



FORECLOSURE SALE

Knights of Columbus Home of South Fulton
1105 Parker Road
South Fulton, TN 38257
Former Group Home

Is offered for sale at foreclosure:

- ❖ Available as a Single-Family residence or rental property. Purchaser to determine future use of property.
- ❖ This is an "All-Cash", "As-Is" sale.
- ❖ HUD is not offering financing with this sale



Oral bids will be accepted on:
December 9, 2016
at:1:00 pm (local time)

Sale Location:
Obion County Courthouse
(East Door)
300 Bill Burnett Circle
Union City, TN 38261



U. S. Department of Housing and Urban Development
Multifamily Property Disposition
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. § 3701-15.
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. **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.
7. **Closing:** When title to the Project is transferred to the bidder that HUD deems qualified to purchase the Project.
8. **Days:** Federal government business days, unless otherwise stated as calendar days.
9. **Deed:** see Foreclosure Deed.
10. **Earnest Money Deposit:** The amount of the deposit identified in the Property at a Glance. Must be submitted at the Foreclosure Sale.
11. **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).
12. **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.
13. **Extension Period:** Extensions of time for Closing are granted for a thirty (30) calendar day period.
14. **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.
15. **Foreclosure Deed:** The deed that will transfer title to the Purchaser. It will not contain any warranties of title.
16. **Foreclosure Sale:** Sale of the Project resulting from a mortgage foreclosure by HUD.
17. **High Bidder:** Highest, responsive bidder at Foreclosure Sale.
18. **Homebuyer Bidder:** means a bidder that plans on using the property as a personal residence.
19. **Investor Bidder:** means a bidder who is planning on using the property as a rental property.
20. **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.

21. 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.
22. 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.
23. 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.)
24. Project: The multifamily apartment project and all real and personal property appurtenant thereto, as presented on the cover of this Invitation.
25. Property at a Glance: Contains information about the Project and contact information for the Realty Specialist – see Attachment A to Invitation.
26. Purchaser: Person or entity receiving HUD approval to purchase the Project.
27. 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.
28. Second High Bidder: Second highest, responsive bidder at Foreclosure Sale.
29. Section 8: Section 8 of the United States Housing Act of 1937 and applicable regulations within Title 24 of the Code of Federal Regulations.
30. 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.
31. 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 Purchaser 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. **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.**
8. **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.
9. **RECORDATION OF CERTAIN DOCUMENTS:** The Use Agreement, with any riders thereto (if provided herein) and Attachment E (if provided herein) will be recorded with the Deed.
10. **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. 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) 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. Five (5) Days After Foreclosure Sale:
 - i. Previous Participation Certification: Required for Investor and Homebuyer Bidders.
 - (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; **and**
 - (ii) **Organization Chart:** Required for Investor bidders submitting a paper 2530; 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: Required for Investor Bidders; A completed and original, Attachment G to this Invitation. If HUD determines that such projects of the Highest Bidder, are not in substantial compliance with state and local codes, HUD may determine that the Highest Bidder is not qualified to purchase the Project. The Earnest Money Deposit may be forfeited.
- iii. Owner-Occupant Certification: Required for Homebuyer Bidders; A complete and original Attachment I.
- iv. Written Statement of Experience: Required for Investor Bidders; The Highest Bidder must submit a written Statement of Experience. Instructions for preparing the written Statement of Experience are provided in the Acknowledgment.
- b. Ten (10) days After Foreclosure Sale: The Highest Bidder must submit the documents checked below:
 - i. Required for Homebuyer Bidders:
 - Personal Financial and Credit Statement (Form HUD 92417),
 - ii. Required for Investor Bidders:
 - Form HUD-2530 for Purchaser, if different from Highest 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)
- c. Fifteen (15) 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 EARNEST MONEY DEPOSIT.

3. QUALIFICATION, ACCEPTANCE, REJECTION OF BID:

a. Required Bidder Qualifications to Purchase Project:

- i. Submission and approval of Previous Participation Certification,
 - ii. Submission of Certification of Substantial Compliance.
- (See Section 4, paragraph 2 for more information)

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 a Letter of Credit as assurance that the Repairs will be completed.
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 Closing Statement

SECTION 6 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

- ATTACHMENT A: Property at a Glance**
- ATTACHMENT B: Terms and Requirements of Foreclosure Sale – Acknowledgment by Bidder**
- ATTACHMENT C: Foreclosure Sale Use Agreement**
- ATTACHMENT D: Reserved**
- ATTACHMENT E: Property Information (General)**
- ATTACHMENT F: Reserved**
- ATTACHMENT G: Certification of Substantial Compliance**
- ATTACHMENT H: Reserved**
- ATTACHMENT I: Owner Occupant Certification**

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

Required from Investor and/or Homebuyer Bidders:	
<input checked="" type="checkbox"/>	Previous Participation Certification (Form HUD-2530) http://portal.hud.gov/hudportal/documents/huddoc?id=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=92417.pdf
Required from Investor Bidders:	
<input checked="" type="checkbox"/>	Management Entity Profile (Form HUD-9832) http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_35584.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.



Attachment A PROPERTY AT A GLANCE

Knights of Columbus Home of South Fulton FHA #: 081-EH083

ADDRESS: **1105 Parker Rd** EARNEST MONEY: **\$10,000** SALES PRICE: **Unstated Minimum**
South Fulton, TN 38257 TERMS: **"All Cash- As Is"; 30 calendar days to close**
 COUNTY: **Obion** LETTER OF CREDIT: **0** SALE TYPE: **Foreclosure**

PROJECT INFORMATION

Total Units	Residential	Commercial	Foundation:	Slab on grade
1	Revenue 1		Roof:	Asphalt shingle
	Non-Revenue		Exterior:	Brick veneer/prefinished vinyl siding
Building/Site Type			Floors/Finish:	Concrete/Carpet, VCT, resilient sheet
Single-family type				

Number of Buildings	Stories	Year Built	Rehab Year	Approximate Site Acreage	Approximate Net Rentable Area
1	1	1987	N/A	1.5	5570

Mechanical Systems

Heating:		Air Conditioning	
Fuel	Gas	Windows	Central (2 units)
System	Central		Double 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/Stone
Sidewalk	Concrete
Parking Lot	Asphalt
Parking Spaces	

Apartment Features

<input checked="" type="checkbox"/>	Air Conditioning
<input checked="" type="checkbox"/>	Dishwasher
<input type="checkbox"/>	Microwave
<input checked="" type="checkbox"/>	Garbage Disposal
<input checked="" type="checkbox"/>	Refrigerator
Elec	Range/Oven
<input type="checkbox"/>	Drapes/Blinds

Community Features

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

Owner Expense

Tenant Expense

OCCUPANCY

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	v	a	c	a	n	t						

ESTIMATED ANNUAL RENTAL INCOME and EXPENSE:

# of Units	Type (# of Bdrs)	Approx Square Feet	Current Gross Rent	After Sale Rent	Total After Sale Rent
1	10	varied			
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 PROJECT INFORMATION:

Project Based Section 8 and/or Tenant Based Section 8 Rental Assistance is not being offered with this foreclosure sale.

Property is a single-family structure formerly used as a Group Home. As such, estimated income/expenses are unavailable

Property may be used as a single-family residence; Purchaser to determine future use of property.

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.

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 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.
- The Highest Bidder (Investor Bidders only) 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.
- Highest 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.**
- HUD is not requiring repairs.
- Closing is to be held thirty (30) calendar days after HUD notifies the Highest 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 \$44.32 per unit per calendar day for each thirty (30) calendar day period.
- **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/mfplist.

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 KC Homes of South Fulton Apartments:

MUST BE PRESENTED ON: Dec 9, 2016

At: 1:00 pm (local time)

Location of Foreclosure Sale:

Obion County Courthouse

(East Door)

300 Bill Burnett Circle

Union City, TN 38261

HUD Office and Contact Information for submission of documents:

Fort Worth HUD Office

Multifamily Property Disposition, 6AHMLAT

801 Cherry Street, Unit #45, Ste. 2500

Fort Worth, TX 76102

Realty Specialist: Gloria Sawyerr

Phone: (817) 978-5803

Fax: (817) 978-6018

Email: Gloria.y.sawyerr@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 _____ (the "Project"), the legal description of which is included as Exhibit A, to be paid as follows:

1. EARNEST MONEY: \$ _____ 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, and/or Letters of Credit 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. Five (5) 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.

- iii. Owner-Occupant Certification (Homebuyers only): A completed and original, Attachment I.
- iv. Written Statement of Experience (Investors only): The Highest Bidder must submit a written Statement of Experience demonstrating how bidder will:
 - Satisfy conditions of the sale,
 - Implement a sound financial and physical management program for the Project.
 - Provide adequate organizational staff and financial resources to the Project.
 - Provide services, maintenance and utilities to the Project.
 - In addition, disclose whether other government assistance will be utilized HUD is not providing project-based or tenant-based Section 8 rental assistance with this foreclosure sale.

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

- b. Within Ten (10) Days of Foreclosure Sale: The High Bidder must, if checked below, submit the additional post-bid documents.
 - (Investors and Homebuyers)
 - Personal Financial and Credit Statement (Form HUD-92417), for each proposed principal/general partner
 - (Investors Only)
 - 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)
- c. Within Fifteen (15) Days of Foreclosure Sale: (Investors only) 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:
 - a. Time is of the essence.
 - b. 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 8 below.
 - c. 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:
 - a. The sale shall be effective upon Closing.
 - b. 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. 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 8, HUD reserves the right to retain the Earnest Money Deposit.
8. 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. 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 ten (10) 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:
Multifamily Property Disposition
Attn: Jovanna M. Morales, Acting Director
801 Cherry Street, Unit #45, Ste. 2500
Fort Worth, TX 76102
 - b. Extensions shall be for thirty (30) calendar days.
 - c. For each thirty (30) calendar day period requested by Purchaser and approved by HUD, Extension Fees shall be equal to;
 - i. \$ 44.32, per unit, per calendar day, which is \$ 443.20 daily, a cost of \$ **13,296**, which covers the 30-calendar 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 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.
 - 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 funds or cashier's check made payable to:
THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
9. 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 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.
 - 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 8 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.
10. 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.
11. 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 included as a Repair requirement.* 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 added as a Repair requirement, 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.

12. 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.
13. LIMITATION OF LIABILITY: In no event shall HUD's liability exceed the portion of the bid price that has been paid to HUD.
14. 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 a. above;
and
 - (b) As agent, has not personally participated, and will not participate, in any action contrary to paragraph a. above.

15. 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 latter, 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.

16. 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.

- 17. ASSIGNMENT: The High Bidder may not assign its rights and responsibilities under this Acknowledgment without the prior written approval of HUD.
- 18. 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.
- 19. 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, if any, to that Use Agreement:
- 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

NONDISCRIMINATION AGAINST SECTION 8 CERTIFICATE HOLDERS AND VOUCHER HOLDERS
(Applies to Rental Housing)

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 represents the Use Agreement.

Grantee_____

HUD_____

Exhibit A
Legal Description

Legal Description of
Knights of Columbus Home of South Fulton

BEGINNING at a steel pin, said place of beginning being South 85 degrees 58 minutes East for a distance of 383.40 feet from the Southeast intersection of the Old Martin-Fulton Road (a 50' right-of-way) and Harris Road (a 50' right-of-way) as measured along the South right-of-way of Harris Road; thence South 85 degrees 58 minutes East with the South right-of-way of Harris Road for a distance of 55.00 feet to a steel pin at the Northeast corner of the lot herein described; thence South 0 degrees 42 minutes East for a distance of 193.75 feet to a steel pin; thence South 27 degrees 41 minutes 33 seconds West for distance of 198.84 feet to a steel pin at the Southeast corner of the lot herein described and in Love Williams North line; thence north 86 degrees 06 minutes West with the South line of the lot herein described and also Love Williams' North line for a distance of 164.59 feet to a steel pin; thence North 16 degrees 59 minutes East for a distance of 257.51 feet to a steel pin; thence North 77 degrees 15 minutes East for a distance of 108.74 feet to a steel pin; thence North 11 degrees 06 minutes East for a distance of 94.06 feet to a steel pin at the place of beginning and containing 1.30 acres being 56,628 square feet.

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

A. GENERAL INFORMATION:
KC Fulton, which was constructed in 1987, is located at 1105 Parker Road in South Fulton, Tennessee. The single-story elderly group home houses ten single-occupancy sleeping rooms with each two sleeping rooms sharing a bathroom. There is also a

Supervisor's suite, common laundry, kitchen, dining and living rooms and other miscellaneous storage and mechanical spaces. The common living and dining rooms have a very high sloped ceiling with clerestory windows which provide a great deal of natural light. A separate building immediately behind the main home has a storage space accessed by a garage door and a separate space that is used as an office.



The site is accessed by a long asphalt drive with an unmarked asphalt parking area. A single carport exists on the end of the building at the asphalt drive. Concrete sidewalks provide a route to the front and rear porches. The lawn areas are grassed with many substantial trees and shrubs.

The building is constructed on a concrete slab on-grade with wood framed walls and a wood framed roof structure. Exterior walls are clad with brick masonry and prefinished vinyl siding. The roof consists of shingles on a plywood roof deck. Fascias and soffits are prefinished aluminum with gutters and downspouts at the eaves of the building discharging to grade.



Interior walls and ceilings are covered with drywall. Floors in the sleeping rooms and associated corridors are carpet with ceramic tile in the bathrooms. Carpet also exists in the main living room and most spaces in the Supervisor's suite. The entry vestibule, mechanical spaces, dining room, kitchen, and other small miscellaneous spaces have a combination of VCT and resilient sheet flooring. Exterior doors are insulated steel with wood frames.

Interior doors are a combination of hollow core and solid core wood with wood frames. The sleeping room doors have spring hinges or closers as required. Windows are double hung wood with double pane-insulated glass.

Two ducted gas-fired furnaces with cooling coils and exterior pad mounted condensing units supply conditioned air to all common spaces and the ten individual sleeping rooms. A 50-gallon gas-fired water heater exists in the laundry. Another 75-gallon gas-fired water heater is located in the mechanical closet nearest the sleeping rooms. Corridors have emergency lighting and exit lights where needed. The building has a fire alarm system with audible alarms and pull station located near the exterior doors. Smoke detectors exist in the sleeping rooms and common spaces as required. The structure is master metered for gas, water, and electricity.

This survey included all ten of the sleeping rooms and associated bathrooms and all exterior and interior common areas. The building has been vacant since 2013. No utilities were active.

B. GENERAL CONDITIONS:

BUILDING EXTERIOR: The exterior masonry is in very good condition. The shingle roof was replaced in 2011, just two years prior to the closing of the property. Gutters, downspouts, and fascias and soffits need to be cleaned with minor repairs required. Previously painted exterior surfaces need to be painted. The majority of the windows were in good condition. Minor areas of deteriorated wood need to be repaired. The windows need to be refinished on the interior and exterior surfaces.

BUILDING INTERIORS: The interior gypsum board walls and ceilings were in good condition. Mold was witnessed in several of the sleeping room bathrooms that will need the drywall removed to determine the source, remediation and repairs as required, and surfaces replaced. Painting of all walls and ceilings is necessary. VCT flooring needs selective replacement. All ceramic tile was in good condition. Whereas some of the carpet was in acceptable condition, all is recommended to be replaced given the extent of molded and stained surfaces.

The condition of all interior doors and frames was relatively good; however, all need to have dirt and mold removed and re-stained where needed. Kitchen cabinets are for the most part acceptable with minor repairs needed. All interior and exterior surfaces of the cabinets need to be cleaned with hardware also cleaned

and/or replaced. Appliances need to be replaced due to age and wear. The cabinets in the sleeping rooms and associated bathrooms, as well as those in common areas, also need to have all surfaces cleaned and repaired with hardware cleaned and/or replaced.

Electricity was not on during the fieldwork portion of this report. The emergency lighting system, exit lights, and fire alarm system need to be tested and serviced to ensure proper operation during times of power outages. An allowance needs to be provided for selective interior light fixture replacement.

The water heaters should have several more years of useful life; however, they should be tested prior to re-occupancy since the building has been vacant for the last three years. One of the HVAC systems was replaced just prior to the property being vacated and should be reviewed for proper operation once utilities are restored. The other system appears to be at the end of its useful life and needs to be replaced. Ductwork, grilles, and registers need to be cleaned. Gas flues need to be inspected for proper ventilation.

SITE CONDITIONS: The asphalt parking surface and drive were in good condition. Concrete sidewalks need attention only as needed for handicap accessibility. Portions of the concrete on the rear of the structure needs

to be steam cleaned. The shrubs and trees at the perimeter of the building are very overgrown making the sidewalks unusable. The lawn areas are well grassed and need no attention.

C. PHASE ONE ENVIRONMENTAL SITE ASSESSMENT:

A Phase One Environmental Site Assessment was performed at the subject property. No on-site or off-site concerns were found.

F. CODE REVIEW:

The building appears to have been constructed in compliance with the codes in affect at the time the development was completed. However, minor modifications to be in compliance with the Uniform Federal Accessibility Standards (UFAS) are necessary.

G. HEALTH AND SAFETY ITEMS:

The following list represents health and safety concerns at the subject development.

- Remediation of mold
- Extermination of pests, ants, and possibly termites
- Cleaning of interior doors where dirty and molded
- Miscellaneous wood window repair as needed for proper operation and security
- Adjustment of spring hinges to properly close sleeping room doors
- Cleaning of all cabinets in common areas and sleeping/bathrooms
- Inspection of gas flues in attic for proper ventilation
- Inspection and servicing of HVAC systems for proper operation
- Cleaning of ductwork, grilles, and registers
- Inspection and servicing of electrical service panels and equipment
- Inspection and servicing of exit lights to ensure proper operation
- Inspection and servicing of emergency lighting system to ensure proper operation
- Inspection of the fire alarm system for proper operation

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

Owner Occupant Certification

Warning: Falsifying information on this or any other document of the Department of Housing and Urban Development is a felony. It is punishable by a fine not to exceed \$250,000 and/or a prison sentence of not more than two years.

I/we, _____, certify that I/we intend to purchase the property located at _____ (address) as an owner-occupant. This is being submitted with the representation that I/we will occupy the property as my/our primary residence for at least 12 months.

Purchaser's Name: _____

Signature & Date: _____

Purchaser's Name: _____

Signature & Date: _____