



FORECLOSURE SALE

Residential House in Raytown, Missouri
built out as a 12 Bedroom Group Home

ANDREW'S WAY APARTMENTS
Is offered for sale at foreclosure:



Oral bids will be accepted on:
April 20, 2011
1:00 pm(local time)

Sale Location:
Jackson County Courthouse Annex
South Center Front Door
308 W. Kansas Ave.
Independence, Missouri 64050



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

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ATTACHMENTS

- | | |
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| <input checked="" type="checkbox"/> ATTACHMENT A - Property at a Glance | <input type="checkbox"/> ATTACHMENT E – Repair Summary and narrative; and Environmental information if available |
| <input checked="" type="checkbox"/> ATTACHMENT B - Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder | <input type="checkbox"/> ATTACHMENT F – HAP Contract |
| <input checked="" type="checkbox"/> ATTACHMENT C - Foreclosure Sale Use Agreement | <input checked="" type="checkbox"/> ATTACHMENT G – Certification of Substantial Compliance |
| <input type="checkbox"/> ATTACHMENT D - Letter of Credit (LoC) Sample | <input type="checkbox"/> ATTACHMENT H – Protecting Tenants at Foreclosure Act |

THESE FORMS ARE AVAILABLE AT <http://www.hud.gov/offices/adm/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://www.hud.gov/offices/adm/hudclips/forms/files/92417.pdf
<input type="checkbox"/>	Affirmative Fair Housing Marketing Plan (Form HUD-935.2A) http://www.hud.gov/offices/adm/hudclips/forms/files/935-2a.pdf
<input type="checkbox"/>	Management Entity Profile (form HUD-9832) http://www.hud.gov/offices/adm/hudclips/forms/files/9832.pdf
<input type="checkbox"/>	Project Owners Certification for Owner-Managed Multifamily Housing Projects (Form HUD-9839 A) http://www.hud.gov/offices/adm/hudclips/forms/files/9839-a.pdf
OR	<input type="checkbox"/>
<input type="checkbox"/>	Project Owner's/Management Agent's Certification for Multifamily Housing Projects for Identity of Interest or Independents Management Agents (form HUD-9839 B) http://www.hud.gov/offices/adm/hudclips/forms/files/9839-b.pdf
OR	<input type="checkbox"/>
<input type="checkbox"/>	Project Owner's/Borrower's Certification (form HUD-9839 C) - For elderly housing projects managed by Administrators only http://www.hud.gov/offices/adm/hudclips/forms/files/9839-c.pdf (Only one of these forms, 9839A, B or C, will be required for management certification.)
<input type="checkbox"/>	Direct Deposit Signup (Standard form 1199-A) http://www.fms.treas.gov/eft/1199a.pdf

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

SECTION 1 - INTRODUCTION AND GENERAL INFORMATION

1. **DEFINITION OF INVITATION FOR BID:** This document, including attachments, exhibits, and any amendment thereto, constitutes the Invitation for Bid ("Invitation") for **ANDREW'S WAY APARTMENTS**, FHA Number; **084-EH024** ("Project" or "Property"). PROPERTY AT A GLANCE, Attachment A to this Invitation, contains a summary of facts, figures, and most terms of the foreclosure sale ("foreclosure sale" or "sale"). This Invitation also includes **information concerning Previous Participation Certification (form HUD-2530) requirements** and a list of the forms and statements necessary to complete a responsive bid. This Invitation does not terminate until the closing of the foreclosure sale has occurred.
2. **BID RESPONSIVENESS:** A bid must be responsive to the terms of the 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 the Invitation, primarily the Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder ("Acknowledgment") and the Foreclosure Sale Use Agreement ("Use Agreement"). Lack of an earnest money deposit, as required by this Invitation, will be cause for bid rejection.
3. **SALE TO HIGHEST QUALIFIED BIDDER:** Sale of this project will be made to the highest responsive, qualified Bidder. The defaulting owner of the property, or any affiliate thereof, will not be permitted to bid.
4. **NO REDEMPTION PERIOD:** This sale is not subject to redemption by the previous owner.
5. **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 needed to own the project and to provide management acceptable to HUD.
6. **CANCELLATION OF SALE:** HUD reserves the unconditional right to cancel this Invitation and/or reject any and all bids at any time prior to the closing of the foreclosure sale.
7. **BIDDER'S DUE DILIGENCE:** Bidders, their agents and advisors should review carefully the information set forth in this Invitation and any additional information made available by HUD, and should undertake their own investigations of the property and related collateral to evaluate the risks associated with purchasing the property.
8. **POST-CLOSING REQUIRED REPAIRS:** Repair requirements that must be completed after closing, if applicable to this sale, are included in the form HUD-9552, Post-Closing Repair Requirements, and Exhibits (Attachment E) to this Invitation. The repair requirements listed in Attachment E survive the sale and will be recorded with the Deed.
NOTE: the form HUD-9552 and Exhibits reflect **cost estimates** of the required repairs.
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 as might interest them in its purchase, 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 sale, will not constitute grounds for any claim, demand, adjustment, or withdrawal of a bid.
9. **RECORDATION OF CERTAIN DOCUMENTS:** Attachment E, Post Closing Repair Requirements (form HUD-9552) and attachments, if provided herein, and Attachment C, Use Agreement, with any riders thereto, if provided herein, will be recorded with the Deed.
10. **SOURCE FOR ADDITIONAL INFORMATION:** For further information, please contact the Realty Specialist identified in the Property at a Glance.

SECTION 2 - PREVIOUS PARTICIPATION CERTIFICATION

PREVIOUS PARTICIPATION FOR PARTICIPANTS IN THE MULTIFAMILY PROGRAMS- The Preservation Approval Process Improvement Act of 2007 allows a Bidder and/or Management Agent to file the required Previous Participation Certificate (form HUD-2530) in either electronic or paper format. If filing the paper format, the form HUD-2530 must be submitted to the Realty Specialist identified in the Property at a Glance. If filing electronically, use HUD's Active Partners Performance System (APPS) to submit a 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, it is suggested that all potential bidders registering for the first time in APPS do so at least two weeks prior to the sale.** Instructions for registering for both "Secure Systems" and APPS are located on the [Active Partners Performance System \(APPS\) web site](#).

Be advised, 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 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 must be approved by HUD in order to close the purchase.

SECTION 3 - FORECLOSURE SALE PROCEDURES AND SUBMISSION OF BIDS

1. **GENERAL:** In order to submit a responsive bid to this Invitation, a Bidder must submit the items listed in this Section, and the additional documents/items, as indicated in Section 4, Paragraphs 2 and 3.
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 in the

attached Property at a Glance.

(b) The Bidder must either:

- (i) State a bid price orally at the sale, **or**
- (ii) Submit a written bid to the person that conducts the sale two (2) Federal Government business days before the date of sale. Written bids, if received, will be read aloud at the sale before oral bids are accepted. Only the person 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. ITEMS THAT MUST BE SUBMITTED AT THE FORECLOSURE SALE:

(a) **Earnest Money Deposit:**

- (i) The Earnest Money Deposit, for not less than the amount specified in the Property at a Glance, must be submitted to the Foreclosure Commissioner prior to presenting an oral or written bid.
- (ii) The deposit must be in the form of a money order, certified check, or cashier's check payable to:
THE SECRETARY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
- (iii) No other method of payment for the Earnest Money Deposit is acceptable.
- (iv) A financial organization submitting a bid on its own behalf must have the Earnest Money Deposit drawn on a separate financial organization.
- (v) Lack of proper deposit will be cause for rejection of the bid by HUD.
- (vi) Immediately following the sale, Earnest Money Deposit will be returned to all but the High Bidder.

(b) **Terms and Requirements of Foreclosure Sale – Acknowledgment by Bidder:** Immediately after the foreclosure sale has been completed, the High Bidder must submit **ONE** signed copy of the Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder to the Foreclosure Commissioner.

(c) **In order to bid at the foreclosure sale, non-profit bidders must show incorporation as a 501 (c) 3.**

4. **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 their agent.

5. **TELEGRAPHIC OR FACSIMILE BIDS:** Telegraphic or facsimile bids and/or bid modifications will not be considered for award.

6. **VERBAL NOTIFICATION TO THE HIGH AND SECOND HIGH BIDDER:** The highest Bidder ("High Bidder") and second highest Bidder ("Second High Bidder") will be notified orally of their bidding positions by the Foreclosure Commissioner immediately after the foreclosure sale. If the High Bidder and/or Second High Bidder are not present at the sale, they will be contacted by the Foreclosure Commissioner promptly after the foreclosure sale.

SECTION 4 - POST FORECLOSURE SALE PROCEDURES

1. **CONTINUANCE OF OFFERS:** The high bid shall be deemed to be a continuing offer from the time of the foreclosure sale until closing or bid rejection by HUD. The second high bid shall be deemed to be a continuing offer until execution of the Use Agreement or until thirty (30) days after the foreclosure sale, whichever occurs first, unless HUD and the Second High Bidder mutually agree to extend the offer. After the above activities have occurred, or the extension agreement has ended, the bid will be deemed to have expired.

2. **SUBMISSION OF POST-BID DOCUMENTS BY HIGH BIDDER:** The High Bidder must submit the following documents, statements and forms. These documents, statements and forms are required for submitting a complete bid. Complete instructions are provided in the Acknowledgment by Bidder. Contact information is provided in the Property at a Glance.

❖ **WITHIN TWO (2) FEDERAL GOVERNMENT BUSINESS DAYS AFTER FORECLOSURE SALE:**

(a) **Previous Participation Certification in either electronic or paper format:**

i. **Electronic filing: APPS and Secure Systems (e2530):**

- 1) **Bidders not registered in APPS and Secure Systems:** The High Bidder must register in the **Active Partners Performance System (APPS)**, and the HUD's Multifamily Secure Systems; **or**
- 2) **Bidders previously registered in APPS and Secure Systems:** The High Bidder must provide evidence of registration.

ii. **Paper Filing:**

- 1) **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; A "to be formed" entry will not be accepted, **and**
- 2) **Organizational Chart** –an organization chart, reflecting all principals of the purchasing entity and each principal's percentage of ownership must accompany the completed form HUD-2530.

(b) **Certification of Substantial Compliance:** The **complete and original** Certification of Substantial Compliance (Attachment G).

❖ **WITHIN TEN (10) FEDERAL GOVERNMENT BUSINESS DAYS AFTER FORECLOSURE SALE:** The High Bidder must, if checked below, submit the additional post-bid documents:

- Affirmative Fair Housing Marketing Plan (form HUD-935.2A)
- Previous Participation Certification (form HUD-2530) for Purchasing Entity, if different from bidding entity, See Sections 2 and 4 for more information

- Previous Participation Certification- paper form HUD-2530 for the Managing Agent, or submission of the "Participation Detail" page evidencing prior registration in APPS, or the "Participant Successfully Registered" page establishing the Management Agent's initial registration in APPS.
- 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 these forms A, B or C will be required for management certification.)**
- Direct Deposit Signup – Standard form 1199A
- Certification of Disclosure as attached to the Section 8 Rider included in the Use Agreement.

❖ **WITHIN FIFTEEN (15) FEDERAL GOVERNMENT BUSINESS DAYS AFTER FORECLOSURE SALE:** If the High Bidder (owning entity) elected to file the required form HUD-2530 electronically (e2530) and did not submit the paper form HUD-2530 within the time frames specified above, the High Bidder must electronically file the e2530.

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

3. QUALIFICATION, ACCEPTANCE, REJECTION OF BID:

(a) Required Bidder Qualifications to Purchase Property (Project):

The Department will evaluate, starting with the highest Bidder and proceeding in descending order, if necessary, the Bidder's experience, qualifications and capacity to purchase the Property based on the submission of the documentation described below, any other information independently verified by HUD and any other information required by the Bid Kit. HUD shall, in its sole discretion, accept or reject any bid submitted in the sale of the Property. The review and approval of the Previous Participation Certification (form HUD-2530) is required, for the purchase of the Property.

Based on the required documentation, as set forth in this bid kit, as well as any additional information independently obtained and verified by the Department, HUD will determine whether the Bidder has the qualifications and financial capacity to purchase the Property. This determination is a matter within HUD's sole and absolute discretion. If HUD rejects the bid, HUD will proceed to the next highest Bidder pursuant to the terms of the Invitation to Bid.

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 the bid and supporting 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 qualifications or financial capacity to successfully own and operate the Property, or omitted a material fact(s), HUD will retain the Bidder's Earnest Money Deposit as liquidated damages and may seek any and all additional available remedies.

- (i) If HUD approves the High Bidder as being 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.
- (b) If HUD rejects the High Bidder, and HUD elects 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. HUD will review the Bidder's post bid document submissions to determine if the Bidder is qualified to purchase the Project.
 - (i) If HUD approves the Bidder as being qualified, the Bidder will be confirmed as and identified as the Purchaser.
 - (ii) If the bid is rejected due to HUD's determination that the Bidder is not qualified to purchase the project, HUD will notify the Bidder in writing.
- (c) HUD's notification of rejection due to lack of qualifications, if applicable, shall be deemed to be given when mailed to the individual indicated in the Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder.
- (d) 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. **HANDLING OF THE EARNEST MONEY DEPOSIT:** The Earnest Money Deposit will be submitted by all Bidders to the Foreclosure Commissioner. The High Bidder's deposit will be held by HUD:
 - (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, HUD will apply the amount of the Earnest Money Deposit to the sales price at the closing of the foreclosure sale.
 - (b) If the bid amount is unacceptable, the Bidder's Earnest Money Deposit will be refunded.
 - (c) If the High Bidder is deemed unqualified to purchase the Project, and the High Bidder has complied with the requirements of this Invitation the Earnest Money Deposit will be refunded.
 - (d) If the High Bidder has failed to comply with the provisions outlined in this Invitation, the Earnest Money Deposit will be retained by HUD.
 - (e) Interest will not be paid on Earnest Money Deposits.
5. **CLOSING DATE REQUIREMENT:** The closing date and place will be determined by the Foreclosure Commissioner and/or HUD and will take place within the time period specified in the Acknowledgment, (Attachment B). The purchaser will be notified of said date and place by the Foreclosure Commissioner.
6. **EXTENSION OF CLOSING:** The right to extend the sales closing is expressly reserved by HUD as set forth in the Acknowledgment (Attachment B).

SECTION 5 – CLOSING

1. **EXECUTION OF USE AGREEMENT:** The Bidder that is confirmed as Purchaser and HUD will execute Attachment C, "Foreclosure Sale Use Agreement," at closing. HUD will have the Foreclosure Commissioner's 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 prorations (see paragraph 3 below). Cash due at closing includes all initial deposits to reserve accounts, if applicable.
3. **PRORATIONS:** Purchaser is responsible for paying all outstanding assessments, real estate and property taxes, utility bills including, but not limited to, water/sewer, gas and electric, as well as any other liens/assessments encumbering the property not extinguished by the foreclosure sale action. These amounts will not be prorated. However, if Extension Fees were paid, and if the sale closes prior to the expiration of an extension period, the prorated amount of the Extension Fees for the unused portion of the extension period shall be credited toward the amount due from the Purchaser at closing.
4. **CLOSING EXPENSES:** Irrespective of local custom, the Purchaser shall pay all stipulated closing expenses, including, but not limited to, all documentary stamp taxes, and any costs in connection with a review of title or title insurance as may be requested by the Purchaser. HUD will pay recording fees for the transfer of title and recordation of the Use Agreement.
5. **METHOD OF PAYMENT:** Cash due at closing shall be paid in the form of a money order, certified check, or cashier's check made payable to:
THE SECRETARY, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.
6. **REPAIR ESCROW:** If Post-Closing Repair Requirements are included in the sale, at **closing** the Purchaser shall provide HUD with assurance that the required repairs will be completed. At HUD's sole discretion, either a Letter of Credit or Cash Escrow must be submitted by the Purchaser to ensure the completion of repairs:
 - (a) **Letter of Credit:** an unconditional, irrevocable, and nondocumentary Letter of Credit (LoC), or a group of no more than five (5) LoCs, in the amount indicated in the Property at a Glance. Such LoCs shall expire no earlier than six (6) months after completion of the stated required repairs. HUD will release the undrawn balance in the LoCs six (6) months after completion of repairs. Such undrawn balance shall be of an amount equal to ten percent (10%) of the total estimate of repairs.
 - (b) **Cash Escrow:** in the amount indicated in the Property at a Glance to be held by HUD in a non-interest bearing account. The Cash Escrow will be returned to the Purchaser after the repairs have been satisfactorily completed, except for ten percent (10%) which will be held for an additional six (6) months.
7. **HOUSING ASSISTANCE PAYMENTS (SECTION 8):** For projects sold with Project-Based Section 8 assistance (see the Property at a Glance and the Use Agreement,) the Purchaser must execute a Housing Assistance Payment Contract (HAP). The HAP Contract is subject to the availability of Section 8 funds. The HAP Contract will initially be funded for a minimum of one (1) month and a maximum of twelve (12) months. A sample form of the HAP Contract is included as Attachment F.
8. **CONVEYANCE:** Conveyance of the project shall be by Special Warranty Deed ("Deed"). The Deed will not contain any warranty of title.
9. **RECORDATION OF DEED:** HUD shall record the Deed and all other recordable documents. All recordation costs for the transfer of title and the Use Agreement shall be at the expense of HUD.
10. **DOCUMENTS (TO BE) FURNISHED OR EXECUTED AT CLOSING**

- | | | |
|--|--|---|
| <input checked="" type="checkbox"/> Foreclosure Sale Use Agreement | <input type="checkbox"/> Letter(s) of Credit | <input checked="" type="checkbox"/> Closing Statement |
| <input type="checkbox"/> HAP Contract | <input type="checkbox"/> Cash Escrow | <input type="checkbox"/> |

SECTION 6 – DISCLAIMERS

1. **DISCLAIMER:**
 - (a) As stated in Section 1, paragraph 7, 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.



**Attachment A
PROPERTY AT A GLANCE
ANDREW'S WAY FHA #: 084-EH024**

ADDRESS: **53rd & Blue Ridge
Raytown, MO 64133**
COUNTY: **Jackson**

EARNEST MONEY: **\$10,000** SALES PRICE: **Unstated Minimum**
TERMS: **All Cash-30 days to close**
LETTER OF CREDIT: **\$0** SALE TYPE: **Foreclosure**

PROPERTY INFORMATION

Total Units	Residential	Commercial	Foundation:	Concrete slab on grade
12	Revenue 12	n/a	Roof:	Composition shingle
	Non-Revenue		Exterior:	Wood frame
Building/Site Type Walkup			Floors/Finish:	Carpet, wood, VCT, resilient, ceramic

Number of Buildings	Stories	Year Built	Rehab Year	Approximate Site Acreage	Approximate Net Rentable Area
1	2	1983			

Mechanical Systems

Heating:
Fuel: _____
System: **Central**

Hot Water:
Fuel: **Gas**
System: **Central**

Air Conditioning
Windows: **Central**
Screen

Utilities

Public Water

Gas Main

Electric

Sanitary Sewer

Storm Sewer

Septic Tank

Parking

Street	Asphalt
Curb	Concrete
Sidewalk	
Parking Lot	Asphalt
Parking Spaces	1 lot 10

Apartment Features

Air Conditioning

Dishwasher

Microwave

Garbage Disposal

Refrigerator

Range/Oven

Drapes/Blinds

Community Features

Garage

Covered Parking

Laundry Facility

Cable/Sat Hookup

Playground

Pool

Community Space

Owner Expense

Water
Electric
Gas
Sewer

Tenant Expense

OCCUPANCY

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
		0%	0%	0%	0%	0%	0%	0%	0%	0%		

ESTIMATED ANNUAL RENTAL INCOME and EXPENSE:

# of Units	Type (# of Bdrs)	Approx Square Feet	Current Gross Rent (Contract Rent plus UA)	Estimated Utility Allowance (UA)	After Sale Contract Rent (excluding UA)	Total Sale Contract Rent (excluding UA)
Estimated/Possible Monthly Total						

Total Estimated/Possible Annual Income	
Rent	
Commercial	
Parking	
TOTAL	
Estimated Annual Expenses	
Administrative	
Utilities	
Operating	
Taxes/Insurance	
Reserve/Replace	
Total	

COMMENTS CONCERNING PROPERTY INFORMATION:

The property is a 2-story house with a partial basement. The property has been vacant since March of 2008.

There are 5 bedrooms & 2 bathrooms on the 1st floor with the living, dining & kitchen areas. There are 7 bedroom & 2 bathrooms on the 2nd floor. A floor plan is included in the bid kit.

This property will NOT be preserved as affordable housing. Therefore the bid kit does not require HUD approval for resale, or for changes in the number of bedrooms.

Future uses of the property must comply with local zoning regulations. The purchaser is to maintain the property in accordance with state and local codes and EPA requirements.

USE RESTRICTIONS

N / A Years affordable rental housing.

_____ Years rent cap protection for _____ residents.

PROJECT BASED SECTION 8

No Project-based or tenant-based Section 8 rental assistance is being offered in this sale. Future use of the property must meet state and local building codes, local zoning requirements, and EPA requirements.

TERMS OF SALE

- This is an "All-Cash" – "As-Is" sale. HUD is not providing financing for this sale. Payment of the full bid price must be presented at closing.
- No consideration will be given to a bid submitted by any party currently suspended or debarred from participating in HUD programs. As provided for in 24 CFR, Sec. 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 property. (Principal and affiliate are defined at 24 CFR 24.905.)
- Bids for this property will only be considered for acceptance if properly submitted by following the bidding instructions which includes submitting the required earnest money, forms and statements as required in the bid kit. High Bidder will be reviewed to determine if qualified to purchase, own and manage the project being offered.
- 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.**
- Closing is to be held 30 days after HUD notifies the High Bidder that they are qualified to purchase the project being offered.
- If HUD authorizes and 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 day for each 30 day period.
- Riders placed in the Deed will include the following: Nondiscrimination Against Multifamily Section 8 Cert. & Voucher Holders, Asbestos Hazards, Mold Hazards, Radon Hazards.

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://www.hud.gov/offices/hsg/mfh/pd/mfplist.cfm>.

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 ANDREW'S WAY Apartments:

MUST BE PRESENTED ON: April 20, 2011

At: 1:00 pm (local time)

Location of Foreclosure Sale:

Jackson County Courthouse Annex
South Center Front Door
308 W. Kansas Ave.
Independence, MO 64050

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: Margaret Laakso
Phone: (817) 978-5821
Fax: (817) 978-6019
Email: margaret.laakso@hud.gov

INSPECTION OF PROPERTY

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.

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.

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 ANDREW'S WAY (the "Project" or the "Property"), the legal description of which is included as Exhibit A, to be paid as follows:

1. \$ 10,000 in the form of a money order, certified check, or cashier's check, as the Earnest Money Deposit ("Earnest Money"), which has been submitted at the foreclosure sale to the Foreclosure Commissioner, and which shall not earn interest (the "Deposit"), **and**
2. \$ _____ the balance of the bid price ("sales price"), to be paid by the High Bidder at Closing, in the form of a money order, certified check, or cashier's check in accordance with this Terms and Requirements of Foreclosure Sale – Acknowledgment by Bidder ("Acknowledgment by Bidder"). The Closing will be held at a place, date and time established in accordance with Part II, paragraph 6 below (the "Closing").
3. 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 and/or Letters of Credit, Cash Escrow, or Payments and Performance Bonds, as described in Riders incorporated herein, the Invitation for Bid ("Invitation"), the Foreclosure Sale Use Agreement ("Use Agreement"), and the Housing Assistance Payment Contract ("HAP").

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 this Invitation, including this Acknowledgment by Bidder and documents referred to herein, the Invitation and attachments, the Use Agreement and Riders, and the Notice of Default and Foreclosure Sale. Bidder must execute this Acknowledgment by Bidder.
2. **EXECUTION OF USE AGREEMENT:** At Closing, High Bidder will, in addition to any other related documents, execute the Foreclosure Sale Use Agreement ("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. **CERTIFICATION OF SUBSTANTIAL COMPLIANCE (Attachment G):** The High Bidder must provide Certification to HUD (**within two (2) Federal Government business days after the foreclosure sale**) that any other Projects that are owned by the High Bidder or its affiliates and are located in the same jurisdiction (city or town) as the Project are in substantial compliance with applicable State and/or local housing statutes, regulations, ordinances and codes. HUD may, in its discretion, verify the accuracy of such certification and request supporting documentation from the High Bidder. The complete and original Attachment G must be received by the Realty Specialist identified in the Property at a Glance. If HUD determines in its sole discretion that such other Projects are not in substantial compliance, HUD will have the right to refuse to sell the Project to the High Bidder and retain the Earnest Money Deposit.
4. **PREVIOUS PARTICIPATION CERTIFICATION:**
 - (a) **Within Two (2) Federal Government business days after the Foreclosure Sale:**

The High Bidder must submit the Previous Participation Certification in **either electronic or paper form:**

 - (i) **Paper form HUD-2530:**

High Bidder, if using paper form (submittal) of the Previous Participation Certification (form HUD 2530) , must submit the original and executed form, **complete with organizational chart**, to the Realty Specialist identified in the Property at a Glance, **or**
 - (ii) **Electronic form HUD-2530:**
 - a. **High Bidder not registered in APPS and Secure Systems,** must submit certification that the Bidder has registered in APPS and Secure Systems. This certification 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. The High Bidder is also responsible for submitting any changes necessary for principals, tax ID, and ownership in the APPS system, **or**
 - b. **High Bidder registered in APPS and Secure Systems,** must fax a copy of the Participant Detail page to the Realty Specialist identified in the Property at a Glance.
(See APPS User Guide-Industry, Chapter 16 for printing instructions).
 - (b) **Within Fifteen (15) Federal Government business days after the Foreclosure Sale:**

If High Bidder elected to file the required form HUD-2530 electronically (e2530) and did not submit the paper form HUD-2530s within the time frames specified above, the High Bidder must electronically

file the e2530 within fifteen (15) days of the foreclosure sale and fax a printed copy of the 2530 Submission Package to the Realty Specialist identified in the Property at a Glance. (See APPS User Guide-Industry, Chapter 16, for printing instructions).

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 Bidder has the requisite experience, qualifications and financial capacity to purchase the Property. This determination is a matter 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 Property, HUD will reject the bid and proceed to the next highest Bidder pursuant to the terms of the Invitation to Bid.

5. ESTABLISHMENT OF CLOSING DATE, TIME AND PLACE:

- (a) Time is of the essence.
- (b) HUD will notify the High Bidder and the Foreclosure Commissioner in writing after HUD determines that the High Bidder has been approved to purchase the Property. Approval to purchase is subject to review and approval of Bidders' written statements and HUD forms as required for purchase in Section 4 (Post Foreclosure Sales Procedures) of the Invitation, and in Attachment B, Terms and Requirements of Foreclosure Sale – Acknowledgment by Bidder, specifically Part II, paragraph 21. The Closing **shall be within thirty (30) days of such notification**, unless extended pursuant to paragraph 12 below.
- (c) The Foreclosure Commissioner will establish a time and date for the Closing. The Closing will take place at a site agreed upon between HUD and the Commissioner.

6. CLOSING, CLOSING EXPENSES AND TRANSFER OF POSSESSION:

- (a) The sale shall be effective upon Closing.
- (b) High Bidder/Purchaser shall pay all closing costs and expenses, excluding fees for recording the Deed and Use Agreement, irrespective of local custom. Recording fees shall be paid by HUD.
- (c) Transfer of title and possession of the Project shall become effective as of the Closing date.

7. PAYMENT OF BID PRICE AT CLOSING: The High Bidder/Purchaser shall pay the balance of the bid price (sales price) at Closing in the form of a money order, certified check or cashier's check made payable to:

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

8. LIQUIDATED DAMAGES: Should the High Bidder/Purchaser fail or refuse to perform all obligations under the Invitation (which includes this Acknowledgement by Bidder) 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 6, the Earnest Money Deposit and any Extension Fees, paid under Section 12, shall be retained by HUD as liquidated damages.

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

- (a) A written request for an extension must be received at the HUD office indicated below within five (5) days prior to the prescribed Closing date, or within any extension period and **must be accompanied by the payment** of the required extension fee. The request must state the reason for Bidder's inability to close the sale within the initial period or any extended period.

Fort Worth Multifamily PD Center
Attn: Ruth E. Pompa, Director
801 Cherry Street, Unit #45, Ste. 2500
Fort Worth, TX 76102

- (b) Extensions shall be for thirty (30) days.
- (c) For each thirty (30) day period requested by High Bidder/Purchaser and approved by HUD, extension fees shall be equal to:
 - (i) \$ ~~40.80~~, per unit, per day, which is \$ 489.60 daily, a cost of \$ **14,688.00**, which covers the 30-day period (the holding cost for such period), **or**
 - (ii) one and one-half percent (1.5%) of the bid price, whichever is greater.
- (d) The Extension Fees shall be retained by HUD and shall not be credited to the amount due from High Bidder/Purchaser at Closing. However, if the sale closes 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 High Bidder/Purchaser at Closing.
- (e) The granting of one or more extensions shall not obligate HUD to grant additional extensions.
- (f) 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.
- (g) Extension Fees must be submitted by money order, certified check or cashier's check acceptable to

HUD.

10. BIDDER RESTRICTIONS:

- (a) No Member of/or Delegate to Congress, resident commissioner, or local elected official, shall be admitted to any share or part of this 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.
- (b) 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 12 shall be retained by HUD as liquidated damages.
- (c) Pursuant to 24 CFR 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 CFR 24.105.

11. AS-IS SALE; NO REPRESENTATIONS:

- (a) High Bidder/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.
- (b) Bidder acknowledges that the bid price (sales price) set forth in this Acknowledgment is based on Bidder's evaluation of the Project and not upon any representations by HUD. 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 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 Bidder for a reduction in the bid price corresponding to the estimated amount of damages. Such amount shall be added to the Post-Closing repair requirements, Form HUD – 9552, included in the Invitation. If HUD fails to negotiate a bid price reduction or if the High Bidder/Purchaser 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/Purchaser may withdraw the bid. In such case, HUD will return the Earnest Money Deposit and any Extension Fee(s) paid, *unless* there is cause to retain the Earnest Money Deposit based on breach of the Invitation and/or Acknowledgment by Bidder.

13. PRORATIONS:

- (a) High Bidder/Purchaser is responsible for paying all outstanding assessments, real estate and property taxes, utility bills including, but not limited to water/sewer, gas and electric which are not extinguished by the foreclosure. These costs will not be prorated. However, if Extension Fees were paid and if the sale closes prior to the expiration of an extension period, a prorated amount of the Extension Fees, for the unused portion of the extension period, shall be credited toward the amount due from High Bidder/Purchaser at Closing. The High Bidder/Purchaser will be responsible for expenses incurred by the Project after Closing. *Bidders are required to determine outstanding expenses/assessments/liens as part of its due diligence and take those outstanding expenses into consideration when submitting bids.*
- (b) The High/Bidder/Purchaser is responsible for paying in full all taxes that come due after Closing. Taxes paid by the Purchaser after the Closing date will not be prorated, even if those taxes are for a period prior to Closing.

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/Purchaser certifies:
 - (i) The bid price in this offer has been 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 High Bidder, directly or indirectly, to any other High 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 High 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 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 (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 Bidder ineligible to purchase the Project. In which case High Bidder shall forfeit the Earnest Money Deposit and any Extension Fees paid.

17. REQUIRED STATEMENTS AND FORMS:

Not later than ten (10) Federal Government business days after oral notification at the foreclosure sale of being the High Bidder, the Bidder must demonstrate the ability to meet HUD requirements for purchase of the Project by submitting the documents checked below to the Realty Specialist identified in the Property at a Glance:

- Affirmative Fair Housing Marketing Plan (form HUD-935A)
 Previous Participation Certification (form HUD-2530) for purchasing entity, if different from the bidding entity (Refer to Invitation, Sections 2 and 4 and the Acknowledgment by Bidder, Part II, paragraph 4, "Previous Participation Certification" for more information)
 Previous Participation Certification (form HUD-2530) for the Management Agent, if applicable (Refer to Invitation, Sections 2 and 4 and the Acknowledgment by Bidder, Part II, paragraph 4, "Previous Participation Certification" for more information)
 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
 Certification of Disclosure, as attached to the Section 8 Rider included in Use Agreement

NOTICE: It is the High Bidder's responsibility to ensure compliance with form and document submission as required in Part II, paragraph(s) 3, 4, 5, 7 and above in this paragraph. Failure to submit or comply with any requirements of the Invitation or Acknowledgement may result in 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.

18. 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.

19. RIDERS TO THE USE AGREEMENT:

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

- | | |
|---|--|
| <input type="checkbox"/> Affordability of Units | <input checked="" type="checkbox"/> Radon Hazards |
| <input type="checkbox"/> Two-Year Rent Protection for Pre-Existing Very Low-Income Tenants | <input type="checkbox"/> Harmful Chemical Hazards |
| <input checked="" type="checkbox"/> Nondiscrimination Against Multifamily Section 8 Certificate Holders and Voucher Holders | <input type="checkbox"/> Existing Hazardous Substances-Demolition Activities |
| <input type="checkbox"/> Required Rehabilitation, Repair Escrow, Relocation | <input type="checkbox"/> Project-Based Section 8 Assistance |
| <input type="checkbox"/> Post-Closing Repair to Local Codes and/or Demolition Escrow Requirements | <input type="checkbox"/> Reserve Fund for Replacement Account |
| <input type="checkbox"/> Post-Closing Repair [Demolition] Escrow Requirements | <input type="checkbox"/> Section 8 |
| | <input type="checkbox"/> Historic Preservation |
| | <input type="checkbox"/> Right of First Refusal |

- Operating Deficit Escrow Account
- Relocation
- Lead-Based Paint Hazards
- Asbestos Hazards
- Mold Hazards

- Mobile Home Parks
- Retirement Service Centers
- Notification of Facility Termination
- Projects Primarily Occupied by the Elderly
- Residual Receipts

20. 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 _____ ("Purchaser") 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 ANDREW'S WAY, HUD Project No. 084-EH024, (the "Project" or the "Property") 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(a), Management and Preservation of HUD-Owned Multifamily Housing Projects, and the Department of Housing and Urban Development regulations thereunder at 24 CFR Part 290, the Secretary has authority to impose certain use restrictions, as set forth in this Agreement, on the property subject to a mortgage held by the Secretary that is sold at foreclosure to a purchaser other than HUD; **and**

WHEREAS, by Deed executed this ___ day of _____, 20___, by _____, the Project has been conveyed to the Purchaser; **and**

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

1. **TERM OF AGREEMENT:** This Agreement shall be in effect,
 twenty years from the date of this Agreement **or** until

2. **NON-DISCRIMINATION REQUIREMENTS** - The Purchaser will comply with the provisions of all Federal, State, or local laws prohibiting discrimination in housing.

3. **REMEDIES FOR NONCOMPLIANCE** - Upon any violation of any provision of this Agreement by the Purchaser, HUD may give written notice thereof to the Purchaser by registered or certified mail, addressed 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 Purchaser as its legal business address. If such violation is not corrected to the satisfaction of the Secretary within thirty (30) 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 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 construe a waiver of the right to exercise that or any other right or remedy at any time.

4. **SUCCESSORS AND ASSIGNS** -This Agreement is binding upon the Purchaser's heirs, successors and assigns. The Purchaser agrees that if title to the Project is conveyed during the term of this Agreement, the Purchaser will require its purchaser to assume in writing its obligations under this Agreement.
5. **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 Use Agreement if the Use Agreement is made with a corporation for its general benefit.
6. **CONTRADICTIONARY AGREEMENTS** - The Purchaser 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 requirements in conflict with this Agreement.
7. **SEPARABILITY** - The invalidity of any provision of this Agreement shall not affect the validity of the remaining provisions hereof.
8. **AMENDMENT** - This Agreement may be amended by the mutual written consent of the parties, except those provisions required by statute.
9. **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.

<input type="checkbox"/> Affordability of Units <input type="checkbox"/> Two-Year Rent Protection for Pre-Existing Very Low-Income Tenants <input checked="" type="checkbox"/> Nondiscrimination Against Multifamily Section 8 Certificate Holders and Voucher Holders <input type="checkbox"/> Required Rehabilitation, Repair Escrow, Relocation <input type="checkbox"/> Post-Closing Repair to Local Codes and/or Demolition Escrow Requirements <input type="checkbox"/> Post-Closing Repair [Demolition] Escrow Requirements <input type="checkbox"/> Operating Deficit Escrow Account <input type="checkbox"/> Relocation <input type="checkbox"/> Lead-Based Paint Hazards <input checked="" type="checkbox"/> Asbestos Hazards <input checked="" type="checkbox"/> Mold Hazards	<input checked="" type="checkbox"/> Radon Hazards <input type="checkbox"/> Harmful Chemical Hazards <input type="checkbox"/> Existing Hazardous Substances-Demolition Activities <input type="checkbox"/> Project-Based Section 8 Assistance <input type="checkbox"/> Reserve Fund for Replacement Account <input type="checkbox"/> Section 8 <input type="checkbox"/> Historic Preservation <input type="checkbox"/> Right of First Refusal <input type="checkbox"/> Mobile Home Parks <input type="checkbox"/> Retirement Service Centers <input type="checkbox"/> Notification of Facility Termination <input type="checkbox"/> Projects Primarily Occupied by the Elderly <input type="checkbox"/> Residual Receipts Account
--	--
10. **PRIORITY** – This foreclosure Use Agreement shall be recorded against the property in a superior position to any post foreclosure liens or mortgage debts.

IN WITNESS WHEREOF:

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

WITNESS:

PURCHASER:

 By: Signature

 Typed Name of Purchaser

 Street Address

 City, State, Zip Code

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

WITNESS:

FOR: THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

BY: _____

 Official's Typed Name

 Title

Exhibit A
Legal Description

ANDREW'S WAY APARTMENTS

All of Lots 48 and 49, CONTINUATION OF KIMPTON HEIGHTS, a subdivision in Jackson County, Missouri.
Containing 30,907 square feet, or 0.71 acres, more or less.

NONDISCRIMINATION AGAINST MULTIFAMILY SECTION 8 CERTIFICATE HOLDERS AND VOUCHER HOLDERS

(Applies to Rental Housing not covered by a HAP Contract)

The Use Agreement includes the following provisions:

Voucher

If the Housing Assistance Payments Contract (HAP) is terminated, expires and/or not renewed, or rental units are not covered by the HAP Contract, this rider will control operations of the property.

Nondiscrimination

In order to comply with Section 204 of the Housing and Community Development Amendments of 1978, 12 USC §1701z-12, as amended, the Purchaser, any/all successors and assigns, agrees not to unreasonably refuse to lease a dwelling unit offered for rent, 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 that rent for an amount not greater than the Section 8 fair market rent for a comparable unit in the area as determined by HUD.

If the Purchaser breaches this provision, HUD and/or one or more third - party beneficiaries, shall be entitled to institute legal action to enforce performance and observance of such provision and to enjoin any acts which are in violation of such provision. For the purposes of this provision, 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 a part of the Use Agreement.

PURCHASER _____

RIDER 2 OF 4
ASBESTOS HAZARDS

The Use Agreement includes the following provisions:

1. Purchaser agrees to indemnify defend, and hold HUD harmless from any liability arising by reason of Purchaser's failure to perform Purchaser's obligations under this Deed with respect to the elimination of asbestos health hazards, the prohibition against the use of asbestos and Purchaser's responsibility for complying with applicable State and local asbestos laws and regulations.
2. Purchaser shall develop and maintain on the site at all times an Operations and Maintenance Plan which will identify areas which involve asbestos hazards and establish work/repair guidelines.
3. If temporary or permanent relocation is necessary because of such rehabilitation, Purchaser covenants to comply with Section 203(f)7 of the Housing and Community Development Amendments of 1978, as amended, 12 USC §1701z-11(j), and the regulations thereunder, 24 CFR §290.17, as explained in paragraphs 4 through 6, below. Additionally, the Purchaser covenants to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 USC §4601, and the regulations thereunder, 49 CFR Part 24, when Project-based Section 8 assistance is provided by HUD. The Purchaser is responsible for ensuring compliance with the Act and Regulations, notwithstanding any contractual obligations with third parties to comply with the Act and Regulations. Purchaser covenants to provide advance written notice of the expected displacement. 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 relocation is necessary because of such rehabilitation, Purchaser covenants to provide assistance to 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.
 - (b) Expenses of returning to a repaired unit on the Property.
5. If permanent relocation is necessary because of such rehabilitation, Purchaser covenants to 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.
 - (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.
6. The Purchaser covenants not to increase the rent for any units, from the rent HUD is requiring a tenant to pay on the Closing date, until such unit meets all the rehabilitation requirements set forth in paragraph 1, above.
7. If Purchaser fails to comply with paragraph 1, above, and no extension by written agreement has been granted by HUD, HUD and/all successors in office shall be entitled to:
 - (a) Enter and terminate the estate hereby conveyed, or
 - (b) Cash Purchaser's Loc(s) and apply the funds to perform or correct such work, or for such purposes as HUD deems appropriate, or
 - (c) Request payment or performance under any payment and/or performance bond described in the Rider Required Rehabilitation, Repair Escrow, Relocation.These rights and remedies may be exercised separately or in combination.
8. Notwithstanding 7(a) through (c) above, HUD will not exercise those remedies, if any lender holding a lien or security interest on the Project:
 - (a) Gives written notice to HUD within the period provided for repairs, that it intends to complete the repairs, and
 - (b) Completes such repairs.

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

PURCHASER _____

SECRETARY OF HOUSING AND URBAN DEVELOPMENT _____

USE AGREEMENT

RIDER 3 OF 4
MOLD HAZARDS

The Use Agreement includes the following provisions:

1. Purchaser agrees to indemnify defend, and hold HUD harmless from any liability arising by reason of Purchaser's failure to perform Purchaser's obligations under this Deed with respect to the elimination of mold health hazards, and Purchaser's responsibility for complying with applicable Environmental Protection Agency's regulations and State and local laws and regulations.
 - (a) Purchaser covenants that the Property will be inspected and tested for mold and mold conditions, and any hazards will be remediated. The purchaser will remediate the mold or mold conditions in accordance with the relevant provisions of the Environmental Protection Agency regulatory standards and guidelines.
 - (b) Purchaser covenants that any mold hazards will be remediated in accordance with applicable federal state, and local laws, regulatory standards and guidelines, including without limitation the Environmental Protection Agency (EPA) Guidelines.
2. If temporary or permanent relocation is necessary because of such rehabilitation, Purchaser covenants to comply with Section 203(f) of the Housing and Community Development Amendments of 1978, as amended, 12 USC §1701z-11(f), and the regulations thereunder, 24 CFR §290.17, as explained in paragraphs 4 through 6, below. Additionally, the Purchaser covenants to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 USC §4601, and the regulations thereunder, 49 CFR Part 24, when Project-based Section 8 assistance is provided by HUD. The Purchaser is responsible for ensuring compliance with the Act and Regulations, notwithstanding any contractual obligations with third parties to comply with the Act and Regulations. Purchaser covenants to provide advance written notice of the expected displacement to the residents. The notice shall be provided as soon as feasible, describe the assistance and the procedures for obtaining the assistance, and contain the name, address and phone number of an official responsible for providing the assistance.
3. If temporary relocation is necessary because of such rehabilitation, Purchaser covenants to provide assistance to 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.
 - (b) Expenses of returning to a repaired unit on the Property.
4. If permanent relocation is necessary because of such rehabilitation, Purchaser covenants to 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.
 - (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.
5. The Purchaser covenants not to increase the rent for any units, from the rent HUD is requiring a tenant to pay on the Closing date, until such unit meets all the rehabilitation requirements set forth in paragraph 1, above. **[Insert the following sentence only when the contract includes a HAP.** (In addition, rent for units to be covered by a Housing Assistance Payments Contract may be increased only pursuant to and following execution of such Contract.)
6. If Purchaser fails to comply with paragraph 1, above, and no extension by written agreement has been granted by HUD, HUD shall be entitled to enter and terminate the estate hereby conveyed. This right and remedy may be exercised separately or in combination.

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

PURCHASER_____

SECRETARY OF HOUSING AND URBAN DEVELOPMENT_____

RIDER 4 OF 4
RADON HAZARDS

The Use Agreement includes the following provisions:

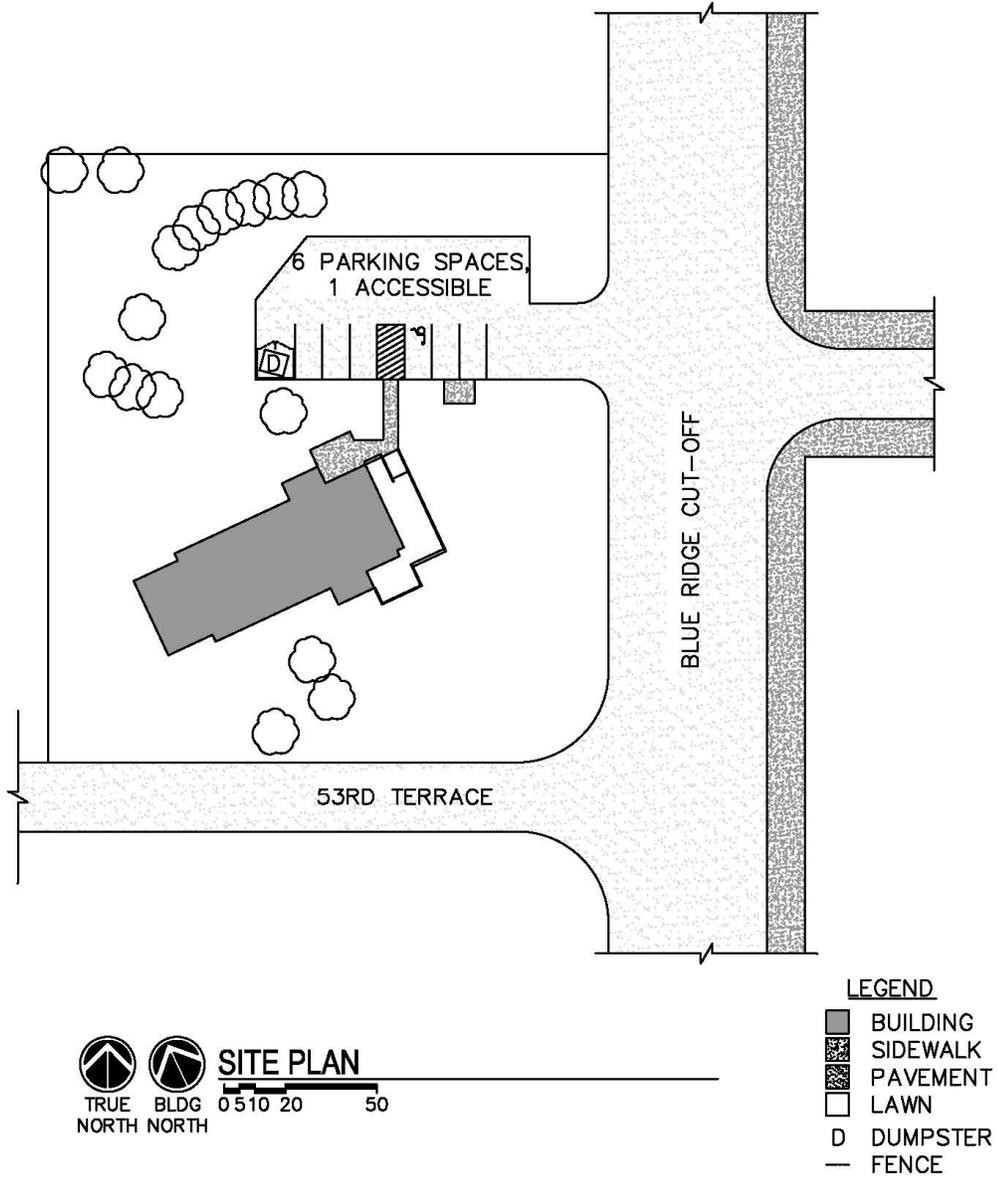
1. Purchaser agrees to indemnify defend, and hold HUD harmless from any liability arising by reason of Purchaser's failure to perform Purchaser's obligations under this Deed with respect to the elimination of radon health hazards, and Purchaser's responsibility for complying with applicable Environmental Protection Agency's regulations and State and local laws and regulations.
 - (a) Purchaser covenants that the Property will be inspected and tested for radon, and any hazards will be remediated. The purchaser will remediate the radon in accordance with the relevant provisions of the Environmental Protection Agency regulatory standards and guidelines.
 - (b) Purchaser covenants that any radon hazards will be remediated in accordance with applicable federal state, and local laws, regulatory standards and guidelines, including without limitation the Environmental Protection Agency (EPA) Guidelines.
2. If temporary or permanent relocation is necessary because of such rehabilitation, Purchaser covenants to comply with Section 203(f) of the Housing and Community Development Amendments of 1978, as amended, 12 USC §1701z-11(f), and the regulations thereunder, 24 CFR §290.17, as explained in paragraphs 3 through 5, below. Additionally, the Purchaser covenants to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 USC §4601, and the regulations thereunder, 49 CFR Part 24, when Project-based Section 8 assistance is provided by HUD. The Purchaser is responsible for ensuring compliance with the Act and Regulations, notwithstanding any contractual obligations with third parties to comply with the Act and Regulations. Purchaser covenants to provide advance written notice of the expected displacement to the residents. The notice shall be provided as soon as feasible, describe the assistance and the procedures for obtaining the assistance, and contain the name, address and phone number of an official responsible for providing the assistance.
3. If temporary relocation is necessary because of such rehabilitation, Purchaser covenants to provide assistance to 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.
 - (b) Expenses of returning to a repaired unit on the Property.
4. If permanent relocation is necessary because of such rehabilitation, Purchaser covenants to 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.
 - (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.
5. The Purchaser covenants not to increase the rent for any units, from the rent HUD is requiring a tenant to pay on the Closing date, until such unit meets all the rehabilitation requirements set forth in paragraph 1, above. (In addition, rent for units to be covered by a Housing Assistance Payments Contract may be increased only pursuant to and following execution of such Contract.)
6. If Purchaser fails to comply with paragraph 1, above, and no extension by written agreement has been granted by HUD, HUD shall be entitled to enter and terminate the estate hereby conveyed. This right and remedy may be exercised separately or in combination.

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

PURCHASER _____

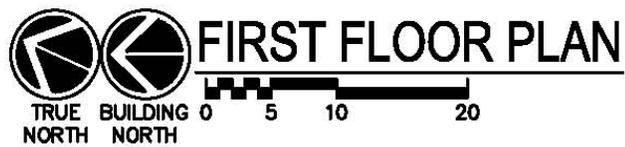
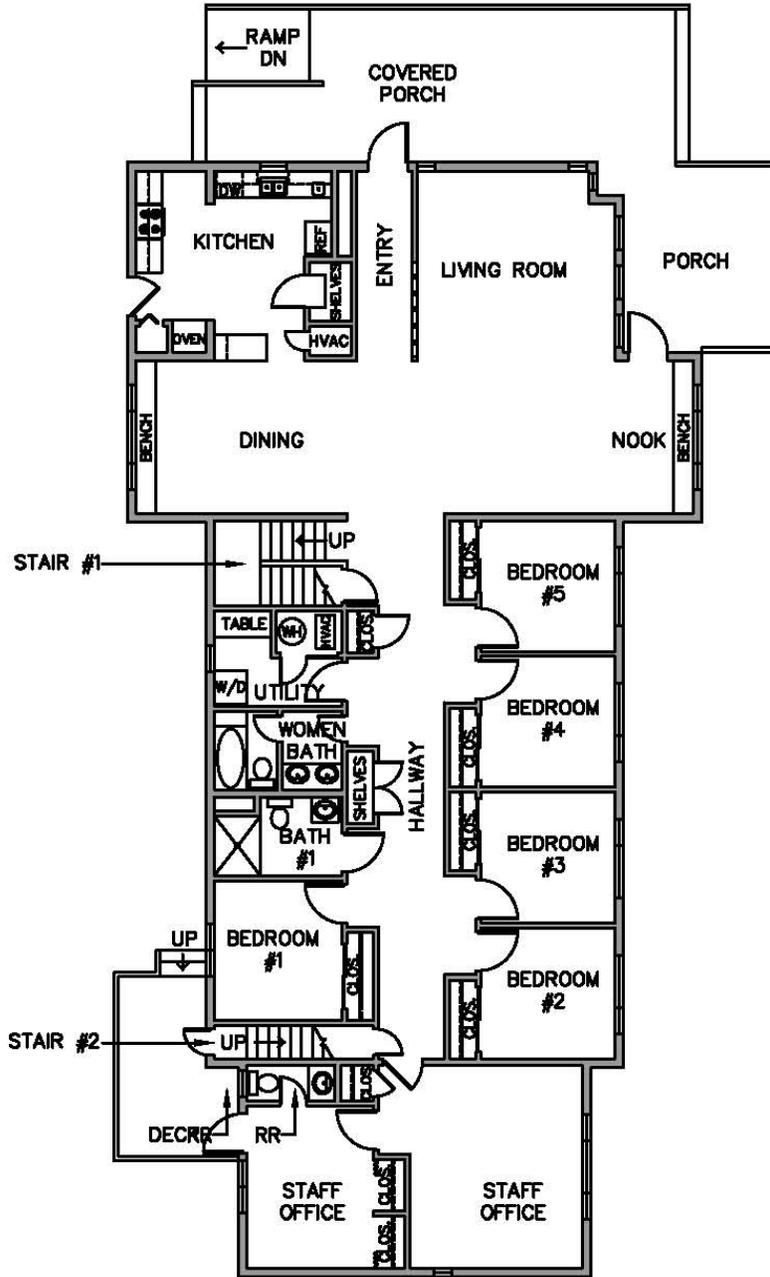
SECRETARY OF HOUSING AND URBAN DEVELOPMENT _____
USE AGREEMENT

Exhibit E



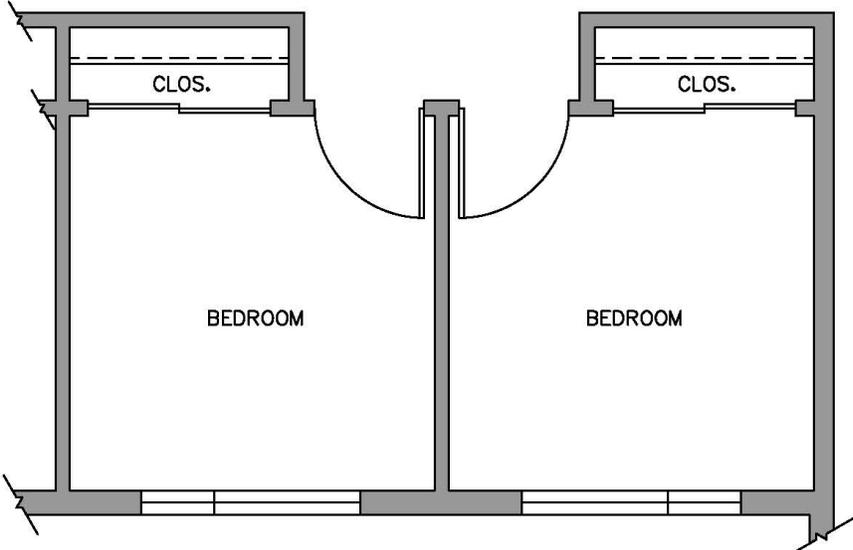
Drawings are based on Architect of Record Drawings.

Exhibit F

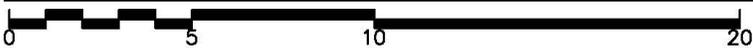


Drawings are based on Architect of Record Drawings.

Exhibit G



APARTMENT FLOOR PLAN



Drawings are based on Architect of Record Drawings.

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: _____
Purchaser 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