

New and Modified Master Lease Checklist Section 232

U.S. Department of Housing and Urban Development Office of Healthcare Programs

OMB Approval No. 9999-9999
(exp. mm/dd/yyyy)

Deleted: SUBMISSION CHECKLIST-SECTION 232 NEW or MODIFICATION OF MASTER LEASE

Public reporting burden for this collection of information is estimated to average 1 hour. This includes the time for collecting, reviewing, and reporting the data. The information is being collected to obtain the supportive documentation which must be submitted to HUD for approval, and is necessary to ensure that viable projects are developed and maintained. The Department will use this information to determine if properties meet HUD requirements with respect to development, operation and/or asset management, as well as ensuring the continued marketability of the properties. Response to this request for information is required in order to receive the benefits to be derived. This agency may not collect this information, and you are not required to complete this form unless it displays a currently valid OMB control number. No confidentiality is assured.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

PRELIMINARY APPROVAL	Required
EXHIBITS	
1. <u>Provide a narrative</u> detailing the request for a new or <u>the modification of the existing</u> Master Lease <u>including:</u> <u>a. The terms and conditions of the master lease;</u> <u>b. Proposed security agreement;</u> <u>c. Any proposed payments (fees, income, etc.) with the Master Tenant;</u> <u>d. The lease agreements between Mortgagor/Lessor and the Master Tenant, and the Master Tenant and Subtenants;and</u> <u>e. The collection and flow of funds from the Subtenants to the Master Tenant and from the Master Tenant to the Mortgagor/Lessor.</u>	<input type="checkbox"/>
2. Approval or consent Letter/Certification from all parties to the Master Lease	<input type="checkbox"/>
3. Provide a <u>narrative and</u> chart/diagram of the <u>proposed</u> Master Lease <u>structure</u> a). List the project names and entities involved in the Master Lease b). List the names of executed documents	<input type="checkbox"/>
4. Provide a spreadsheet detailing the following items: a). The name of facilities entity involved in the Master Lease b). <u>The</u> amount of original FHA debt, original valuation, and original debt value/ratio (<u>as a</u> percentage). c). <u>The</u> Debt Service Coverage ratio for each facility (using the facility's financials from YTD and <u>the</u> last two preceding years). d). <u>The CMS</u> Star Rating, number of beds, number of beds occupied, and occupancy rate for each facility. e). <u>The</u> current balance of each facility's replacement reserve account.	<input type="checkbox"/>
5. Provide the current State Life Safety Inspection Surveys for facilities listed as	<input type="checkbox"/>

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owned, leased or managed that have open G level or higher citations outstanding. Include Plans of Correction. If any facility has recent (within the last 2 years) resolved "G" or higher citations/deficiencies, please address.	
6. Provide a Mortgagee's Statement of Escrow and Reserve Account Balance for each facility.	<input type="checkbox"/>
7. Provide satisfactory evidence (or self certification) that each property has a current and effective insurance policy (PLI).	<input type="checkbox"/>
8. <u>Provide the draft proposed new or modified</u> documents to be executed or recorded <u>including a draft security agreement</u> . The terms being modified should be redlined or sufficiently identified.	<input type="checkbox"/>
9. Provide 2-yr's of Audited <u>(or entity-certified, where approved by HUD)</u> & YTD Financial Statements <u>of the</u> Owner and <u>Operator</u> .	<input type="checkbox"/>
The following documents must be submitted to HUD within a week of Modified Lease Closing.	
1. A copy of all documents which were modified and/or executed must be returned to HUD immediately upon execution.	<input type="checkbox"/>

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