dining area.

Replace carpet.

Kitchen:

Provide GFCI electrical outlet.

Provide stove/range and refrigerator.

Bathroom 1:

Repair shower and shower faucet.

Bedroom 1:

Replace closet door hardware.

Bathroom 2:

Repair plaster at walls.

Nineteenth Floor

Corridor

Provide resilient base.

Repair light fixture.

Apartment 1301 - 1904 1 Bedroom/1 Bath 1BB1

Entire Unit:

Replace carpet.

Provide smoke detector.

Kitchen:

Repair GFCI electrical outlet.

Replace refrigerator.

Apartment 1301 - 1908 1 Bedroom/1 Bath 1BC1

Entire Unit:

Replace carpet.

Replace VCT.

Paint entire unit.

Living room:

Repair plaster walls.

Kitchen:

Provide GFCI electrical outlet.

Replace garbage disposal.

Bathroom:

Repair plaster walls.

Replace sealant at lavatory.

Apartment 1301 - 1912**2 Bedroom/2 Bath 2BB2**

Entire Unit:

Provide entry door deadbolt.

Kitchen:

Provide GFCI electrical outlet.

Bathroom 1:

Replace sealant at shower.

Repair shower faucet.

Apartment 1301 - 1913**Studio/1 Bath STUC1**

Entire Unit:

Replace carpet.

Paint entire unit.

Bathroom:

Replace sealant at lavatory.

Provide light fixture globe.

Kitchen:

Provide GFCI electrical outlets.

Replace garbage disposal rubber guard.

Twentieth Floor**Apartment 1301 - 2005****1 Bedroom/1 Bath 1BA1**

Entire Unit:

Replace carpet.

Paint entire unit.

Provide smoke detector.

Entry Hallway:

Replace closet door and closet door hardware.

Living Room:

Replace window blind.

Provide window blind.

Bathroom:

Provide ceramic tile.

Repair plaster walls.

Replace sealant at lavatory.

Replace medicine cabinet.

Provide toilet paper holder.

Provide soap holder.

Replace entry door and entry door hardware.

Repair toilet.

Replace lavatory and lavatory faucet.

Kitchen:

Provide cabinet door.

Repair cabinet door.

Provide stove/range.

Replace refrigerator.

Bedroom 1:

Repair concrete sub-floor.

Provide entry door and entry door hardware.

Hallway:

Replace closet door and closet door hardware.

Provide rod and shelves.

Provide closet doors and closet door hardware.

Replace shelves.

Apartment 1301 - 2006**Studio/1 Bath STUB1**

Entire Unit:

Replace carpet.

Kitchen:

Provide GFCI electrical outlet.

Apartment 1301 - 2011 2 Bedroom/2 Bath 2BB2

Entire Unit:
 Paint entire unit.
 Provide smoke detector.
Bathroom 1:
 Replace ceramic tile base.
 Repair plaster walls.
 Replace sealant at lavatory and at shower.
 Provide towel bar.
 Repair toilet.
 Provide GFCI electrical outlet.
Kitchen:
 Provide GFCI electrical outlet.
Bedroom 1:
 Repair plaster walls.
Bathroom 2:
 Repair ceramic tile base.
 Replace sealant at lavatory.
 Provide GFCI electrical outlet.

Apartment 1301 - 2014 2 Bedroom/2 Bath 2BA2

Entire Unit:
 Replace carpet.
 Paint entire unit.
Bedroom 1:
 Provide light fixture globe.
Bathroom 2:
 Repair toilet.

Apartment 1301 - 2015 Studio/1 Bath STUA1

Entire Unit:
 Replace carpet.
 Paint entire unit.
Bathroom 1:
 Replace sealant at lavatory.
Kitchen:
 Provide GFCI electrical outlet.
 Replace stove/range.

**Twenty First Floor
Corridor**

 Provide resilient base.

Apartment 1301 - 2101 3 Bedroom/2 Bath 3BB2

Entire Unit:
 Paint entire unit.
Kitchen:
 Provide GFCI electrical outlet.
 Repair garbage disposal.

Apartment 1301 - 2107 1 Bedroom/ 2 Bath 1BC1

Entire Unit:
 Replace carpet.
Kitchen:
 Provide GFCI electrical outlet.

Apartment 1301 - 2109**Studio/1 Bath STUB1**

Entire Unit:

- Replace carpet.
- Replace VCT.

Bathroom:

- Repair plaster walls.
- Repair plaster at ceilings.
- Provide GFCI electrical outlet.

Kitchen:

- Provide GFCI electrical outlet.
- Repair stove/range.

Apartment 1301 - 2111**2 Bedroom/2 Bath 2BC2**

Entire Unit:

- Replace carpet.
- Paint entire unit.
- Provide door threshold.

Kitchen:

- Replace garbage disposal.

Apartment 1301 - 2112**3 Bedroom/ 2 Bath 3BB2**

Entire Unit:

- Replace carpet.

Bathroom 1:

- Replace GFCI electrical outlet.
- Replace sealant at lavatory.
- Replace lavatory.

Bathroom 2:

- Replace sealant at lavatory.
- Replace lavatory.

Twenty Second Floor**Fire Stair "B (2)"**

- Replace emergency light fixture.

Corridor

- Provide resilient base.
- Replace emergency light fixture.
- Provide pipe insulation.

Apartment 1301 - 2203**1 Bedroom/1 Bath 1BB1**

Entire Unit:

- Replace carpet.
- Replace VCT.

Bathroom 1:

- Repair lavatory faucet.

Kitchen:

- Provide GFCI electrical outlet.
- Replace kitchen sink faucet.

Apartment 1301 - 2210**3 Bedroom/ 2 Bath 3BA2**

Entire Unit:

- Replace carpet.

Kitchen:

- Provide GFCI electrical outlet.

Apartment 1301 - 2211**2 Bedroom/2 Bath 2BC2**

Entire Unit:

- Replace carpet.
- Replace entry door.
- Replace entry door hardware.
- Replace entry door peephole.

Bathroom 1:

- Repair GFCI electrical outlet.

Kitchen:

- Repair base cabinet door.

Bathroom 2:

- Provide GFCI electrical outlet.

WEST Tower, 1321 Orleans Street**Basement****Boiler Room:**

- Repair Boilers 4 & 5.

Corridor:

- Repair light fixture.
- Provide light fixture lens.

Laundry:

- Repair unit heater.
- Replace unit heater water piping and insulation.

Service Entrance:

- Repair unit heater.
- Replace unit heater water piping and insulation.

Men's Restroom:

- Provide light fixture lens.

First Floor**Lobby**

- Repair light fixtures.

Community Room

- Repair light fixture.

Fitness

- Repair light fixtures.

Restroom

- Repair light fixture.
- Repair toilet.

MEP Utility space between First and Third floors

- Replace heat / air-conditioning air-handling units.
- Replace domestic hot water riser manifolds.
- Replace heating water riser manifolds.
- Provide domestic hot water isolation valves and drains @ each riser.
- Provide heating water isolation valves and drains @ each riser.

Fire Stair "A (1)"

- Repair cable television junction box.

Fire Stair "B (2)"

Replace emergency light fixture.

Third Floor**Corridor**

Replace damaged carpet
Replace resilient base.
Repair plaster walls.
Paint walls at repaired plaster
Replace emergency light fixture.
Repair light fixture.
Provide light fixture globe.

Apartment 1321-313**Studio/1 Bath STUC1**

Entire Unit:

Provide carpet.
Replace VCT.
Provide resilient base.
Paint entire unit.
Repair PTAC.

Bathroom:

Repair lavatory drain.
Repair plaster walls.

Kitchen:

Repair plaster walls.
Replace sealant at countertops and cabinets.
Replace closet door.
Replace closet door hardware.
Provide stove/range.
Provide refrigerator.
Replace kitchen sink.
Replace garbage disposal.
Replace kitchen sink faucet.

Apartment 1321-314**2 Bedroom/2 Bath 2BA2**

Entire Unit:

Replace carpet.
Replace VCT.
Paint entire unit.

Bathroom 1:

Repair plaster walls.
Replace sealant at shower.

Hallway:

Provide resilient base.

Bathroom 2:

Repair plaster walls.
Provide towel bar.
Provide toilet paper holder.

Apartment 1321-315**Studio/1 Bath STUA1**

Entire Unit:

Provide smoke detector.

Kitchen:

Provide GFCI electrical outlets.

Fourth Floor**Fire Stair "A (1)"**

Repair light fixture.

Corridor

Replace damaged carpet

Apartment 1321-402 1 Bedroom/1 Bath 1BA1

Entire Unit:

- Replace carpet.
- Replace VCT.
- Paint entire unit.

Bathroom:

- Replace sealant at lavatory.

Kitchen:

- Provide GFCI electrical outlets.
- Replace stove/range.
- Replace kitchen sink.
- Replace garbage disposal.
- Replace kitchen sink faucet.

Apartment 1321-403 1 Bedroom/1 Bath 1BB1

Kitchen:

- Provide GFCI electrical outlet.

Bathroom 1:

- Replace sealant at lavatory.

Repair GFCI electrical outlet.

Hallway:

- Repair closet door.
- Repair closet door hardware.

Apartment 1321-407 1 Bedroom/1 Bath 1BC1

Bathroom:

- Repair lavatory.

Kitchen:

- Provide GFCI electrical outlet.

Apartment 1321-409 Studio/1 Bath STUB1

Entire Unit:

- Replace carpet.
- Paint entire unit.

Bathroom:

- Replace GFCI electrical outlets.
- Replace sealant at lavatory.
- Replace lavatory.
- Replace lavatory faucet.

Kitchen:

- Provide GFCI electrical outlet.
- Replace garbage disposal.

Apartment 1321-412 2 Bedroom/2 Bath 2BB2

Entire Unit:

- Replace carpet.
- Paint entire unit.

Bathroom:

- Replace glass shower door assembly.
- Replace sealant at shower.
- Repair plaster walls.

Kitchen:

- Provide GFCI electrical outlet.
- Replace stove/range.
- Replace kitchen sink.
- Replace garbage disposal.
- Replace kitchen sink faucet.

Bathroom 2:

- Repair ceramic tile base.
- Repair plaster walls.

Fifth Floor

Corridor

- Replace damaged carpet
- Repair plaster walls.
- Paint walls at repaired plaster

Apartment 1321-504

1 Bedroom/1 Bath 1BB1

Entire Unit:

- Replace carpet.
- Replace VCT.
- Paint entire unit.

Bathroom:

- Repair plaster walls.
- Repair plaster at ceilings.
- Replace sealant at lavatory.

Kitchen:

- Replace base cabinets.
- Replace countertops.
- Replace sealant at the countertops.
- Replace closet sliding door.
- Provide GFCI electrical outlet.
- Replace stove/range.
- Replace refrigerator.
- Replace garbage disposal.

Apartment 1321-508

1 Bedroom/1 Bath 1BC1

Entire Unit:

- Paint entire unit.

Bathroom:

- Repair lavatory faucet.

Kitchen:

- Replace garbage disposal.
- Provide GFCI electrical outlets.

Bedroom 1:

- Repair closet door.

Apartment 1321-513

Studio/1 Bath STUC1

Entire Unit:

- Replace carpet.

Bathroom:

- Replace sealant at lavatory.
- Replace GFCI electrical outlet.
- Replace lavatory.
- Replace lavatory faucet.

Kitchen:

- Repair stove/range.

Apartment 1321-515

Studio/1 Bath STUA1

Entire Unit:

- Repair carpet.
- Paint entire unit.
- Provide smoke detector.

Entry Hallway:

- Repair closet door.
- Repair closet door hardware.

Kitchen:

- Provide GFCI electrical outlet.
- Replace stove/range.
- Provide refrigerator.
- Replace kitchen sink.
- Provide garbage disposal.
- Replace kitchen sink faucet.

Sixth Floor
Fire Stair "B (2)"

Repair light fixture.

Corridor

Repair plaster walls.

Apartment 1321-605 **1 Bedroom/1 Bath 1BA1**

Entire Unit:

Replace carpet.

Paint entire unit.

Entry Hallway:

Repair closet door.

Repair closet door hardware.

Bathroom:

Provide toilet paper holder.

Kitchen:

Provide GFCI electrical outlet.

Repair stove/range.

Replace refrigerator.

Replace kitchen sink.

Replace garbage disposal.

Replace kitchen sink faucet.

Apartment 1321-606 **Studio/1 Bath STUB1**

Kitchen:

Replace garbage disposal.

Apartment 1321-611 **2 Bedroom/2 Bath 2BB2**

Entire Unit:

Replace carpet.

Replace VCT.

Paint entire unit.

Replace entry door hardware.

Remove debris.

Entry Hallway:

Provide closet door.

Provide closet door hardware.

Bathroom 1:

Replace sealant at shower.

Replace portion of ceramic tile surround at shower.

Replace shower pan.

Kitchen:

Repair cabinet doors.

Repair cabinet drawers.

Provide light fixture globe.

Provide GFCI electrical outlets.

Replace stove/range.

Replace kitchen sink faucet.

Bedroom 1:

Provide closet door hardware.

Replace window blinds.

Bedroom 2:

Replace closet door hardware.

Replace window blinds.

Bathroom 2:

Replace sealant at lavatory.

Apartment 1321-614**2 Bedroom/2 Bath 2BA2**

Entire Unit:

Replace VCT.

Paint entire unit.

Entry Hallway:

Repair plaster walls.

Bathroom 1:

Replace shower door assembly.

Replace sealant at shower.

Replace sealant at lavatory.

Replace lavatory.

Replace lavatory faucet.

Kitchen:

Repair stove/range.

Provide refrigerator.

Seventh Floor**Fire Stair "B (2)"**

Repair light fixture.

Corridor

Replace emergency light fixture.

Apartment 1321-710**Studio/1 Bath STUC1**

Entire Unit:

Replace carpet.

Replace VCT.

Paint entire unit.

Replace entry door deadbolt.

Provide PTAC.

Entry hallway:

Provide closet rod.

Provide closet shelf.

Living/Sleeping:

Provide window blinds.

Repair plaster walls.

Bathroom:

Repair plaster walls.

Kitchen:

Repair plaster walls.

Replace wall cabinets.

Replace base cabinets.

Replace countertops.

Replace sealant at countertops and cabinets.

Provide GFCI electrical outlet.

Provide stove/range.

Provide refrigerator.

Replace kitchen sink.

Provide garbage disposal.

Provide kitchen sink faucet.

Provide kitchen sink drain.

Apartment 1321-712**2 Bedroom/2 Bath 2BB2**

Entire Unit:

- Replace carpet.
- Paint entire unit.

Bathroom:

- Replace sealant at shower.
- Replace glass shower door assembly.

Kitchen:

- Provide GFCI electrical outlet.

Bedroom 2:

- Provide closet doors and closet door hardware.
- Provide closet rod.

Bathroom 2:

- Repair lavatory drain.

Apartment 1321-714**2 Bedroom/2 Bath 2BA2**

Bathroom:

- Replace sealant at shower.
- Replace glass shower door assembly.
- Replace portion of mold-contaminated plaster walls at shower.
- Replace portion of mold- contaminated ceramic tile surround at bathtub
- Provide toilet tank lid.
- Replace shower pan.

Kitchen:

- Provide GFCI electrical outlet.

Bedroom 1:

- Provide electrical outlet cover plate.

Bedroom 2:

- Provide electrical outlet cover plate.

Bathroom 2:

- Provide toilet tank lid.

Hallway:

- Provide electrical outlet cover plate.

Eighth Floor**Corridor**

- Replace emergency light fixture.
- Replace electrical outlet.

Apartment 1321-802**1 Bedroom/1 Bath 1BA1**

Entire Unit:

- Replace carpet.
- Paint entire unit.

Kitchen:

- Provide GFCI electrical outlet.
- Replace garbage disposal.

Apartment 1321-803**1 Bedroom/1 Bath 1BB1**

Entire Unit:

- Replace carpet.
- Paint entire unit.

Bathroom 1:

- Replace sealant at lavatory.

Kitchen:

- Replace wall cabinets, base cabinets and countertops.
- Replace sealant at countertops and cabinets.
- Provide light fixture globe.
- Provide GFCI electrical outlet.
- Replace refrigerator.

Hallway:

- Provide light fixture globe.

Apartment 1321-811**2 Bedroom/2 Bath 2BB2**

Entire Unit:

- Replace carpet.
- Paint entire unit.

Kitchen:

- Provide GFCI electrical outlet.

Bathroom 2:

- Replace sealant at lavatory.
- Replace lavatory.
- Replace lavatory faucet.

Apartment 1321-815**Studio/1 Bath STUA1**

Entire Unit:

- Replace carpet.
- Replace VCT.
- Paint entire unit.

Bathroom:

- Repair lavatory.

Kitchen:

- Provide GFCI electrical outlets.
- Replace stove/range.
- Replace kitchen sink.
- Replace kitchen sink faucet.

Ninth Floor**Corridor**

- Provide resilient base.
- Repair plaster walls.
- Paint walls at repaired plaster
- Replace emergency light fixture.

Apartment 1321-905**1 Bedroom/1 Bath 1BA1**

Entire Unit:

- Replace carpet.
- Paint entire unit.
- Replace entry door hardware.
- Provide smoke detector.

Bathroom:

- Replace sealant at lavatory.
- Replace lavatory.
- Replace lavatory faucet.

Kitchen:

- Provide GFCI electrical outlet.
- Repair stove/range.

Apartment 1321-906**Studio/1 Bath STUB1**

Entire Unit:

- Replace carpet.
- Replace VCT.
- Paint entire unit.
- Provide PTAC.

Entry hallway:

- Repair plaster walls.
- Replace closet door.
- Replace closet door hardware.
- Provide closet door frame.
- Provide closet door hardware.

Apartment 1321-906 Studio/1 Bath STUB1 (continued)

Living/Sleeping:

Provide window blinds.

Bathroom:

Repair plaster walls.

Kitchen:

Replace wall cabinets.

Replace base cabinets.

Replace countertops.

Replace sealant at countertops and cabinets.

Provide GFCI electrical outlet.

Replace stove/range.

Provide garbage disposal.

Provide kitchen sink faucet.

Apartment 1321-913

Studio/1 Bath STUC1

Entire Unit:

Replace carpet.

Paint entire unit.

Kitchen:

Provide GFCI electrical outlets.

Tenth Floor

Corridor

Repair light fixture.

Apartment 1321-1001

2 Bedroom/2 Bath 2BA2

Bathroom 1:

Replace GFCI electrical outlet.

Apartment 1321-1004

1 Bedroom/1 Bath 1BB1

Entire Unit:

Replace carpet.

Replace VCT.

Paint entire unit.

Bathroom:

Replace sealant at lavatory.

Replace towel bar.

Repair lavatory drain.

Kitchen:

Provide GFCI electrical outlets.

Repair stove/range installation.

Replace garbage disposal.

Bedroom 1:

Replace window blinds.

Apartment 1321-1007

1 Bedroom/1 Bath 1BC1

Entire Unit:

Replace VCT.

Paint entire unit.

Provide smoke detector.

Living room:

Repair plaster walls.

Bathroom:

Provide GFCI electrical outlets.

Kitchen:

Provide GFCI electrical outlets.

Apartment 1321-1009**Studio/1 Bath STUB1**

Entire Unit:

Paint entire unit.

Bathroom:

Replace sealant at lavatory.

Repair lavatory.

Eleventh Floor**Apartment 1321-1103****1 Bedroom/1 Bath 1BB1**

Entire Unit:

Paint entire unit.

Replace entry door hardware.

Apartment 1321-1107**1 Bedroom/1 Bath 1BC1**

Entire Unit:

Paint entire unit.

Bathroom:

Repair lavatory faucet.

Kitchen:

Replace GFCI electrical outlet.

Apartment 1321-1110**Studio/1 Bath STUC1**

Kitchen:

Repair garbage disposal.

Apartment 1321-1112**2 Bedroom/2 Bath 2BB2**

Entire unit:

Replace carpet.

Paint entire unit.

Bathroom:

Replace shower door assembly.

Replace sealant at shower.

Kitchen:

Provide GFCI electrical outlet.

Replace kitchen sink.

Replace kitchen sink faucet.

Bedroom 1:

Provide closet door.

Provide closet door hardware.

Bedroom 2:

Replace closet door.

Replace closet door hardware.

Bathroom 2:

Replace sealant at lavatory.

Replace lavatory.

Replace lavatory faucet.

Hallway:

Repair plaster walls.

Twelfth Floor**Corridor**

Replace emergency light fixture.

Apartment 1321-1202**1 Bedroom/1 Bath 1BA1**

Entire Unit:

Paint entire unit.

Provide smoke detector.

Bathroom:

Replace GFCI electrical outlet.

Kitchen:

Provide GFCI electrical outlet.

Apartment 1321-1206**Studio/1 Bath STUB1**

Entire Unit:

- Replace carpet.
- Paint entire unit.
- Provide entry door peephole.

Entry hallway:

- Replace closet door.
- Provide closet door hardware.

Bathroom:

- Replace sealant at lavatory.
- Provide GFCI electrical outlets.

Kitchen:

- Provide GFCI electrical outlets.
- Provide stove/range.
- Provide refrigerator.

Apartment 1321-1208**1 Bedroom/1 Bath 1BC1**

Entire Unit:

- Replace carpet.
- Replace VCT.
- Paint entire unit.

Kitchen:

- Provide GFCI electrical outlet.
- Provide stove/range.

Apartment 1321-1214**2 Bedroom/2 Bath 2BA2**

Entire Unit:

- Paint entire unit.

Bathroom 1:

- Replace sealant at lavatory.

Kitchen:

- Provide GFCI electrical outlet.

Thirteenth Floor**Corridor**

- Paint walls at repaired plaster

Apartment 1321-1305**1 Bedroom/1 Bath 1BA1**

Entire unit:

- Replace carpet.

Bathroom:

- Repair plaster walls.

Kitchen:

- Provide GFCI electrical outlet.

Apartment 1321-1309**Studio/1 Bath STUB1**

Entire Unit:

- Replace carpet.
- Paint entire unit.

Bathroom:

- Repair plaster walls.
- Replace lavatory.
- Replace lavatory faucet.

Kitchen:

- Replace countertops.
- Replace sealant at countertops and cabinets.
- Provide GFCI electrical outlet.
- Replace stove/range.
- Replace refrigerator.

Fourteenth Floor
Fire Stair "A (1)"

Replace emergency light fixture.

Corridor

Replace emergency light fixture.

Apartment 1321-1404 1 Bedroom/1 Bath 1BB1

Kitchen:

Provide GFCI electrical outlet.

Apartment 1321-1411 2 Bedroom/2 Bath 2BB2

Entire Unit:

Replace carpet.

Bathroom 1:

Replace ceramic tile.

Replace sealant at shower.

Replace shower pan.

Apartment 1321-1413 Studio/1 Bath STUC1

Entire Unit:

Paint entire unit.

Living/Sleeping:

Replace window blinds.

Bathroom:

Replace lavatory drain.

Kitchen:

Provide GFCI electrical outlets.

Replace garbage disposal.

Fifteenth Floor
Fire Stair "B (2)"

Replace emergency light fixture.

Repair light fixture.

Corridor

Repair plaster walls.

Paint walls at repaired plaster

Replace emergency light fixture.

Apartment 1321-1502 1 Bedroom/1 Bath 1BA1

Entire Unit:

Paint entire unit.

Bathroom:

Repair lavatory faucet.

Apartment 1321-1503 1 Bedroom/1 Bath 1BB1

Entire Unit:

Replace carpet.

Paint entire unit.

Replace smoke detector.

Living Room:

Replace window blinds.

Bathroom:

Replace vanity cabinet.

Replace sealant at lavatory.

Replace medicine cabinet.

Replace lavatory.

Replace lavatory faucet.

Apartment 1321-1503 *1 Bedroom/1 Bath* *1BB1* (continued)

Kitchen:

- Replace wall cabinets.
- Replace base cabinets.
- Replace countertops.
- Replace sealant at countertops and cabinets.
- Provide GFCI electrical outlet.
- Replace stove/range.
- Replace refrigerator.
- Replace kitchen sink.
- Replace garbage disposal.
- Replace kitchen sink faucet.

Bedroom:

- Replace window blinds.

Apartment 1321-1512 **2 Bedroom/2 Bath 2BB2**

Entire Unit:

- Paint entire unit.

Entry Hallway:

- Repair closet door.
- Repair closet door hardware.

Kitchen:

- Replace garbage disposal.

Bedroom 1:

- Repair closet door.
- Repair closet door hardware.

Apartment 1321-1513 Studio/1 Bath STUC1

Entire Unit:

- Paint entire unit.

Kitchen:

- Replace garbage disposal.

Sixteenth Floor

Corridor

- Repair light fixture.

Apartment 1321-1603 **1 Bedroom/1 Bath 1BB1**

Entire Unit:

- Replace VCT.
- Paint entire unit.

Bathroom:

- Replace GFCI electrical outlet.

Hallway:

- Repair closet door.
- Repair closet door hardware.

Apartment 1321-1613 Studio/1 Bath STUC1

Entire unit:

- Replace carpet.

Entry hallway:

- Repair closet door.
- Repair closet door hardware.

Bathroom:

- Provide light fixture globe.

Kitchen:

- Replace stove/range.
- Replace kitchen sink.
- Replace garbage disposal.
- Replace kitchen sink faucet.

Apartment 1321-1614**2 Bedroom/2 Bath 2BA2**

Living Room:
Provide window blinds.
Dining Area:
Provide window blinds.
Kitchen:
Provide GFCI electrical outlet.
Bedroom 1:
Provide window blinds.
Bedroom 2:
Provide window blinds.
Bathroom 2:
Replace sealant at lavatory.
Repair toilet.
Replace lavatory.
Replace lavatory faucet.

Seventeenth Floor**Fire Stair "A (1)"**

Replace emergency light fixture.

Apartment 1321-1704**1 Bedroom/1 Bath 1BB1**

Entire Unit:
Provide resilient base.
Provide smoke detector.
Living room:
Provide window blinds.
Provide electrical outlet cover plate.
Bathroom:
Repair plaster walls.
Paint walls.
Paint ceilings.
Repair hot water leak at riser.
Kitchen:
Repair GFCI electrical outlet.
Provide stove/range.
Provide refrigerator.
Provide garbage disposal.
Bedroom:
Provide window blinds.
Hallway:
Provide closet doors.
Provide closet door hardware.
Provide closet shelves.
Provide electrical outlet cover plate.

Apartment 1321-1707**1 Bedroom/1 Bath 1BC1**

Entire Unit:
Replace carpet.
Paint entire unit.
Provide PTAC.
Bathroom:
Replace mold-contaminated plaster walls and ceilings.
Replace mold-contaminated ceramic tile and ceramic tile base.
Replace medicine cabinet, toilet paper holder, towel bar and shower rod.
Replace entry door and entry door hardware.
Bedroom 1:
Replace closet door and closet door hardware.

Apartment 1321-1712 2 Bedroom/2 Bath 2BB2

Bathroom 1:
Repair shower faucet.

Apartment 1321-1715 Studio/1 Bath STUA1

Entire Unit:
Provide smoke detector.
Kitchen:
Provide GFCI electrical outlet.
Replace garbage disposal.

**Eighteenth Floor
Fire Stair "A (1)"**

Replace emergency light fixture.

Corridor

Repair plaster walls.
Paint walls at repaired plaster
Repair light fixture.

Apartment 1321-1801 2 Bedroom/2 Bath 2BA2

Entire Unit:
Replace carpet.
Replace VCT.
Paint entire unit.
Bathroom 1:
Repair plaster walls.
Replace toilet seat.
Replace sealant at shower.
Replace portion of ceramic tile surround at shower.
Replace shower pan.
Replace shower faucet.
Kitchen:
Provide GFCI electrical outlets.
Bathroom 2:
Replace sealant at lavatory.
Repair toilet.

Apartment 1321-1802 1 Bedroom/1 Bath 1BA1

Entire Unit:
Paint entire unit.
Kitchen:
Repair garbage disposal.

Apartment 1321-1806 Studio/1 Bath STUB1

Kitchen:
Replace kitchen sink and kitchen sink faucet.
Replace garbage disposal.

Apartment 1321-1807 1 Bedroom/1 Bath 1BC1

Entire Unit:
Paint entire unit.
Provide PTAC.
Living room:
Provide closet door and closet door hardware.
Kitchen:
Repair stove/range.
Replace refrigerator.
Replace garbage disposal.
Bedroom 1:
Provide closet door and closet door hardware.

Nineteenth Floor
Fire Stair "A (1)"

Replace emergency light fixture.

Corridor

Repair plaster walls.
Paint walls at repaired plaster
Replace emergency light fixture.

Apartment 1321-1901 2 Bedroom/2 Bath 2BA2

Entire Unit:
 Replace carpet.
Bathroom 1:
 Replace glass shower door assembly.
 Replace sealant at shower.
 Replace GFCI electrical outlet.
 Replace lavatory and lavatory faucet.
 Replace portion of ceramic tile surround at shower.
 Replace shower pan.
 Replace shower faucet.
Kitchen:
 Replace sealant at countertops and cabinets.
 Provide GFCI electrical outlet.
Bathroom 2:
 Repair lavatory faucet.

Apartment 1321-1903 1 Bedroom/1 Bath 1BB1

Entire Unit:
 Paint entire unit.
Kitchen:
 Repair stove/range.
 Replace garbage disposal.

Apartment 1321-1909 Studio/1 Bath STUB1

Bathroom 1:
 Replace GFCI electrical outlet.
 Replace toilet.
 Replace sealant at lavatory.
 Replace lavatory and lavatory faucet.
Kitchen:
 Provide GFCI electrical outlet.
 Repair stove/range.

Apartment 1321-1912 2 Bedroom/ 2 Bath

Bathroom 1:
 Replace sealant at shower.
 Replace portion of ceramic tile surround at shower.
 Replace shower pan.
 Replace shower faucet.
Kitchen:
 Provide GFCI electrical outlet.

Apartment 1321-1913 Studio/1 Bath STUC1

Entire Unit:
 Paint entire unit.
 Replace baseboard heater cover.

Apartment 1321-1913

Studio/1 Bath STUC1 (continued)

Living Room:

- Repair plaster walls.
- Provide closet rod and closet shelf.

Bathroom:

- Provide GFCI electrical outlet.

Kitchen:

- Provide light fixture globe.
- Provide GFCI electrical outlet.
- Repair stove/range.

Twentieth Floor

Fire Stair "A (1)"

- Replace emergency light fixture.

Corridor

- Repair plaster walls.
- Paint walls at repaired plaster
- Replace emergency light fixture.

Apartment 1321-2005

1 Bedroom/1 Bath 1BA1

Kitchen:

- Repair garbage disposal.

Apartment 1321-2008

1 Bedroom/1 Bath 1BC1

Entire Unit:

- Provide smoke detector.

Bathroom:

- Replace sealant at lavatory.

Bedroom 1:

- Repair vent.

Apartment 1321-2015

Studio/1 Bath STUA1

Entire Unit:

- Replace carpet.
- Paint entire room.

Kitchen:

- Provide GFCI electrical outlet.
- Replace garbage disposal.

Twenty – First Floor

Fire Stair "A (1)"

- Repair light fixture.

Fire Stair "B (2)"

- Replace emergency light fixture.

Apartment 1321-2101

3 Bedroom/ 2 Bath

3BB2

Entire Unit:

- Paint entire unit.

Bathroom 1:

- Replace sealant at lavatory.
- Replace lavatory and lavatory faucet.

Kitchen:

- Provide GFCI electrical outlets.

Bathroom 2:

- Replace sealant at lavatory.
- Replace ceramic tile.

Apartment 1321-2110 3 Bedroom/ 2 Bath 3BA2

Kitchen:
Provide GFCI electrical outlet.

Apartment 1321-2111 2 Bedroom/2 Bath 2BC2

Bathroom 1:
Repair toilet.
Kitchen:
Provide GFCI electrical outlet.
Replace garbage disposal.
Bedroom 1:
Repair vent.

**Twenty Second Floor
Fire Stair "B (2)"**

Repair light fixture.

Apartment 1321-2201 3 Bedroom/2 Bath 3BB2

Entire Unit:
Replace carpet.
Paint entire unit.
Bathroom 1:
Replace toilet.
Replace sealant at lavatory.
Replace lavatory and lavatory faucet.
Kitchen:
Provide GFCI electrical outlet.
Replace garbage disposal.
Bedroom 1:
Repair plaster walls.
Replace closet rod and closet shelf.
Bedroom 2:
Provide closet rod and closet shelf.
Bedroom 3:
Provide closet rod and closet shelf.
Bathroom 2:
Replace toilet.
Replace lavatory and lavatory faucet.

Apartment 1321-2206 Studio/1 Bath STUB1

Entire Unit:
Paint entire unit.
Repair PTAC.
Bathroom:
Replace medicine cabinet.
Provide light fixture globe.
Replace toilet.
Kitchen:
Repair plaster walls.
Provide GFCI electrical outlet.
Repair stove/range.
Provide refrigerator.
Replace garbage disposal.
Closet:
Provide light fixture globe.
Hallway:
Provide light fixture globe.

Apartment 1321-2208 1 Bedroom/1 Bath 1BC1

Bathroom:
 Replace sealant at lavatory.
 Replace lavatory and lavatory faucet.
Kitchen:
 Provide GFCI electrical outlet.
 Repair kitchen sink faucet.
Bedroom 1:
 Repair closet door and closet door hardware.

Apartment 1321-2210 3 Bedroom/ 2 Bath 3BA2

Entire Unit:
 Replace carpet.
 Replace entry door, entry door hardware, and entry door peephole.
Living room:
 Repair plaster walls.
Bathroom1:
 Replace sealant at lavatory.
 Replace lavatory.
 Replace lavatory faucet.
Kitchen:
 Provide GFCI electrical outlet.
Bedroom 3:
 Provide closet door.
 Provide closet door hardware.
Hallway:
 Repair plaster walls.
Bathroom 2:
 Repair ceramic tile base.

Apartment 1321-2211 2 Bedroom/2 Bath 2BC2

Entire Unit:
 Replace carpet.
 Paint entire unit.
Living Room:
 Repair plaster walls.
Kitchen:
 Provide GFCI electrical outlet.
 Replace garbage disposal.

Apartment 1321-2212 3 Bedroom/ 2 Bath 3BB2

Entire Unit:
 Replace carpet.
 Replace entry door hardware and peephole.
Entry Hallway:
 Repair plaster walls.
Bathroom 1:
 Repair entry door.
 Replace sealant at lavatory.
 Replace lavatory and lavatory faucet.
Kitchen:
 Replace countertops.
 Replace sealant at countertops and cabinets.
 Provide GFCI electrical outlet.
 Replace garbage disposal.
Bathroom 2:
 Replace lavatory and lavatory faucet.
Hallway:
 Repair plaster walls.

Roof Access:

Repair stair handrail.

POSSIBLE HAZARDOUS WASTE

Perform an analysis of contents of the unidentified substances in the unlabeled 5-gallon container located in the East Tower basement vestibule and the four 55-gallon drums located in the Parking Garage in the former car wash area and have containers appropriately removed from the property.

GENERAL NOTES FOR ALL WORK:

1. All work shall be performed in a workmanlike manner and in accordance with good usage and accepted practices. All materials shall be made and installed so they perform in accordance with their intended purposes.
2. Materials installed shall be of such kind and of quality to ensure that the dwelling will provide acceptable durability, economy of maintenance and adequate resistance to weather, moisture, corrosion, and fire.
3. All work shall comply with local and state building, mechanical, electrical, and plumbing codes.
4. All UFAS/ADA work shall comply with Americans with Disability Act, Standards for Accessible Design, Revised as of July 1, 1994. 28 CFR Part 36.

End of work write up.

PHASE I ENVIRONMENTAL SITE ASSESSMENT OF

Lafayette Towers

1.0 Executive Summary

A Phase I ESA to assess the environmental condition of the site in accordance with our proposal dated **February 1, 2012** and in general conformance with the scope and limitations of ASTM Standard Practice E 1527-05. Any exceptions to, or deletions from, this practice are described in Section 3.4 of this report.

The scope of work for this Phase I ESA included review of historical use information, review of physical setting information, review of federal and state regulatory databases, review of local government records, historical and on site interviews, and a visual reconnaissance of the site and adjoining properties. Further details of regarding the scope, objectives, extent and limitations of our services are detailed in the text of the report. Please note that this Executive Summary is only a brief summary of these Phase I ESA services, and the entire report should be read for a comprehensive and accurate understanding of Findings, Conclusions and Recommendations.

1.1 Findings and Opinions

1.1.1 Site Description

Inspector has performed a Phase I Environmental Site Assessment (ESA) of the approximately 9-acre residential apartment complex property located at 1301 and 1321 Orleans Street, in Detroit, Wayne County, Michigan (herein referred to as the "subject property"). Inspector did not deviate from ASTM Standard Practice E 1527-05 when performing this Phase I ESA (i.e. no components of the practice were deleted, and no additions to it were made), except as described in Sections 3.0 and 8.0 of this report.

1.1.2 Findings & Opinions (de minimus, suspect or known RECs)

In the professional opinion of the Inspector, all appropriate inquiry has been made into the previous ownership and uses of the subject property consistent with good commercial and customary practice in an effort to minimize liability, and no evidence or indication of *recognized environmental conditions* (RECs) or *potential concerns* have been revealed in connection to the site, except for the following:

The current apartment towers and parking garage were constructed in 1962. A filling service station and car wash operated out of the north side of the parking garage from at least 1962 to 1998. Four underground storage tanks were identified in the City of Detroit's oil records cards and on the State of Michigan's underground storage tank (UST) database. Both sources listed three 4,000-gallon gasoline USTs and one 500-gallon used oil UST. In April 1998, the three 4,000-gallon USTs were removed from ground and the 500-gallon UST was closed in ground. Inspector observed two pipes within the interior of the garage that maybe associated with the remaining UST on site. Inspector also observed four 55-gallon drums of unknown materials located within the former car wash.

A gasoline release was reported for the site in April 1998 and was closed in July 2008. A baseline environmental assessment (BEA) was prepared for the current owners in March 2008. The preparation of a BEA for the site indicates that contamination exists on the property above the Michigan Department of Environmental Quality (MDEQ) cleanup criteria.

Although the gasoline release is closed for the site, the State of Michigan operates under a default closure program; if a Closure Report is not reviewed/audited by the MDEQ within six months of submittal then the site is closed. Review of the leaking underground storage tank (LUST) and BEA files would be necessary to determine the type and location of impact located on-site and if the LUST Closure Report was audited. Therefore, the operation of a filling station/car wash on the site and the site's listing on the LUST and BEA databases are considered suspect *recognized environmental conditions*.

The site and surrounding properties were razed in the early 1950's and redeveloped with the current site buildings and surrounding properties. Prior to 1950 the site was improved with residential and commercial structures which included the operation of factories, coal yards, and junk yards from at least 1922 to 1950. The surrounding properties were also improved with residential and commercial structures which operated as factories and a filling station from at least 1922 to 1950. Although the site and surrounding properties were razed for the construction of the current buildings and parks, the presence of these structures on the site and surrounding areas had the potential to impact the site and are considered suspect *recognized environmental condition*.

□ The south adjacent property's address at 1533 E. Lafayette Street was identified as a dry cleaner in Inspector's review of the environmental database report and city directories. A dry cleaner operated out of the Lafayette Plaza Shopping Center from at least 1970 to 1995. The presence of a dry cleaner on the south adjacent property for at least 25 years has had the potential to impact the subject property and is considered a suspect *recognized environmental condition*.

□ Inspector observed a plastic 5-gallon container of an unidentified black substance located in the vestibule of the East Tower Basement. The container appeared to be leaking onto the vinyl floor tile; however the floor around the container appeared intact. Therefore, the container and associated staining is considered a de minimis condition.

1.1.3 Conclusions

Inspector performed a Phase I ESA conforming with the scope and limitations of ASTM Practice E 1527-05 of the Lafayette Tower Apartments, the site. Any exceptions to, or deletions from, this practice are described in Section 3.4 of this report. The assessment has revealed the aforementioned suspect *recognized environmental conditions*.

1.1.4 Other Services

Although this Phase I ESA should not be misconstrued as a formal compliance audit, Inspector did not note any obvious issues of potential environmental (e.g., regulatory or material) non-compliance during the subject property inspection.

Asbestos Containing Material (ACM) Sampling Program

A limited ACM assessment, including bulk sampling was conducted; samples were collected and submitted for analysis of identified suspect ACMs. Inspector submitted the samples to APEX Research, Inc. of Whitmore Lake, a certified National Voluntary Laboratory Accreditation Program (NVLAP) participant for analysis of asbestos through Polarized Light Microscopy (PLM). The analytical results indicate asbestos was detected in the following materials:

- Black 9"x 9" floor tile located beneath the carpeting and flooring in all residential units observed and in the incinerator rooms on Floors 3 through 22 in both the East and West Towers.
 - Tan 9"x 9" floor tile and associated mastic located in the men's restroom in the basement the West Tower.
 - Grey 12"x 12" floor tile and associated mastic located in the women's restroom in the basement West Tower.
 - Green 9"x 9" floor tile and associated mastic located in the first floor and basement stairwells in both the East and West Towers.
 - Pipe joint insulation located in the boiler rooms in the basements of both the East and West Towers.
- Inspector recommends that an O&M Plan be implemented to manage these materials or that they are remediated by a licensed asbestos contractor. Inspector also recommends a comprehensive ACM survey prior to any renovations/ construction or demolition at the site.

Fungal Growth Sampling Program

Inspector observed evidence of microbial growth (suspect mold) in the site buildings. Additionally, laboratory results from limited sampling of suspect mold areas observed within the site buildings identified several types of mold present. According to the on-site maintenance manager the mold observed was from leaking windows and poor ventilation in the bathrooms. Based on Inspector's visual observations and the sampling results, remediation of the mold impacted materials is recommended. Observations are detailed in the text of this report.

The User did not request additional conditions for inclusion in the scope of this assessment.

1.2 Recommendations

RECs were identified for the site in association with the historical use of the site and surrounding properties prior to 1950, the presence of a filling station/car wash on site from at least 1962 to 1998, and the operation of a dry cleaner on the south adjacent property from at least 1970 to 1995; therefore, Inspector recommends further investigation.

A limited subsurface investigation is recommended to determine what impacts, if any, the historical operations prior to 1950 on the site and surrounding properties have had on the site. Inspector also recommends a limited subsurface investigation to determine potential impact from possible auto repair associated with the former filling station/car wash and the presence of the used oil UST remaining on site. Inspector also recommends further investigation in the form of a regulatory file review of the LUST and BEA files associated with the site, and the dry cleaning file associated with the south adjacent property to further determine the potential for impact to the site. Inspector recommends that the MDEQ file reviews be completed prior to determining the scope of work for a limited subsurface investigation, the findings of the file review may alter the scope and cost of the proposal.

Inspector observed a 5-gallon container of an unidentified substance located within the basement vestibule of the East Tower and observed four 55-gallon drums of containing an unidentified substance located within the former car wash. Inspector recommends having these materials characterized and removed off-site.

A limited asbestos survey was conducted on suspect asbestos containing materials. The results of laboratory testing during the limited asbestos survey conducted at the site indicate that building materials sampled were found to contain asbestos. Inspector recommends that an Operations and Maintenance (O&M) Plan be implemented to manage or that the materials be remediated by a licensed asbestos contractor. Suspect microbial growth was observed in several (three) of the apartment units inspected (by Inspector). Tape samples collected and analyzed were positive for mold, therefore, Inspector recommends a comprehensive mold survey to determine the cause of moisture intrusion and identify the extent of the impact to the remaining units on-site.

LEAD-BASED PAINT INSPECTION/ RISK ASSESSMENT REPORT

FOR THE PROPERTY LOCATED AT:

**1301 and 1321 Orleans Street
Detroit, Michigan**

DATES OF INSPECTION: January 10, 2012-January 18, 2012

DATE OF REPORT: February 24, 2012

EXECUTIVE SUMMARY

The inspector was retained to perform a lead-based paint inspection and risk assessment at the Lafayette Towers, located at 1301 & 1321 Orleans Street in Detroit, Michigan. The work was performed between January 10 and January 18, 2012. The multi-family development consists of two (2) buildings comprised of five hundred eighty-four (584) apartment units. The buildings are comprised of studio, one, two and three bedroom units. There were approximately 60 common areas comprised of 40 hallways, 2 lobby areas, 4 stairwells, two exercise rooms, two mail rooms, 2 laundry rooms, restrooms and a rental office. The development was built in 1963. It is our understanding that the buildings have similar construction, painting, and renovation histories. The lead-based paint inspection was performed using a random sampling scheme based on HUD guidelines. A total of twenty-eight (28) of the five hundred and eighty four (584) units were inspected, and 23 of the common areas were inspected.

Lead-based Paint Hazards

A lead-based paint hazard means any condition that causes exposure to lead from dust-hazards, soil-lead hazards, or lead-based paint that is deteriorated or present in chewable surfaces, friction surfaces, or impact surfaces, and that could result in adverse human health effects. All lead-based paint hazards must be repaired by certified individuals.

Hazards in Apartment Units

Painted components were sampled using non-destructive XRF analysis, following the guidelines given in the HUD Guidelines for the Evaluation and Control of Lead-Based Paint In Housing, Chapter 7, 1997 Revision and other federal and state regulations/statutes. Components containing lead based paint that are intact condition are not considered hazards until they become damaged or begin to deteriorate in any way.

Hazards in Common and Exterior Areas

The risk assessment for this property identified the following lead-based paint hazards located in the common and exterior areas of the property. Lead hazard control options/recommendations follow each hazard.

SITE	FLOOR	ROOM	SIDE	COMPONENT	CONDITION	HAZARD CONTROL RECOMMENDATIONS	HAZARD RATING
1301 – 1321 Orleans St.	Ext-Swimming Area	Changing/ Bath Room	E	Support Columns (Grey)	Chipping/ Peeling	Wet Scrape And Repaint Or Enclose Columns	1
1301 - 1321 Orleans St.	Ext-Parking Garage	Exterior	E	Metal Railing (Black)	Chipping	Wet Scrap and Repaint or Replace Railing	1

NOTES: CONDITION – **Paint in Poor Condition**, with a hazard rank of one (1) must be resolved immediately. **Paint in Moderate Condition**, with a hazard rank of two (2), means the hazard should be resolved. **Paint in Good Condition** with the Potential for Damage with a Hazard Rank of three (3) should be inspected periodically.

Certification of Substantial Compliance

TO: The United States Department of Housing and Urban Development

FROM: _____

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

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

By: _____
Grantee Name

Title

Address

Telephone Number

Date

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

Schedule A: All projects owned by _____ or affiliates.

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

PROTECTING TENANTS AT FORECLOSURE ACT OF 2009

Applicable to all foreclosure sales taking place from May 21, 2009, through December 31, 2012

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; and
2. Any tenant retains all of 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 - 24 CFR Part 5

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

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

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

Attachment L

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 (EX: replace roofs for 5 buildings)	Work Completed (EX: roofs replaced for 3 buildings: 60%)

Provide narrative describing any 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 fax a completed version of this report to the Property Disposition Center Construction Analyst, at (817) 978-6018. 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.