



FORECLOSURE SALE

Pin Oak Apartments

116 W. Thomas

Wyoming, IL 61491

A 12 Unit Multifamily Community

Is offered for sale at foreclosure:



Oral bids will be accepted on:
Thursday, November 10, 2011 at
1:00 p.m. (local time)

Sale Location:

Stark County Courthouse

(Courtroom No. 1)

110 W. Main Street

Tolton, Illinois 61483

Sale Cancelled



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

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

**TABLE OF CONTENTS
INVITATION FOR BID**

SECTION 1 - INTRODUCTION AND GENERAL INFORMATION

PAR	PG	PAR	PG
1. Definition of Invitation for Bid.....	1	6. Cancellation of Sale.....	1
2. Bid Responsiveness.....	1	7. Bidder's Due Diligence.....	1
3. Sale to Highest Qualified Bidder.....	1	8. Post-Closing Required Repairs.....	1
4. No Redemption Period.....	1	9. Recordation of Certain Documents.....	1
5. Bid Acceptance or Rejection.....	1	10. Source for Additional Information.....	1

SECTION 2 – PRE-FORECLOSURE SALE PROCEDURES

1. Previous Participation Certification – HUD 2530 requirements.....	1
--	---

SECTION 3 - FORECLOSURE SALE PROCEDURES AND SUBMISSION OF BIDS

1. General.....	1	4. Corrections.....	2
2. Bidding at the Foreclosure Sale.....	1	5. Telegraphic or Facsimile Bids.....	
3. Items That Must Be Submitted at the Foreclosure Sale.....	2	6. Verbal Notification to the High and Second High Bidder.....	2

SECTION 4 - POST FORECLOSURE SALE PROCEDURES

1. Continuance of Offers.....	2	5. Review of Project Management.....	4
2. Submission of Post-Bid Documents	2	6. Closing Date Requirement.....	4
3. Qualification, Acceptance, Rejection of Bid.....	3	7. Extension of Closing.....	4
4. Handling of the Earnest Money Deposit.....	4		

SECTION 5 - CLOSING

1. Execution of Use Agreement.....	4	6. Repair Escrow.....	4
2. Cash Due at Closing.....	4	7. Housing Assistance Payment (Section 8).....	4
3. Prorations.....	4	8. Conveyance.....	5
4. Closing Expenses.....	4	9. Recordation of Deed.....	5
5. Method of Payment.....	4	10. Documents Furnished or Executed at Closing.....	5

SECTION 6 – DISCLAIMERS

1. Disclaimer.....	5	3. HUD Liability.....	5
2. Unauthorized Oral Statement Modification.....	5		

ATTACHMENT		ATTACHMENT	
<input checked="" type="checkbox"/> ATTACHMENT A - Property at a Glance		<input checked="" type="checkbox"/> ATTACHMENT E - HAP Contract: LO-MO00-123	
<input checked="" type="checkbox"/> ATTACHMENT B - Terms and Requirements of Foreclosure Sale - Acknowledgment by Bidder		<input checked="" type="checkbox"/> ATTACHMENT F - HAP Contract: LO-MO00-99	
<input checked="" type="checkbox"/> ATTACHMENT C - Foreclosure Sale Use Agreement		<input checked="" type="checkbox"/> ATTACHMENT G - Certification of Substantial Compliance	
<input checked="" type="checkbox"/> ATTACHMENT D - Letter of Credit (LoC) Sample		<input checked="" 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 checked="" type="checkbox"/>	Affirmative Fair Housing Marketing Plan (Form HUD-935.2A) http://www.hud.gov/offices/adm/hudclips/forms/files/935-2a.pdf
<input checked="" type="checkbox"/>	Management Entity Profile (Form HUD-9832) http://www.hud.gov/offices/adm/hudclips/forms/files/9832.pdf
<input checked="" 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
<input checked="" 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
<input checked="" 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 checked="" 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 Pin Oak Apartments, FHA Number; 072-44041 ("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 property 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.

- 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.

Sale Cancelled

❖ **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 FIVE (5) FEDERAL GOVERNMENT BUSINESS DAYS AFTER FORECLOSURE SALE:** The High Bidder must submit a Written Statement of Experience as required below in paragraph 3. Instructions for the content of the Written Statement of Experience are provided in the Terms and Requirement of Foreclosure Sale – Acknowledgment by Bidder, Part II, paragraph 5.

❖ **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 Management Agent or 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 and/or Management Agent 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):**

It is the objective of the Department's multifamily foreclosure process to transform troubled and distressed multifamily properties into viable, long-term affordable rental housing resources. To accomplish this objective, the Department will only permit a Bidder to acquire a property from HUD's foreclosure sale that has the financial capacity and generally five (5) years of demonstrated experience in successfully owning and managing distressed and troubled multifamily properties as viable, low-income housing resources.

The Department has the discretion to 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. The documentation must demonstrate that the Bidder owns and is successfully managing and operating properties of similar size and characteristics (including problematic complexities) as the Property being sold. The documentation will be used to determine whether the Bidder has the required demonstrated experience and financial capacity to acquire and successfully transform the Property into a long-term, viable rental housing resource. 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. However, Previous Participation Certification approval is only a threshold to HUD's review and potential approval of all other required documentation.

Based on the required documentation, as set forth in Part II, paragraph 5 of the Acknowledgment by Bidder, 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.

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 experience, 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.

HUD may require the High Bidder to obtain the services of a qualified property management firm. Management acceptable to HUD (see paragraph 5 below) must be approved prior to closing.

- (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

Sale Cancelled

- 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. **REVIEW OF PROJECT MANAGEMENT:** HUD will review the statements and forms submitted as required in this Invitation, to determine, in its sole discretion, if the proposed management entity has the necessary qualifications to operate, manage, and/or administrate the type and nature of property (Project) being offered for sale. HUD may elect to discuss project management plans after submission of the post-bid documents by the High Bidder. HUD reserves the right to reject the bid of any Bidder and retain the Earnest Money Deposit, if the Bidder does not provide management acceptable to HUD.
 6. **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.
 7. **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 signed, 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 account 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 E and F.

8. **CONVEYANCE:** Conveyance of the project shall be by Foreclosure 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**
 Foreclosure Sale Use Agreement **Letter(s) of Credit** **Closing Statement**
 HAP Contracts **Cash Escrow**

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.

Sale Cancelled



**Attachment A
PROPERTY AT A GLANCE**

Pin Oak Apartments FHA #: 072-44041

ADDRESS: **116 W. Thomas
Wyoming, IL 61491**
COUNTY: **Stark**

EARNEST MONEY: **\$10,000**
LETTER OF CREDIT: **\$33,000**

SALES PRICE: **Unstated Minimum**
TERMS: **All Cash-30 days to close**
SALE TYPE: **Foreclosure**

PROPERTY INFORMATION

Total Units	Residential	Commercial	Foundation:	Concrete Block & Brick / crawl space
12	Revenue 12	0	Roof:	Composition Shingle
	Non-Revenue 0		Exterior:	Brick/Wood/Aluminum
Building/Site Type			Floors/Finish:	Carpet
Walk-up/Row				

Number of Buildings	Stories	Year Built	Rehab Year	Approximate Site Acreage	Approximate Net Rentable Area
2	1&2	1970		0.66919	8,532

Mechanical Systems

Heating:	Air Conditioning
Fuel Gas	None
System Individual	Windows Screen
Hot Water:	
Fuel Gas	
System Individual	

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	Concrete
Curb	Concrete
Sidewalk	Concrete
Parking Lot	Concrete
Parking Spaces	1 lot
	13

Apartment Features

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

Community Features

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

Owner Expense

Water/Sewer
Gas
Electricity
Refuse Removal

Tenant Expense

OCCUPANCY

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2011	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

ESTIMATED ANNUAL RENTAL INCOME and EXPENSE

# of Units	Type (# of Bdrs)	Approx Square Feet	Current Gross Rent		Estimated Utility Allowance (UA)	Total Estimated/Possible Annual Income		
			(Contract Rent plus UA)	(Contract Rent)		Contract Rent (excluding UA)	Total Estimated/Possible Annual Income	
4	1BR	542	\$482	0	\$482	\$1,928	\$76,752	
4	2BR	771	551	0	551	2,204		
4	3BR	820	566	0	566	2,264		
Estimated/Possible Monthly Total							\$6,396	

Commercial	
Parking	
TOTAL	\$76,752
Estimated Annual Expenses	
Administrative	\$8,873
Utilities	5,290
Operating	7,508
Taxes/Insurance	9,897
Reserve/Replace	3,600
Total	\$35,168

COMMENTS CONCERNING PROPERTY INFORMATION:

Two Housing Payment Contracts (HAP) will be provided to the High Bidder prior to closing. Project based assistance is predicated on the availability of funds.

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

USE RESTRICTIONS

20 Years affordable rental housing.

PROJECT BASED SECTION 8

Two Housing Payment Contracts (HAP) will be provided to the High Bidder prior to closing. Predicated on the availability of funds, assistance will be available for eligible residents in 12 units at the property. Bidders are cautioned that payments under the HAP Contracts may not start immediately after closing, either due to HUD required repairs that must be completed by the purchaser or processing time required to determine that units meet HUD's Physical Condition Standards and tenants are eligible for the assistance. Prior to receipt of the subsidy payments, purchaser may not charge eligible tenants, who are slated to receive Section 8, more than the amount of Total Tenant Payment the tenant would be required to pay under Section 8 program. In addition, some tenants may have to be temporarily relocated due to project repairs. HUD has already accounted for these and other costs in this project's disposition process. Therefore, HUD is not obligated to make any monetary adjustments to cover any costs that may be incurred by the Purchaser. Bidders should compute their bids accordingly.

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 200.215.)
- 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 statues, regulations, ordinances and codes. See Attachment G, Certification of Substantial Compliance.
- High Bidder has the option to file the required Previous Participation Certification (Form HUD-2530) in electronic or paper format. **For questions concerning APPS contact the Multifamily Housing Systems Help Desk at 1-800-767-7588. For questions concerning Secure Systems contact the REAC Help Desk at 1-888-245-4860.**
- Repairs to meet State and local laws, codes, ordinances and regulations, building requirements, and Physical Condition Standards pursuant to 24 CFR Part 5, and must be completed to HUD's satisfaction within 12 months of closing. Refer to the Use Agreement, Rider 2 for more information.
- 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 an extension of the closing, the purchaser must pay a fee which is the greater of 1.5% of the bid price or HUD's holding costs of \$40.80 per unit per day for each 30 day period.
- Riders placed in the Deed will include the following: Affordability of Units; Reserve Fund for Replacement Account; Required Rehabilitation, Repair Escrow, Relocation; Lead-Based Paint Hazards; Asbestos Hazards; Mold Hazards; Project-Based Section 8 Assistance; Non-discrimination Against Multifamily Section 8 Certificate and Voucher Holders; Section 8.

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 [our web site](#).

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 Pin Oak Apartments:

MUST BE PRESENTED ON: November 10, 2011

At: 1:00 p.m. (local time)

Location of Foreclosure Sale:

Stark County Courthouse
(Courtroom No. 1)
130 W. Main Street
Toulon, Illinois 61483

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: Robert Laquey

Phone: (817) 978-5819

Fax: (817) 978-6019

Email: robert.h.laquey@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.

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 Pin Oak Apartments (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(s) ("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 state 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 Ten (10) Federal Government business days after the Foreclosure Sale:**

If High Bidder is using a professional management company (Management Agent), the High Bidder is responsible for ensuring that the Management Agent submits the required Previous Participation Certification in **either electronic or paper form:**

- (i) **Paper Form HUD-2530: Management Agent, 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. **Management Agent not registered in APPS and Secure Systems** must submit certification that the Management Agent 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. **Management Agent 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)
- (c) **Within Fifteen (15) Federal Government business days after the Foreclosure Sale: If High Bidder and/or Management Agent** 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 and/or Management Agent 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).

5. WRITTEN STATEMENT OF EXPERIENCE:

All of the following required documentation must be submitted to HUD within five (5) Federal government business days of the date of the foreclosure sale.

Required Documentation: Bidder must submit a written statement, to the Realty Specialist identified in the Property at a Glance, demonstrating generally five (5) years of experience in successfully owning and managing properties similar to the property being sold. The statement shall provide the following information for all similar properties to the property being sold, not to exceed three (3) specific examples. The written statement should not exceed five (5) pages per property.

- The location of other owned multifamily properties.
- The number of units and construction type (garden, walk-up, hi-rise) for each property.
- Identify properties that have government assistance and type of assistance, i.e., project-based assistance, tenant-based voucher assistance, etc.
- Identify the initial physical needs of each property and how they were addressed.
- Identify the social needs of each property and how they were addressed.
- Identify the economic needs of each property and how they were addressed.

For the Property being sold, provide the following documentation:

- Describe how Bidder will satisfy conditions of the sale, i.e., repair program, income and rent limitations, etc.
- Describe how Bidder will implement a sound financial and physical management program for the Property.
- Describe Bidder's methods for responding to the needs of the tenants and working cooperatively with resident organizations.
- Describe how Bidder will provide adequate organizational staff and financial resources to the property.
- Provide statement of services, maintenance and utilities which Bidder will provide to property.
- Provide a statement disclosing whether other government assistance will be utilized in conjunction with the Section 8 assistance if HUD is providing project-based Section 8.

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.

6. 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.

7. PROJECT-BASED SECTION 8 ASSISTANCE AND OTHER GOVERNMENT ASSISTANCE:

- (a) Housing Assistance Payments Contract(s):
 - (i) HUD and the High Bidder/Purchaser shall execute both Housing Assistance Payment Contracts

(HAP) which is effective upon the date of Closing and covers the number of units as specified by HUD. Execution of the HAP contracts by HUD is subject to the availability of funds and no Closing will occur if these funds are not available, in which case HUD may rescind this sale and return the Earnest Money Deposit paid under Part I, paragraph 1, and any extension fees paid under Part II, paragraph 12. Sending the notice of rescission and returning any fees to the High Bidder/Purchaser, or the tender thereof, shall release HUD from any and all obligations and liabilities to the High Bidder/Purchaser.

- (ii) Applicable subsidy payments shall accrue pursuant to the HAP Contracts. Payments will be made in accordance with the provisions of the HAP Contracts.
 - (iii) Tenant initial certification/recertification and verification of income is subject to the 24 CFR Parts 5 and 908 and requires owners and agents to access the Enterprise Income Verification system via HUD's internet site. Information concerning the system and instructions for access application is provided at: <http://www.hud.gov/offices/hsg/mfh/rhiip/eiv/eivhome.cfm>.
- (b) Adjustment in Section 8 Assistance pursuant to other Government assistance:
- (i) High Bidder must disclose before the Closing:
 - (1) Federal, State or local governmental assistance, other than the Section 8 assistance provided by the Secretary, that it will receive or reasonably expects to receive prior to, or during the term of the Section 8 Housing Assistance Payments (HAP) Contracts **and**
 - (2) In cases where the Bidder will receive or reasonably expects to receive such other assistance, the expected sources and uses of all funds that are to be made available to the Project. Such other assistance includes any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or other form of direct or indirect governmental assistance.
 - (ii) Within thirty (30) days of any changes in circumstances occurring at any time before or during the term of the Section 8 HAP Contracts that affects the accuracy of the Certification of Disclosure, the High Bidder/Purchaser shall submit to HUD a revised Certification. HUD shall reduce the amount of Section 8 assistance provided for the Property to compensate in whole or in part, as HUD deems appropriate, for any increases in other assistance.
8. 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.
9. 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
10. ESCROW: At Closing the High Bidder/Purchaser shall submit to HUD:
- An unconditional, irrevocable and non-documentary Letter of Credit (LoC), in the amount of \$ 33,000, which shall remain in effect and may be drawn on by the Secretary for at least eighteen (18) months, 6 months past the deadline for repairs stated above, from the date of this Agreement.
 - A cash escrow in the amount of \$ _____, to be held by HUD in a non-interest bearing escrow account. The cash escrow will be returned to the Purchaser after repairs have been satisfactorily completed, except for ten (10) percent which will be held for an additional six (6) months.
11. 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.
12. 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 twelve (12) 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: Scott R. Bearden, 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.

13. 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 200.215.

14. 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.

15. RISK OF LOSS AND RIGHTS OF RESCSSION: 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 act 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 net 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.

16. 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.

17. SECURITY DEPOSITS: APPLICATION AS CHECKED:

- Notwithstanding state or local law, the High Bidder/Purchaser will receive only those security deposits which are on hand at the Project on the date of Closing. The High Bidder/Purchaser will assume all liability under State and local law with respect to security deposits.
- Any security deposits collected from tenants and paid to HUD prior to the Closing shall be assigned to High Bidder/Purchaser within fifteen (15) Federal Government business days after the Closing, with the exception of security deposits forfeited by the tenant in accordance with the terms of the tenant's lease. Notwithstanding State and local law, no other security deposits collected from tenants will be transferred by HUD to High Bidder/Purchaser. HUD has no other liability under state and local law with respect to security deposits. High Bidder/Purchaser agrees to assume all responsibility and liability under state and local law with respect to the

collection, application and return of security deposits.

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

19. 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.

20. 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.

Sale Cancelled

HUD reserves the right to review, approve or reject the proposed management. If HUD determines that the High Bidder is not qualified to self-manage the Project, HUD, in its sole discretion, may either reject the bid or require the High Bidder to obtain the services of a property management firm satisfactory to HUD. If HUD chooses the later, the High Bidder must provide HUD with evidence that a qualified property management firm has been retained. If 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.

21. REQUIRED STATEMENTS AND FORMS:

Not later than five (5) 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 Written Statement as provided in Part II, paragraph 5 above, to the Realty Specialist identified in the Property at a Glance.

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.

22. 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.

23. 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:

Affordability of Units

Two-Year Rent Protection for Pre-Existing Very Low-Income Tenants

Nondiscrimination Against Multifamily Section 8 Certificate Holders and Voucher Holders

Required Rehabilitation, Repair Escrow, Relocation

Post-Closing Repair to Local Codes and/or Demolition Escrow Requirements

Post-Closing Repair [Demolition] Escrow Requirements

Operating Deficit Escrow Account

Relocation

Lead-Based Paint Hazards

Asbestos Hazards

Mold Hazards

Radon Hazards

Harmful Chemical Hazards

Existing Hazardous Substances-Demolition Activities

Project-Based Section 8 Assistance

Reserve Fund for Replacement Account Section 8

Historic Preservation

Right of First Refusal

Mobile Home Parks

Retirement Service Centers

Notification of Facility Termination

Projects Primarily Occupied by the Elderly

24. 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.

Sale Cancelled

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 Pin Oak Apartments, HUD Project No. 072-44041, (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), and the Department of Housing and Urban Development regulations thereunder at 24 C.F.R. 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 for twenty (20) years from the date of this Agreement (the "Restricted Period"). During the Restricted Period the Project must be maintained as affordable rental housing.
2. **CONVEYANCE OF PROJECT:** During the term of this Agreement, any conveyance of the project must have prior written approval of HUD. Any request for HUD's approval of conveyance must include the Previous Participation Certification approval (clearance) of the entity and all principals, submission of a signed Certification of Substantial Compliance, and a signed Agreement to Abide by Deed Restrictions. HUD's approval of conveyance will be based on information provided in written statements of how the Purchaser, or any subsequent Purchaser, in consideration of any and all existing use restrictions, will:
 - (a) Implement and/or continue to comply with all existing Use Restrictions,
 - (b) Implement sound financial and physical management program,
 - (c) Respond to the needs of the residents and work cooperatively with resident organizations,
 - (d) Provide adequate organizational staff and resources to manage the Project, **and**
 - (e) Provide evidence of minimum of five (5) years' substantive experience owning and managing subsidized multifamily properties with Project Based Section 8 assistance.Conveyance is defined as any sale, assignment, transfer, leasehold estate or conveyance of the Project or an ownership interest. In addition, a merger, conversion, share exchange, long term leasehold estate, and interest exchange of corporate or partnership interest is also considered a transfer/conveyance of the Project and requires prior written approval from HUD.

The preceding provisions shall be applicable and in full force and effect notwithstanding that any applicable statutory law or case decision provide that any such merger or conversion or share (or interest) exchange, or leasehold estate transaction does not constitute or involve the occurrence of a "transfer" or "assignment" of real estate interest or other assets of a constituent party to any such transaction.

3. **PROJECT MANAGEMENT:** HUD reserves the right to approve management for the Project during the term of this Agreement. Any proposed property manager must demonstrate a minimum of five (5) years substantive experience managing subsidized multifamily properties of similar size and complexity. If the Project is being sold with project-based Section 8 assistance any proposed property manager must demonstrate a minimum of five (5) years' experience managing multifamily properties with project-based Section 8 assistance.

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

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

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

4. **ANNUAL FINANCIAL STATEMENTS:** The Purchaser shall comply with the Uniform Financial Reporting Standards of 24 C.F.R. Part 5, Subpart H, including any changes in the regulation and related Directives or any subsequent systems. The annual financial statements must be prepared in accordance with generally accepted accounting principles (GAAP), Owner certified and submitted electronically no later than ninety (90) days after the end of the Owner's fiscal year in accordance with the requirements of 24 C.F.R. Part 5.
5. **RENTAL RATES:** Both Housing Assistance Payment (HAP) Contracts were executed on the date of this Agreement for a total of 12 units (HAP units). The HAP Contracts shall govern the rent schedule and eligibility requirements for HAP units during the term of the HAP, of any extension thereof, until such time as HUD elects not to renew the HAP due to budget appropriations. If HUD elects not to renew the HAP due to budget appropriations, the rent schedule and tenant eligibility will be controlled by the Affordability of Units provision, Rider 1 of 9.

For Projects where less than 100% of the units are to be covered by the HAP Contracts, the rent schedule and tenant eligibility for units not covered by a HAP Contracts are controlled by the Affordability of Units provision, Rider 1 of 9.

6. **CONDITION OF UNITS:** The Purchaser shall comply with the Physical Condition Standards and inspection requirements of 24 C.F.R. Part 5, Subpart G, including any changes in the regulation and related Directives. In addition, the Owner shall comply with HUD's Physical Condition Standards of Multifamily Properties of 24 C.F.R. Part 200, Subpart P, including any changes in the regulation and related Directives.
7. **INSPECTION:** Upon reasonable notice, the Secretary or its designee, reserves the right to enter upon and inspect the Project including, but not limited to, common areas, vacant and occupied units, during Purchaser's normal business hours to ascertain Purchaser's compliance with Physical Condition Standards.
8. **SUBJECT TO EXAMINATION:** The Project shall at all times,
 - (a) be maintained in accordance with 24 C.F.R. 5.703; Owners of housing must maintain such housing in a manner that meets the physical condition standards to be considered decent, safe and sanitary condition to the greatest extent possible. All areas and components of the housing must be free of health and safety hazards,
 - (b) maintain full occupancy to the greatest extent possible,
 - (c) be maintained as rental housing for the term of this Agreement.

At the request of the Secretary, Purchaser must supply evidence by means of occupancy reports, physical condition reports, reports on operations, or any evidence as requested to ensure that the above requirements are being met.

9. **USE CHANGE:** Changes in the use, number, size, or configuration of residential units in the Project; e.g., apartment units, beds in a care facility, from the use as of the date of this Agreement, must receive the written prior approval of HUD.
10. **NON-DISCRIMINATION REQUIREMENTS:** The Purchaser will comply with the provisions of all Federal, State, or local laws prohibiting discrimination in housing.

11. **HAZARD INSURANCE:** Hazard insurance shall be maintained in an amount to ensure that the Purchaser is able to meet the rental housing requirements described in this Agreement.
12. **DESTRUCTION OF PROJECT:** In the event that any or all of the Project is destroyed or damaged by fire or other casualty, the money derived from any insurance on the Project shall be applied to rebuild or replace the property destroyed or damaged, unless the Secretary gives written approval to use insurance proceeds for other purposes.
13. **DEMOLITION OF PROJECT PROPERTY:** The Purchaser will not demolish any part of the Project or withdraw any part of the Project from use (except as temporarily necessary for routine repairs), without the prior written approval of HUD.
14. **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.

15. **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.
16. **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.
17. **CONTRADICTORY 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.
18. **SEPARABILITY:** The invalidity of any provision of this Agreement shall not affect the validity of the **remaining** provisions hereof.
19. **AMENDMENT:** This Agreement may be amended by the mutual written consent of the parties, except those provisions required by statute.
20. **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 checked="" type="checkbox"/> Affordability of Units | <input 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 checked="" type="checkbox"/> Required Rehabilitation Repair Escrow Relocation | <input checked="" type="checkbox"/> Project-Based Section 8 Assistance |
| <input type="checkbox"/> Post-Closing Repair to Local Codes and/or Demolition Escrow Requirements | <input checked="" type="checkbox"/> Section 8 |
| <input type="checkbox"/> Post-Closing Repair [Demolition] Escrow Requirements | <input checked="" type="checkbox"/> Reserve Fund for Replacement Account |
| <input type="checkbox"/> Operating Deficit Escrow Account | <input type="checkbox"/> Historic Preservation |
| <input type="checkbox"/> Relocation | <input type="checkbox"/> Right of First Refusal |
| <input checked="" type="checkbox"/> Lead-Based Paint Hazards | <input type="checkbox"/> Mobile Home Parks |
| <input checked="" type="checkbox"/> Asbestos Hazards | <input type="checkbox"/> Retirement Service Centers |
| <input checked="" type="checkbox"/> Mold Hazards | <input type="checkbox"/> Notification of Facility Termination |
| | <input type="checkbox"/> Projects Primarily Occupied by the Elderly |

21. **PRIORITY:** This Foreclosure Sale Use Agreement shall be recorded against the Project 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 this _____ day of _____, 20____.

WITNESS:

FOR: THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

BY: _____

 Official's Typed Name

 Title

Exhibit A
Legal Description

All of Lot 13 and a part of Lot 8 of Block 6 of Wm. F. Thomas' addition in the city of Wyoming, and being in the SE1/4 of section 35-T13N-R6E-4PM, Stark County, Illinois, more particularly bounded and described as follows, and bearings are for the purpose of description only:

Beginning at a cross (+) in the sidewalk at the SW corner of said Lot 13;

Thence North, along the West line of said Block 6, a distance of 110.0 feet to a (+) in the sidewalk;

Thence in an easterly direction, parallel with the South line of said Block 6, a distance of 265.5 feet to an iron rod:

Thence South, along the West line of a 16 foot alley, 110.0 feet to an iron rod at the SE corner of Lot 8 of said Block 6;

Thence in a westerly direction, along the south line of said Block 6, a distance of 265.5 feet to the Point of Beginning.

Furnished as information only, Interested Parties must ascertain Legal Descriptions through their own due diligence.

Sale Cancelled

RIDER 1 OF 9
AFFORDABILITY OF UNITS

The Use Agreement includes the following provisions:

Use Restriction

1. The Purchaser (Owner) must maintain the property as affordable rental housing for a period of twenty (20) years after the date of this Deed or such earlier time as the Secretary may specify in writing (the "Restricted Period").
2. Any change to the number or configuration of residential units required to be maintained, as affordable rental housing must receive prior written approval from HUD.
3. The Purchaser (Owner) will not unreasonably refuse to lease units to, or otherwise discriminate against, very low-income families.

Housing Assistance Payments (HAP)

As long as the HAP contracts are in effect, the HAP will control the rent and eligibility requirements for the residents under the HAP.

If, during the Restricted Period, HUD elects not to renew the HAP due to budget appropriations, this Affordability of Units Rider will control future rent and eligibility requirements for the HAP designated dwelling units. No resident in place at the time of enactment will be forced to vacate a unit. The Affordability of Units Rider will also control future operation of the Property for those residential units not under the HAP Contracts.

Eligibility Requirement at Initial Occupancy

- The Purchaser (Owner) will affirmatively market 12 HAP designated dwelling units to families with adjusted gross annual income that does not exceed eighty percent (80 %) of the area median income, adjusted for family size.
- The Purchaser (Owner) will affirmatively market _____ HAP designated dwelling units to very low-income families with adjusted gross annual income that does not exceed _____ percent (____%) of the area median income, adjusted for family size.
- The Purchaser (Owner) will affirmatively market _____ dwelling units to families with adjusted gross annual income that does not exceed _____ percent (____%) of the area median income, adjusted for family size.
- The Purchaser (Owner) will affirmatively market _____ dwelling units to very low-income families with adjusted gross annual income that does not exceed _____ percent (____%) of the area median income, adjusted for family size.

If the Purchaser (Owner) is temporarily unable to lease all of the specified number of dwelling units to very low-income families, one or more units may be leased to families who are low-income but not very low-income, only with HUD's prior written approval. In requesting such approval, the Purchaser (Owner) must demonstrate that:

- (a) reasonable steps have been taken to attract very-low income families, including using marketing activities most likely to attract such eligible applicants, and
- (b) has leased units making good-faith efforts to lease the units to eligible and otherwise acceptable families, including taking all feasible actions to fill vacancies by referring to such families, and
- (c) has not rejected any such applicants except for reasons acceptable to HUD.

Affordability

(a) **Maintenance of Rents at Affordable Levels For HAP designated units**

If during the Restricted Period, Purchaser elects not to accept or renew the HAP Contract(s) or any replacement rental assistance program or **causes the HAP Contract(s) to be abated or terminated because the Purchaser is not in compliance with the requirements of the HAP Contract(s)**, current or future residents who are or would have been eligible for the project based assistance shall not be required to pay rent and utilities in excess of the amount that would have been required if the assistance was in place. All units that were assisted under the HAP Contract(s) are restricted for the term of the Use Restriction to occupancy by eligible families in accordance with HUD requirements under the HAP Contract(s) and this provision and rent payments by these families shall not exceed thirty percent (30%) of adjusted monthly income **or the contract rent, whichever is less**. Under this provision, within thirty (30) days of notice of default to the Purchaser, any lender holding a lien or security interest on the Project will be provided an opportunity to cure if the lender:

- (i) Gives written notice to HUD that it intends to cure the default/noncompliance of HAP, **and**
- (ii) Submits a plan to cure the default within thirty (30) days or within such longer periods as HUD may approve in writing.

If, during the Restricted Period, HUD elects not to renew the HAP due to budget appropriations, the rents will be controlled by Section B below.

(b) **Maintenance of Rents at Affordable Levels**

(i) For **current** tenants, affordable means **the least of:**

- a. for a unit occupied by a very-low income family, the unit rent does not exceed thirty percent (30%) of fifty percent (50%) of the area median income, not necessarily the income of the family, as determined by HUD, with adjustments for family size, less a reasonable utility allowance for utilities paid by the tenant; **or**

- b. for a unit occupied by a low-income family that is not a very low-income family, the unit rent does not exceed thirty percent (30%) of eighty percent (80%) of the area median income, (not necessarily the income of the family, as determined by HUD, with adjustments for family size, less a reasonable utility allowance for utilities paid by the tenant; **or**
 - c. the Section 8 Voucher Payment Standard less the utility allowance established by the voucher provider; **or**
 - d. Market Rent in the immediate area established by a rent comparability study prepared, at the Purchaser's (Owner's) expense, in accordance with HUD requirements.
- (ii) For **new, or turnover** tenants, affordable means **the least of**:
- a. the unit rent does not exceed thirty percent (30%) of eighty percent (80%) of the area median income (not necessarily the income of the family), as determined by HUD, with adjustments for family size, less a reasonable utility allowance for utilities paid by the tenant; **or**
 - b. the Section 8 Voucher Payment Standard, less the utility allowance established by the voucher provider; **or**
 - c. Market Rent in the immediate area established by a rent comparability study prepared, at the Purchaser's (Owner's) expense, in accordance with HUD requirements.

Annual certification

The Purchaser (Owner) shall certify to HUD annually, in a manner acceptable to HUD, that the requirements in the above paragraphs have been fulfilled.

Sale Cancelled

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 _____

NONDISCRIMINATION AGAINST MULTIFAMILY SECTION 8 CERTIFICATE HOLDERS AND VOUCHER HOLDERS

The Use Agreement includes the following provisions:

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.

Sale Cancelled

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 3 OF 6
**REQUIRED REHABILITATION
REPAIR ESCROW
RELOCATION**

The Use Agreement includes the following provisions:

Rehabilitation

1. The Purchaser covenants that the Property will be rehabilitated within twelve (12) months from the date of this Use Agreement in accordance with all applicable State and local laws, codes, ordinances and regulations, and Physical Condition Standards pursuant to 24 CFR Part 5, and other requirements set forth in any repair summaries and narratives, attached hereto.
 - (a) If the Purchaser cannot complete the repairs within the required time, thirty (30) days prior to the expiration of the time allowed a written request for an extension must be delivered to HUD stating the reason for the Purchaser's inability to complete the repairs.
 - (b) The granting of one or more extensions shall not obligate HUD to grant additional extensions.
 - (c) Extensions of time to complete repairs are within HUD's sole and absolute discretion.
2. The Purchaser covenants not to increase the rent for any unit, from the rent HUD is requiring a tenant to pay on the Closing date, until such unit meets all the rehabilitation requirements set forth in paragraph 1, above.
3. If the Purchaser fails to comply with paragraph 1 above, and no extension by written agreement has been granted by HUD, the Secretary and/or any and all successors in the office shall be entitled to exercise any available remedies including the right to enter and terminate the estate hereby conveyed.
4. If the Purchaser fails to repair the Project in accordance with this Agreement, the Secretary will not exercise the remedies as described in paragraph 3 above, 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 within thirty (30) days of the notice or within such longer periods as HUD may approve in writing.

Repair Escrow

To ensure completion of required repairs that are to be completed by the Purchaser, the Purchaser must deliver to the Secretary at Closing, either a Letter of Credit or Cash Escrow as indicated below. (It is within HUD's sole discretion to allow one LoC, multiple LoC's or a Cash Escrow and to allow replacement of any/all LoC's with a Payment and Performance Bond):

- Sale Cancelled
- Letter of Credit
1. An unconditional, irrevocable and non-documentary Letter of Credit (LoC), in the amount of \$ 3.00, which shall remain in effect and may be drawn on by the Secretary for at least eighteen (18) months, 6 months past the deadline for repairs noted above, in accordance with this Agreement.
 2. Significant repair/rehabilitation programs may be staged upon HUD approval. If repair/rehabilitation is staged, as agreed upon between the Bidder and HUD prior to Closing, up to five (5) LoCs, which represent the full LoC requirement, may be permitted. The LoCs must have an expiration date that extends beyond HUD's repair completion date by at least six (6) months. LoCs may be returned as the Bidder completes repairs and HUD has inspected and accepted the repairs. The final LoC must represent at least ten percent (10%) of HUD's total estimated repair costs and must have an expiration date that extends six (6) months beyond the completion of repair date. HUD may cash any or all LoCs and apply the funds to complete the repairs, correct latent defects in the completed repairs or retain the funds as liquidated damages.
- Cash Escrow
- A cash escrow in the amount of \$ _____, to be held by HUD in a non-interest bearing escrow account. The cash escrow will be returned to the Purchaser after repairs have been satisfactorily completed, except for ten (10) percent which will be held for an additional six (6) months. HUD may apply the cash escrow funds to complete the repairs, correct latent defects in the completed repairs or retain the funds as liquidated damages.
- Payment and Performance Bonds
- After Closing** the Purchaser may, at HUD's discretion, replace the LOC(s) with Performance and Payment Bonds meeting State and local codes as assurance of completion for post-closing repair requirements, as listed on Form HUD-9552 and its exhibits, or Form HUD 9822.

Purchaser must use HUD Form-92452 for the payment bond and a form for the performance bond that is acceptable to HUD.

- (a) Evidence of the existence of payment and performance bonds each in the amount of \$ _____ (the total cost of repairs) must be provided to HUD.
- (b) Purchaser must follow the following requirements:

- i. The surety entity issuing the bonds must be included on the accredited U.S. Treasury list, Circular 570, published annually in the Federal Register on or about July 1 of each year;
- ii. The payment and performance bonds must not exceed limits listed in the Circular;
- iii. The payment and performance bonds must show HUD as payee, along with Purchaser's mortgagee, at the mortgagee's request.

In the event an extension for completion of repairs is granted, the LoC's, Cash Escrow account, or Payment and Performance Bonds will be extended accordingly.

If the repairs are not completed to the satisfaction of HUD within the time period specified in this Section, HUD may, in its sole discretion, cash any LoC, withdraw remaining funds from the Cash Escrow account, and/or file a claim against the bonding company and seek remedies provided in the attached Use Agreement, as the Secretary deems appropriate. If HUD cashes the Purchaser's LoC or withdraws remaining funds from the Cash Escrow account as a remedy for the Purchaser's default under the repair program, HUD may apply the funds so obtained to complete the repairs or for such other purposes as the Secretary deems appropriate.

Relocation Restriction

The Purchaser covenants to comply with Section 203(f) 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 2 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. 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.

- 1. If temporary or permanent relocation is necessary because of such rehabilitation, 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.
- 2. 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.

If relocated off-site, the Purchaser must provide any resident who is temporarily relocated because of the rehabilitation, the right of first refusal to return to the Property as long as the resident is in good standing under any lease agreements prior to re-occupancy.

- 3. 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.

HUD will not provide the Purchaser with any funds or subsidy with which to make the payments required by this paragraph.

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 9
LEAD-BASED PAINT HAZARDS

The Use Agreement includes the following provisions:

1. In order to comply with 42 USC §§4821-4886 and the regulations thereunder, 24 CFR Part 35 (the "Regulations"):
 - Purchaser covenants that the Property will be inspected and tested for lead-based paint, and any hazards will be abated in accordance with the Regulations.
 - Purchaser covenants that any lead-based paint hazards will be abated in accordance with the Regulations.

Purchaser shall certify to the Secretary (in a form acceptable to the Secretary) and the Secretary shall determine, through inspection (or discretion, the inspection and certification of a local government official) that all lead-based paint hazards have been removed from the Property in accordance with the Regulations
2. Purchaser understands and agrees that the Secretary's inspection and finding of satisfactory performance is not intended to and does not constitute a guarantee that all lead-based paint and all potential lead-based paint hazards have been eliminated from the Property and does not relieve Purchaser of its ongoing responsibility for complying with all applicable State and local lead-based paint laws and regulations.
3. Purchaser agrees to indemnify, defend, and hold the Secretary harmless from any liability arising by reason of Purchaser's failure to perform Purchaser's obligations under this Agreement with respect to the elimination of lead-based paint health hazards, the prohibition against the use of lead-based paint, and Purchaser's responsibility for complying with applicable state and local lead-based paint laws and regulations.
4. If temporary or permanent relocation is necessary because of such abatement, Purchaser covenants that it will comply with paragraphs 5 through 8, below. Additionally, the Purchaser covenants that it will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("Act"), as amended, 42 USC §4601, and the regulations thereunder, 49 CFR Part 24, when Project-based Section 8 assistance is provided by the Secretary. The Purchaser is responsible for ensuring compliance with the Act and regulations thereunder, 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.
5. If temporary relocation is necessary because of such abatement, Purchaser covenants to provide assistance to tenants in locating 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 tenant 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.
6. If permanent relocation is necessary because of such abatement, 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 The Secretary to be reasonable considering the size of the household and the circumstances surrounding the move.
7. The Purchaser covenants not to increase the rent for any units, from the rent the Secretary is requiring a tenant to pay on the Closing date, until such unit meets all the abatement 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.)
8. Purchaser agrees to comply with Section 35.88 "Disclosure Requirements for Sellers and Lessors" and Section 35.92 "Certification and Acknowledgement of Disclosure" of 24 CFR – *Lead-Based Paint Poisoning Prevention in Certain Residential Structures*.
9. If Purchaser fails to comply with paragraph 1, above, and no extension by written agreement has been granted by the Secretary, the Secretary 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.

10. Notwithstanding 9(a) through (c) above, the Secretary will not exercise those remedies, if any lender holding a lien or security interest on the Project:
- (a) Gives written notice to the Secretary within the period provided for repairs, that it intends to complete the repairs, and
 - (b) Completes such repairs within thirty (30) days of the notice or within such longer periods that HUD may approve in writing.

Sale Cancelled

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 5 OF 9
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 Agreement 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 expense, 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 of any units, from a rent which 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 _____

RIDER 6 OF 9
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 Agreement 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(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 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 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.
7. 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 _____

PROJECT-BASED SECTION 8 ASSISTANCE

The Use Agreement includes the following provisions:

The Purchaser, successor and assigns (Owner) agree(s) to rehabilitate/repair the property to make the project units decent, safe and sanitary as defined by HUD and to complete the work in accordance with the HUD approved work write up and cost estimates. Upon the acceptable completion of the project, the Owner may bill the Department for housing assistance payments for those low or very low income persons (household income below **eighty (80%)** percent of Area Median Income, adjusted for family size) occupying the units assisted under the Housing Assistance Payments (HAP) Contracts.

SECTION ONE

1. Significant Dates, Contents, and Scope of the HAP Contracts.
 - a. Effective Date of the HAP: Upon Closing
 - b. Date for Commencement of Work: – Not later than 30 calendar days after the effective date of this Rider.
 - c. Time for Completion of Project: - Not later than 180 calendar days (not to exceed 6 months unless previously approved) after the date for commencement of work.
 - d. Final Inspection. HUD (or its designee) shall perform the final inspection of the completed units upon receipt of evidence of completion submitted by the owner.
2. HUD Assurance. The acceptance of this Rider by HUD is an assurance by HUD to the Owner that:
 - a. The faith of the United States is solemnly pledged to the payment of housing assistance payments pursuant to the Contracts, and
 - b. HUD has obligated funds for these payments.
3. Owner’s Failure to Comply with Rider. In addition to other remedies available to HUD for a default by the owner, the Owner and HUD agree that if the Owner fails to comply with the requirements of this Rider;
 - a. HUD may rescind the sale of the project,
 - b. abate the HAP contracts and relocate the tenants, and/or
 - c. take other appropriate remedial action in accordance with its authority.

4. Definitions:

<input checked="" type="checkbox"/>	Family and Elderly Family	<input type="checkbox"/>	Person With Disabilities
<input type="checkbox"/>	Elderly Family	<input type="checkbox"/>	Disabled Household
<input type="checkbox"/>	Disabled Family	<input type="checkbox"/>	Disabled (Handicapped) Family
<input type="checkbox"/>		<input type="checkbox"/>	

SECTION TWO

1. Schedule of Completion
 - a. Timely performance of Work. The Owner agrees to begin work within the time indicated in Section 1 of this Rider. The Purchaser/Owner shall report, within three business days, to the Multifamily Property Disposition (PD) Center the date work has commenced and shall thereafter furnish the PD Center with periodic progress reports (monthly unless more frequent reporting is required by the Center). In the event the work is not commenced, diligently continued, or completed as required under this Rider, the CA, HUD AND/OR PBCA at the direction of the PD Center where the CA AND/OR PBCA is the Public Housing Agency, reserves the right to take such action as it determines appropriate and within its authority.
 - b. If completion is in multiple releases, a minimum of ten (10) % of the units not approved at time of contract execution must be included in each partial release except for the final release. If units are determined acceptable but the number is insufficient to meet the 10% requirement, the Owner may not bill for the units until they have been approved on a partial release. The effective date for the units will be the date of the last inspection of the units added to the partial release.
 - c. The work is defined as “the repair and/or replacements necessary to bring the property into compliance with 24 CFR Part 5 Physical Condition Standards.” The work may not be inclusive of the total HUD repair requirement for the project (additional repairs may be required under the Post closing Repair Requirements) and may not result in the release of any or all letter(s) of credit required under the Post Closing Repair Rider.
2. Construction or Rehabilitation Period.
 - a. Inspections. Inspections will be limited to no more than 1 per month. Upon written notification from the Owner that the property or individual units are in compliance with Physical Condition Standards, HUD will order an inspection of the units. If partial releases have been approved, the signature block for the first partial release shall be executed in accordance with 1b above. (The first integral release will be provided to the Purchaser at closing, if any units are determined to meet HUD standards at the time of sale.) The form will reflect the unit numbers and unit types. The chargeable rents will be the rents reflected in an Exhibit to the Housing Assistance Payments (HAP) Contracts signed at closing. The owner may begin billing for HAP payments upon receipt of the partial release from HUD for occupied units. Payments may be retroactive to the effective date on the release for occupied units. The effective date for each release will be the inspection date for the last unit added to the partial release. No retroactive payments will be made on vacant units. The Owner will be able to bill on a vacant unit after it has been added to an

Sale Cancelled

integral release and becomes occupied. The Owner may not bill for units that have not been inspected by HUD and approved for billing under the HAP. At no time may payments be made for units that do not meet HUD's Physical Condition Standard.

- b. Increases in Contract Rents or Utility Allowance. Increases in contract rents or utility allowances during the construction or rehabilitation period are permitted only with HUD approval consistent with HUD regulations.
3. Project Completion.
 - a. The project shall be rehabilitated in accordance with the Physical Condition Standards 24 CFR Part 5. The owner shall be solely responsible for rehabilitation of the project.
 - b. The project shall be in good and tenable condition.
 - c. The project shall be rehabilitated in accordance with applicable zoning, building, housing and other codes, ordinances or regulations, as modified by any waivers obtained from the appropriate officials.
4. Review and Inspection.
 - a. Upon receipt of the "Certification of Completion" from the Owner, HUD shall order an inspection or notify the Owner if additional evidence of completion is required.
 - b. A HUD representative (or its designee) shall inspect the project in a manner sufficient to enable the inspector to report that he or she has inspected the observable elements and features of the project in accordance with professional standards of care and judgment and that, on the basis of the inspection
 - i. The project or portion thereof been completed in accordance with this Rider, and that
 - ii. There are no observable conditions inconsistent with the certification of the Owner. If the inspection disclosed defects or deficiencies, the inspector shall report these in detail and HUD will notify the Owner of the items that must be corrected.
 - c. Unconditional Acceptance. If HUD determines from the review and inspection that the project (or on those units if partial releases are previously approved) has been completed in accordance with this Rider, the Owner and the HUD Field Office (having jurisdiction over the property) shall be promptly notified of the units deemed acceptable and the effective date of the integral release.
 - d. Notification of Non-acceptance. If HUD determines that, based on the review of the Owner's certification of completion and/or HUD's inspection report, the project or portion thereof cannot be accepted, the Owner shall be promptly notified of this decision with a statement of the reasons.
 - e. Contract Rents. The Contract Rents by unit size, amounts of housing assistance payments, and other applicable terms and conditions are specified in the Housing Assistance Payments Contract. The initial Contract Rents shall be the amounts established by HUD and published for the sale.
5. Defaults. Any default under this Rider constitutes a default under the Housing Assistance Payments (HAP) Contracts even in the event no funds have been requested and/or paid from said Contract. Any or all remedies outlined in the HAP Contracts and the Lease Agreement are the remedies that are applicable to a default under this Rider.
6. Assignments, Sale or Conveyance.
 - a. The Owner agrees that the ownership entity has not made and shall not make any sale, assignment, conveyance or transfer, of the HAP Contracts or the subject property or any of its interest in them, without the prior written consent of HUD (and the PHA where it is the CA and/or PBCA); however, in the case of an assignment as security for the purposes of obtaining financing of the project, HUD (and the PHA where it is the CA and/or PBCA) shall consent in writing if HUD has approved the terms of such financing.
 - b. The Owner agrees to notify HUD (and the PHA where it is the CA and/or PBCA) promptly of any proposed action covered by 6(a) above. The Owner further agrees to request the prior written consent of HUD (and the PHA where it is the CA and/or PBCA).
 - c. Definitions:
 - i. For the purposes of this part, a sale, assignment, conveyance, or transfer includes but is not limited to one or more of the following:
 - (a) Transfer by the owner, in whole or in part.
 - (b) A transfer by a party having a substantial interest in the Ownership.
 - (c) Transfers by more than one party of interest aggregating a substantial interest in the Ownership,
 - (d) Any significant change in the ownership of interest or in the relative distribution of interest by any other method or means, and
 - (e) Any refinancing of the project.
 - ii. An assignment by the Owner to a limited partnership, in which no limited partner has twenty-five percent (25%) or more interest and of which the Owner is the sole general partner, shall not be considered an assignment, conveyance, or transfer that affects the HAP. An assignment by one or more general or limited partners of a limited partnership interest to a limited partner, who will have no more than a twenty-five percent (25%) interest, shall not be considered an assignment, conveyance, or transfer that affects the HAP.
 - iii. The term "substantial interest" means any interest of a general partner, corporate officer or Director, any limited partner having a twenty-five percent (25%) or more interest in the organization or any stockholder having a ten percent (10%) or more interest in the organization.
 - iv. Notwithstanding the foregoing, a merger, conversion, share exchange, extended lease interest, or

interest exchange of corporate or partnership interest will be considered a transfer of the property and require the approval of HUD if property is sold with an Equity Participation Rider.

- d. The Owner and the party executing this Rider on behalf of the Purchaser/Owner certify that he/she has the requisite authority to bind the ownership and to execute this rider on behalf of the Purchasing Entity.
- e. Except where otherwise approved by HUD, this Rider and the HAP Contracts shall continue in effect in the event:
 - i. Of assignment, sale, or other disposition of the project, or this Rider or the HAP Contracts,
 - ii. Of foreclosure of any mortgage note secured by the subject property,
 - iii. Assignment of the mortgage or Deed in lieu of foreclosure of the subject property, or
 - iv. The PHA or HUD takes over possession, operation or ownership of the subject property.

SECTION THREE

1. Project-based Section 8 Assistance.
 - a. Both Housing Assistance Payments (HAP) Contracts will be executed at closing. The HAP Contracts will cover 12 units in the Property, as specified by HUD. The HAP Contracts will initially be funded for a minimum of one (1) month and a maximum of twelve (12) months prior to closing. **The Purchaser agrees to accept both Project Based Section 8 Housing Assistance Payments Contracts.**
 - b. The HAP Contracts shall provide that, when a vacancy occurs in any unit in the property requiring project-based Section 8 assistance, Owner shall rent the unit to a family that is eligible for said Section 8 assistance under the HAP Contracts.
 - c. The Owner agrees that, for any property formerly insured under Section 221(d)(3) or 236 of the National Housing Act, or for which a direct loan under Section 202 of the Housing Act of 1959 was made, any unit in the Property that does not receive project-based Section 8 assistance shall remain available and affordable for a period of 20 years under the terms of the Affordability of Units Rider.
 - d. The Owner agrees that at anytime the HAP Contract(s) expires, is terminated or not renewed, the Affordability of Units Rider will become applicable to the units previously covered under the HAP Contract(s). The Owner may reduce the term of the Affordability of Units Rider for such units by the collective term(s) of the HAP Contract(s) and any subsequent renewals effective after this sale.
2. The Owner cannot voucher for Section 8 HAP payments until HUD has inspected the units and determined that they meet the Physical Condition Standards (PCS) of the HAP Contract(s). Section 8 assistance payments will not be made retroactive to the date of closing. Retroactive payments will not be made on vacant units. Assistance/subsidy will only be paid on occupied units from the effective date on the partial release (or final release if partial releases were not approved) reflecting that the unit(s) was determined to meet the Physical Condition Standards (as per Section 2 Provisions 2 and 4).
3. Upon receipt of subsidy payments, Owner shall not charge Section 8 eligible tenants more than the amount of the Total Tenant Payment (per the Form HUD-50050) the tenant would be required to pay under the Section 8 program.
4. Other Government Assistance and Adjustments to Project-based Section 8 Assistance.
 - a. In order to comply with Section 102 of the Department of Housing and Urban Development Reform Act of 1989, and the regulations thereunder, 24 CFR Part(s) 4.9 and 4.11, Owner covenants that it will disclose to Seller:
 - i. Any Federal, State or local governmental assistance, other than the Section 8 assistance provided under the terms of this Deed, that it will receive or reasonably expects to receive prior to or during the term of the Section 8 HAP Contracts.
 - ii. In cases where the Owner will receive or reasonably expects to receive such other assistance, the expected sources and uses of all funds that are to be made available for the Property. Such other assistance includes any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect governmental assistance.
 - b. In order to comply with this requirement, the Owner, within ten (10) Federal Government business days after receiving notice that he/she has been selected to purchase the Property, must complete and execute a Certification of Disclosure.
 - c. Within 30 calendar days of any changes in circumstances occurring at any time before or during the term of the Section 8 HAP Contracts that affect the accuracy of the Certification of Disclosure, the Purchaser/Owner shall submit to HUD a revised Certification. HUD may reduce the amount of Section 8 assistance provided for the Property to compensate in whole or in part, as the Department deems appropriate, for any increases in other assistance.
5. Affordability and Availability of Project-based Section 8 Units. In order to assure compliance with 12 USC §1715z-11a(a), the Secretary of HUD, pursuant to a HAP Contract(s), will provide housing assistance under Section 8 of the United States Housing Act of 1937 (42 USC §1437f) for the Property predicated on the availability of funds. During the term of the HAP Contract(s), the Owner shall maintain all dwelling units covered thereby after the date of this Deed in accordance with the requirements of the HAP Contract(s) and the Section 8 Housing Assistance Payments Program. The Owner shall not remove any existing tenant solely due to the tenant's ineligibility for Section 8 assistance, so long as the tenant remains in good standing. However, if an existing Section 8 ineligible tenant moves/relocates from the property, the Owner shall rent the unit to an eligible low income family, if the unit is assisted under the HAP Contract(s). This provision shall be enforceable by the HUD, Eligible Families or any other tenants on the

RIDER 8 OF 9
RESERVE FUND FOR REPLACEMENT ACCOUNT

The Use Agreement includes the following provisions:

The Purchaser will deposit at Closing \$ 0 into a Reserve Fund for Replacement account. After completion of all repairs, the Purchaser will be required to deposit \$ 3,600 annually into the Reserve Fund for Replacement account (reserve account), payable monthly in an amount of \$ 300 per month, commencing the first day of the first month following completion of all repairs required by HUD on Form HUD 9552. If the terms of the sale do not require completion of specific repairs on Form HUD 9552, payments must commence the second month the Purchaser vouchers for Section 8 assistance.

Each account will be an interest-bearing bank account and fully guaranteed as to the principal by the United States of America. The reserve account shall aid in funding extraordinary maintenance and repair and replacement of capital items. Such items include, but are not limited to: appliances, heating and cooling equipment, new floor covering, structural repairs, and roofs.

The reserve account shall be subject to the control of HUD and disbursements from such funds may be made only with the written consent of HUD, which will not be unreasonably withheld. Purchaser/Owner may request the release of funds from the reserve account for reimbursement of major capital expenditures.

Within sixty (60) days following the end of each fiscal year, HUD will be furnished with a complete annual financial report including deposits and withdrawals from the reserve account based upon an examination of the books and records of the Purchaser/Owner prepared in accordance with the requirements of HUD, prepared and certified to by a Certified Public Accountant.

The Purchaser/Owner agrees to comply with HUD's rules and regulations concerning replacement reserves.

The requirements of this rider will terminate if the HAP Contract(s) is terminated or expires and is not renewed or twenty (20) years from the date of this deed, whichever occurs first.

Sale Cancelled

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 _____

SECTION 8

(and Attachment – Certification of Disclosure of Other Governmental Assistance)

ADJUSTMENT IN SECTION 8 ASSISTANCE PURSUANT TO OTHER GOVERNMENT ASSISTANCE

1. In order to comply with Section 102 of the Department of Housing and Urban Development Reform Act of 1989, and the regulations thereunder, 24 CFR Part(s) 4.9 and 4.11, Owner covenants that it will disclose to Seller:
 - a. Any Federal, State or local governmental assistance, other than the Section 8 assistance provided under the terms of this Deed, that it will receive or reasonably expects to receive prior to or during the term of the Section 8 HAP Contracts.
 - b. In cases where the Owner will receive or reasonably expects to receive such other assistance, the expected sources and uses of all funds that are to be made available for the Property. Such other assistance includes any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect governmental assistance.
2. In order to comply with this requirement, the Owner, within 10 business days after receiving notice that he/she has been selected to purchase the Property, must complete and execute a Certification of Disclosure (as attached).
3. Within thirty (30) calendar days of any changes in circumstances occurring at any time before or during the term of the Section 8 HAP Contracts that affect the accuracy of the Certification of Disclosure, the Purchaser/ Owner shall submit to HUD a revised Certification. HUD may reduce the amount of Section 8 assistance provided for the Property to compensate in whole or in part, as the Department deems appropriate, for any increases in other assistance.

The requirements of this rider will terminate if the HAP Contracts are terminated or expires and is not renewed.

Sale Cancelled

By initialing hereunder, the Bidder acknowledges that this Rider is incorporated into and is a part of the Use Agreement

PURCHASER _____

SECRETARY OF HOUSING AND URBAN DEVELOPMENT _____

**CERTIFICATION OF DISCLOSURE OF OTHER GOVERNMENT ASSISTANCE
(Attachment to Section 8 Rider)**

TO: FHA COMMISSIONER

Project Name: Pin Oak Apartments
Project Number: 072-44041
Project Location: Wyoming, IL

<input checked="" type="checkbox"/>	<p>I will not use any other government assistance in the acquisition, repair or operation of this project, other than the Section 8 assistance provided by HUD under the Housing Assistance Payments Contract. Other government assistance includes, but is not limited to, any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance.</p> <p>If prior to or during the term of the Housing Assistance Payment Contract I apply for and/or receive other government assistance, I will revise this Certification and meet the requirements set forth below.</p>
<input type="checkbox"/>	<p>I expect to receive, or have received, other government assistance prior to or during the term of the Housing Assistance Payments Contract. The Sources and Uses Statement of such assistance is attached hereto. The above Sources and Uses Statement describes the sources, use and total amount of each form of other governmental assistance that I expect to receive, or have received, and that will be used for the benefit of this project.</p> <p>Within thirty (30) days after any change to the information certified to and disclosed above, I will submit to HUD a revision of this Certification and the attached disclosure.</p>

I certify that the information supplied herein is true and correct to the best of my knowledge.

WARNING: It is a crime to knowingly make false statements to a Federal agency. I understand that the penalties upon conviction can include a fine and imprisonment not to exceed \$10,000 or five years imprisonment, or both. See Title 18 U.S. Code, Sections 1001, 1010, and 1012.

Signature _____

Date _____

Name

Title

Sale Cancelled

ATTACHMENT D
LETTER OF CREDIT (LoC) SAMPLE

(ISSUING BANK'S LETTERHEAD)

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

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

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

Dear Sir:

For the account of _____
(name of account party/customer)

we hereby authorize you to draw on us at sight up to an aggregate amount of U.S. \$ _____,
effective immediately and expiring on _____, 20____.

This Letter of Credit is irrevocable and unconditional.

Funds under this Credit are available to you against your sight draft(s) on us, substantially in the form attached as Exhibit A, for all or any part of this Credit.

This Letter of Credit sets forth in full the terms of our obligations to you, and such undertaking shall not in any way be modified or amplified by any agreement in which this letter is referred to or to which this letter of credit relates, and any such reference shall not be deemed to incorporate herein by reference any agreement.

We will promptly honor all drafts in compliance with the terms of this credit if received in due time before the expiration date at

Sale Cancelled

(bank's address)

This Credit is governed by the laws of _____.

Sincerely,

(Issuing Bank)

By: _____

SAMPLE SIGHT DRAFT

(HUD LETTERHEAD)

(Name and address of bank) _____
_____, 20____
(City, State)

Pay to the order of the U.S. Department of Housing and Urban Development the sum of
\$_____. This draft is drawn under your Irrevocable Letter of
Credit NO._____.

U.S. Department of Housing and Urban Development

By:_____

Sale Cancelled

U.S. Department of Housing and Urban Development
Office of Housing
Property Disposition
Federal Fiscal Year 2012

SECTION 8
PROJECT-BASED RENTAL ASSISTANCE
HOUSING ASSISTANCE PAYMENTS CONTRACT

**TABLE OF CONTENTS
HAP CONTRACT
PART 1**

PART 1 OF HAP CONTRACT 1

1. CONTRACT INFORMATION¹ 1

A. PROPERTY 1

B. CONTENTS OF CONTRACT 1

C. CONTRACT EXHIBITS 1

D. EFFECTIVE DATE AND TERM OF HAP CONTRACT 1

 i. Effective date: 1

 ii. Length of contract term: 1

 iii. Anniversary date: 1

E. FUNDING OF HAP CONTRACT 1

EXECUTION OF HAP CONTRACT 2

PART 2 OF HAP CONTRACT 3

2. DEFINITIONS 3

3. PURPOSE 3

4. OCCUPANCY AND PAYMENT 4

A. PAYMENT FOR OCCUPIED UNIT 4

B. OCCUPANCY BY ELIGIBLE FAMILIES 4

C. VACANCY PAYMENT 4

5. CONTRACT RENT; HOUSING ASSISTANCE PAYMENTS 4

A. AMOUNT OF INITIAL CONTRACT RENT 4

B. HUD RENT REQUIREMENTS 5

C. CA PAYMENT TO OWNER 5

6. ADJUSTMENT OF CONTRACT RENT 5

A. DETERMINATION OF ADJUSTED RENT 5

B. MAXIMUM RENT 5

C. OWNER COMPLIANCE WITH HAP CONTRACT 5

D. NOTICE OF RENT ADJUSTMENT 5

7. OWNER RESPONSIBILITY 5

8. OWNER CERTIFICATION 6

9. CONDITION OF UNITS 7

A. OWNER MAINTENANCE AND OPERATION 7

B. CA INSPECTION 7

C. VIOLATION OF PCS 7

D. MAINTENANCE AND REPLACEMENT -- OWNER'S STANDARD PRACTICE 7

10. LEASING CONTRACT UNITS 7

11. TENANCY 8

A. LEASE 8

B. TERMINATION OF TENANCY 8

C. FAMILY PAYMENT 8

D. OTHER OWNER CHARGES 8

E. SECURITY DEPOSIT 8

12. RESERVE FOR REPLACEMENTS 9

13. OVERCROWDED AND UNDEROCCUPIED UNITS 9

Sale Cancelled

14. PROHIBITION OF DISCRIMINATION	9
15. REDUCTION OF CONTRACT UNITS	9
16. OWNER DEFAULT AND CA REMEDIES	9
A. OWNER DEFAULT	9
B. CA REMEDIES	10
C. CA REMEDY IS NOT WAIVED	10
17. OWNER DUTY TO PROVIDE INFORMATION AND ACCESS REQUIRED BY HUD OR CA	10
A. REQUIRED INFORMATION	10
B. CENTRAL CONTRACTOR REGISTRATION (CCR)	10
C. CA AND HUD ACCESS TO PREMISES	10
18. CA AND OWNER RELATION TO THIRD PARTIES	11
A. INJURY BECAUSE OF OWNER ACTION OR FAILURE TO ACT	11
B. LEGAL RELATIONSHIP	11
C. EXCLUSION OF THIRD PARTY CLAIMS	11
D. EXCLUSION OF OWNER CLAIMS AGAINST HUD	11
19. CONFLICT OF INTEREST	11
A. PROHIBITED INTEREST	11
B. DEFINITIONS	11
C. DISCLOSURE	12
D. HUD WAIVER	12
E. INTEREST OF MEMBER OF CONGRESS	12
20. EXCLUSION FROM FEDERAL PROGRAMS	12
A. FEDERAL REQUIREMENTS	12
B. DISCLOSURE	12
21. TRANSFER OF THE CONTRACT OR PROPERTY	12
A. WHEN CONSENT IS REQUIRED	12
B. TRANSFEREE ASSUMPTION OF HAP CONTRACT	13
C. EFFECT OF CONSENT TO TRANSFER	13
D. WHEN TRANSFER IS PROHIBITED	13
22. OWNER DISCLOSURE OF OTHER GOVERNMENT ASSISTANCE	13
A. OWNER DISCLOSURE	13
B. LIMIT OF PAYMENTS	13
23. OWNER LOBBYING CERTIFICATIONS	14
24. NOTICES AND OWNER CERTIFICATIONS	14
25. HUD REQUIREMENTS	14
26. ENTIRE AGREEMENT	14

Sale Cancelled

U.S. Department of Housing and Urban Development
Office of Housing
Property Disposition
Federal Fiscal Year 2012
SECTION 8
PROJECT-BASED RENTAL ASSISTANCE
**HOUSING ASSISTANCE PAYMENTS CONTRACT
PART 1 OF HAP CONTRACT**

1. CONTRACT INFORMATION¹

A. Property

Section 8 Project Number IL06-MOOO-023

Section 8 Project Number of prior HAP contract for property IL06-MOOO-023

FHA Project Number (if applicable) 072-44041

Property Name Pin Oak Apartments

Property Description² 116 W. Thomas, Wyoming, IL 61491, (See Exhibit C "Legal Description")

A total of 10 units in 1 & 2 story buildings, with 12 Project Based Section 8 HAP units located at the following address: 116 W. Thomas, Wyoming, IL 61491, (See Exhibit C "Legal Description")

B. Contents of contract

C. Contract exhibits

EXHIBIT A: SITE PLAN, LEGAL DESCRIPTION, OR OTHER DESCRIPTIVE INFORMATION³

EXHIBIT B: ANY ADDITIONAL INFORMATION DESCRIBING PHYSICAL CONDITION, LOCATION, AND/OR PLANS OF THE CONTRACT UNITS.⁴

EXHIBIT C: Legal Description⁵

D. Effective date and term of HAP Contract

i. Effective date: Date of Closing

ii. Length of contract term: One Year

iii. Anniversary date: One (1) Year from Date of Closing

E. Funding of HAP Contract

- i. The HAP Contract shall be funded first from any budget authority remaining under the prior HAP contract for the Property identified in paragraph 1.a. If any such budget authority remains as of the date of execution of the HAP Contract, HUD will use that amount to provide housing assistance payments under the HAP Contract. HUD will not obligate any additional funding until such time as the amount of remaining budget

authority is depleted and additional funding is needed to provide housing assistance payments under the HAP Contract. If there is no such remaining budget authority as of the date of execution of the HAP Contract, funding shall be provided subject to the availability of sufficient appropriations for the renewal of expiring or terminating section 8 project-based rental assistance contracts in accordance with subparagraph iii.

- ii. Execution of the HAP Contract by the Contract Administrator is an obligation by HUD of \$ _____⁶, an amount sufficient to provide housing assistance payments for approximately _____⁷ months of the first annual increment of the Renewal Contract term.
- iii. HUD will provide additional funding for the remainder of the first annual increment and for subsequent annual increments, including for any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

EXECUTION OF HAP CONTRACT

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

By: _____
Signature of authorized representative

Name and official title (Print)

Date _____

OWNER
Sale Cancelled

Name of Owner (Print)

By: _____
Signature of authorized representative

Name and title (Print)

Date _____

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

Property Disposition

Federal Fiscal Year 2012

SECTION 8
PROJECT-BASED RENTAL ASSISTANCE

**HOUSING ASSISTANCE PAYMENTS CONTRACT
PART 2 OF HAP CONTRACT**

2. DEFINITIONS

CA. Contract administrator. The agency that has entered into the HAP contract with the owner. The agency is HUD or a public housing agency as defined in the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)).

Central Contractor Registration (CCR). As required by [Notice H 2011-01](#), the owner is required to obtain and register a Dun and Bradstreet Numbering Systems Number (DUNS) number. HUD has established a regulation at 24 C.F.R. Part 5 Subpart K that requires for each obligation of funds, the recipient to have DUNS number and a valid registration in the Central Contractor Registration.

Contract rent. The total monthly rent payable to the owner for a contract unit, including the tenant rent. Contract rent includes payment for any housing services, maintenance and utilities to be provided by the owner in accordance with the HAP Contract.

Contract units. The housing units covered by this HAP contract. The contract units are described in Exhibit A by unit size (number of bedrooms) and applicable initial contract rents.

Enter the Income Verification (EIV). A computerized income verification system as required under 24 C.F.R. Parts 5 and 908.

Family. The person(s) approved by the CA to reside in a contract unit with assistance under the program.
HAP Contract. This housing assistance payment contract between the CA and the owner. The contract consists of Part 1, Part 2, and the contract exhibits (listed in paragraph 1.c of the HAP contract).

HUD. U.S. Department of Housing and Urban Development.

HUD requirements. HUD requirements are issued by HUD headquarters as regulations, [Federal Register](#) notices, or other binding program directives.

PHA. A public housing agency (as defined and qualified in accordance with the United States Housing Act of 1937, 42 U.S.C. 1437 et seq.).

Physical condition standards (PCS). The HUD physical condition standards for HUD housing that is decent, safe and sanitary and in good repair (DSS/GR) as defined at; [24 CFR Part 5 Subpart G \(5.703\)](#).

Premises. The building or complex in which a contract unit is located, including common areas or grounds.

Principal or interested party. This term includes a management agent and other persons or entities participating in property management, and the officers and principal members, shareholders, investors, and other parties having a substantial interest in the HAP contract, or in any proceeds or benefits arising from the HAP contract.

Property. The housing designated in paragraph 1a of the HAP contract.

Section 8. Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

Tenant rent. The portion of the contract rent payable by the family, as determined by the CA in accordance with HUD requirements. The CA is not responsible for paying any part of the tenant rent.

3. PURPOSE

- 1) This is a HAP contract between HUD and the owner. The HAP contract is entered pursuant to Section 8.

- 2) The contract units are located in a multifamily property. HUD has conveyed the property to the owner. Prior to HUD acquisition of the property, occupancy of the contract units had been assisted by project-based rental assistance payments under Section 8.
- 3) The purpose of the HAP contract is to provide housing assistance payments on behalf of eligible families who lease and occupy contract units that comply with the HUD PCS. Housing assistance payments will only be paid to the owner for contract units occupied by eligible families who lease contract units from the owner in accordance with statutory requirements, and with all HUD regulations and other HUD requirements.
- 4) Both at the beginning of the contract term and at all times thereafter during the contract term, housing assistance payments will only be paid for contract units that comply with the PCS. Housing assistance payments will not be paid for any period when the contract units do not comply with the PCS.
- 5) If HUD is the CA, HUD may, at HUD's discretion, transfer administration of the HAP contract to a public housing agency acting as the CA under an annual contributions contract (ACC) with HUD.
- 6) The CA must make housing assistance payments to the owner in accordance with the HAP contract for contract units leased and occupied by eligible families during the HAP contract term.

4. OCCUPANCY AND PAYMENT

A. Payment for occupied unit

During the term of the HAP contract, the CA shall make housing assistance payments to the owner for the months during which a contract unit is leased to and occupied by an eligible family, as determined in accordance with HUD requirements. If an assisted family moves out of a contract unit, the owner may keep the housing assistance payment for the month when the family moves out.

B. Occupancy by eligible families

During the contract term, the owner shall lease all of the contract units to eligible families. Eligibility shall be determined in accordance with HUD requirements.

C. Vacancy payment

- 1) The owner may receive housing assistance payments for so much of the month in which the family moves out of a contract unit as the contract unit remains vacant.
- 2) If the unit remains vacant after the move-out month, the owner may receive a housing assistance payment in the amount of eighty percent (80%) of the contract rent for a vacancy period not to exceed an additional month after the month when the family moves out. However, if the owner collects any of the tenant rent for this month, the payment for the vacancy period must be reduced to an amount which, when added to the family's payments, does not exceed eighty percent (80%) of the contract rent.
- 3) The owner shall not receive any vacancy payment under this paragraph c, unless the owner:
 - a) Immediately upon learning of the vacancy, has notified the CA of the vacancy, or prospective vacancy, and the reason for the vacancy,
 - b) Takes all feasible actions to fill the vacancy, including contacting applicants on the owner's waiting list, conducting appropriate outreach for eligible families, and advertising the availability of the unit; and
 - c) Has not rejected any eligible applicant, except for good cause acceptable to the CA.

5. CONTRACT RENT; HOUSING ASSISTANCE PAYMENTS

A. Amount of initial contract rent

The initial contract rent for each contract unit is stated in Exhibit A of the HAP contract. At the beginning of the HAP contract term, and until the contract rent is adjusted in accordance with section 6 of the HAP contract, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A.

B. HUD rent requirements

Notwithstanding any other provision of the HAP contract, the contract rent may in no event exceed the amount authorized in accordance with HUD requirements.

C. CA payment to owner

- 1) Each month the CA must make a housing assistance payment to the owner for a unit under lease to and occupied by an eligible family in accordance with the HAP contract.
- 2) The monthly housing assistance payment to the owner for a contract unit is equal to the amount by which the contract rent exceeds the tenant rent.
- 3) Payment of the tenant rent is the responsibility of the family. The CA is not responsible for paying any part of the tenant rent, or for paying any other claim by the owner against a family. The CA is only responsible for making housing assistance payments to the owner on behalf of a family in accordance with the HAP contract.
- 4) The owner will be paid the housing assistance payment under the HAP contract on or about the first day of the month for which payment is due.
- 5) To receive housing assistance payments in accordance with the HAP contract, the owner must comply with all the provisions of the HAP contract. Unless the owner complies with all the provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.
- 6) If the CA determines that the owner is not entitled to the payment or any part of it, the CA, in addition to other remedies, may deduct the amount of the overpayment from any amounts due the owner, including amounts due under any other housing assistance payments contract.
- 7) The owner must notify the CA promptly of any overpayment or any change of circumstances that would affect the amount of the monthly housing assistance payment, and must return the amount of any overpayment.

6. ADJUSTMENT OF CONTRACT RENT

A. Determination of adjusted rent

- 1) During the term of the HAP contract, the CA shall annually, on the anniversary date, adjust the amount of the monthly contract rents in accordance with HUD requirements by using an OCAF (operating cost adjustment factor).
- 2) The owner shall not receive any other adjustment of the contract rent.

B. Maximum rent

Contract rent for each contract unit, as adjusted annually by the CA in accordance with section 6 of the HAP contract, may at no time exceed reasonable rent, as determined by the CA, charged for comparable units in the private unassisted market.

C. Owner compliance with HAP contract

The CA shall not approve, and the owner shall not receive, any increase of contract rent unless all contract units are in accordance with the PCS, and the owner has complied with the terms of the assisted leases and the HAP contract.

D. Notice of rent adjustment

Contract rent shall be adjusted by written notice by the CA to the owner in accordance with this section. Such notice constitutes an amendment of the rents specified in Exhibit A.

7. OWNER RESPONSIBILITY

- A. The owner is responsible for:

Sale Cancelled

- 1) Performing all management and rental functions for the contract units.
- 2) Selecting tenants.
- 3) Determining tenant eligibility.
- 4) Performing an initial examination and reexamination of family income; verifying family income utilizing EIV systems.
- 5) Calculating the amount of the tenant rent and the housing assistance payment in accordance with the HAP contract and HUD requirements.
- 6) Entering a lease with each assisted tenant.
- 7) Enforcing tenant obligations under the lease.
- 8) Paying for utilities and housing services (unless paid by the tenant in accordance with the HAP contract).
- 9) Collecting from the tenant:
 - a) Any security deposit.
 - b) The tenant rent.
 - c) Any charge for unit damage by the family.
- 10) Paying the family any applicable utility reimbursement for tenant-paid utilities (where the amount of the utility allowance exceeds the amount of the tenant rent).
- 11) Submitting monthly requests for payment in the form and manner required by HUD and the CA.
- 12) Maintaining and accounting for the replacement reserve.

B. The owner shall perform all owner responsibilities in accordance with HUD requirements.

8. OWNER CERTIFICATION

The owner certifies that at all times during the term of the HAP contract:

- 1) All contract units for which the owner is receiving housing assistance payments are in good and tenable condition, and in accordance with the PCS. The owner is maintaining the premises and all contract units in accordance with the PCS.
- 2) The owner is providing all the services, maintenance and utilities as agreed to under the HAP contract and the leases with assisted families.
- 3) Each contract unit for which the owner is receiving housing assistance payments is leased to an eligible family, and the lease is in accordance with the HAP contract and HUD requirements.
- 4) To the best of the owner's knowledge, the members of an eligible family reside in each contract unit for which the owner is receiving housing assistance payments, and the unit is the family's only residence.
- 5) The owner (including a principal or other interested party) is not the parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit.
- 6) The amount of any housing assistance payment requested or received by the owner is the correct amount due under the HAP contract.
- 7) The contract rent for each contract unit does not exceed rents charged by the owner for other comparable unassisted units.
- 8) Except for the housing assistance payment and the tenant rent as provided under the HAP contract, the owner has not received and will not receive any payments or other consideration (from the family, the CA, HUD, or any other public or private source) for rental of the contract unit.

- 9) The family does not own, or have any interest in the contract unit. If the owner is a cooperative, the family may be a member of the cooperative.

9. CONDITION OF UNITS

A. Owner maintenance and operation

- 1) The owner shall comply with the Physical Condition Standards and inspection requirements of 24 C.F.R. Part 5, Subpart G, including any changes in the regulation and related Directives. In addition, the owner shall comply with HUD's Physical Condition Standards of Multifamily Properties of 24 C.F.R. Part 200, Subpart P, including any changes in the regulation and related Directives. This obligation shall apply both during the current term of the HAP contract and during each successive renewal term.
- 2) The owner must maintain and operate the contract units and premises to provide decent, safe and sanitary housing in accordance with the PCS, including performance of ordinary and extraordinary maintenance.
- 3) Both at the beginning of the contract term, and at all times thereafter during the contract term, the owner shall not request payment for or receive any housing assistance payment for any unit during any period when the unit or premises are not in accordance with the PCS.
- 4) If the premises or any contract unit is not in compliance with the PCS at the beginning of the contract term, the owner must promptly perform any ordinary or extraordinary maintenance necessary to bring the unit into compliance with the PCS. However, the owner shall not request or receive any housing assistance payment with respect to a contract unit for any period when the premises or the unit are not in accordance with the PCS.
- 4) The owner must provide all the services, maintenance and utilities set forth in Exhibit B, and in the lease with each assisted family.

B. CA inspection

The CA may inspect the contract units and the premises annually, and any time the CA deems necessary to assure that the contract units and premises are in accordance with the PCS, and that the owner is providing the maintenance, utilities, and other services in accordance with the leases and the HAP contract. The CA shall give the owner reasonable notice of the annual inspection.

C. Violation of PCS

- 1) If the CA determines that a contract unit is not in accordance with the PCS, the CA may exercise any of its remedies under the HAP contract for all or any contract units. Such remedies include termination, suspension or reduction of housing assistance payments, and termination of the HAP contract. The CA may exercise any contractual remedy respecting a contract unit even if the family continues to occupy the unit.
- 2) If the CA determines that the owner has failed to maintain one or more units in decent, safe and sanitary condition, and has abated the housing assistance payments to the owner for such units, the CA may use amounts otherwise payable to the owner pursuant to this Contract, or any Renewal Contract, for the purposes of relocating or rehousing assisted residents in other housing.
- 3) The CA shall not make any housing assistance payment for a dwelling unit that fails to meet the PCS. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any CA-approved extension). The owner shall not request or receive any housing assistance payment for a dwelling unit for any period prior to the correction of any defect.

D. Maintenance and replacement -- owner's standard practice

Maintenance and replacement (including redecoration) must be in accordance with the standard practice for the building concerned as established by the owner.

10. LEASING CONTRACT UNITS

- A. During the term of the HAP contract, the owner must lease all contract units to eligible families.
- B. The owner must determine family eligibility in accordance with HUD requirements.
- C. The contract unit leased to each family must be appropriate for the size of the family as determined in accordance with HUD requirements.
- D. If a contract unit was occupied by an eligible family on the effective date of the HAP contract, the owner must offer the family the opportunity to lease the same or another appropriately sized contract unit with assistance under the HAP contract.
- E. The owner is responsible for screening and selecting tenants.

11. TENANCY

A. Lease

The lease between the owner and each assisted family must be in accordance with HUD requirements. The lease must include word-for-word all provisions required by HUD.

B. Termination of tenancy

- 1) The owner may only terminate a tenancy in accordance with the lease and HUD requirements.
- 2) The owner must give the CA a copy of any owner eviction notice to the tenant at the same time that the owner gives notice to the tenant. Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used to commence an eviction action under State or local law.

C. Family payment

- 1) The portion of the monthly contract rent payable by the family ("tenant rent") will be determined by the owner in accordance with HUD requirements. The amount of the tenant rent is subject to change during the term of the HAP contract.
- 2) The amount of the tenant rent as determined by the owner in accordance with HUD requirements is the maximum amount the owner may charge the family for rent of a contract unit, including all housing services, maintenance and utilities to be provided by the owner in accordance with the HAP contract and the lease.
- 3) The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the owner in accordance with HUD requirements. The owner must immediately return any excess tenant rent payment to the tenant.
- 4) The family is not responsible for payment of the portion of the contract rent covered by the housing assistance payment under the HAP contract. The owner may not terminate the tenancy of an assisted family for nonpayment of the CA housing assistance payment.
- 5) The owner is responsible for computing, in accordance with HUD requirements, the amount of the housing assistance payment and the tenant rent for each assisted family.

D. Other owner charges

The owner may not charge the tenant or family members extra amounts for items customarily included in rent in the locality or provided at no additional cost to an unsubsidized tenant in the premises.

E. Security deposit

- 1) The owner may collect a security deposit from the family.
- 2) The owner must comply with HUD and CA requirements regarding security deposits from a tenant.
- 3) When the family moves out of the contract unit, the owner, subject to State and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid

tenant rent, damages to the unit or other amounts which the family owes under the lease. The owner must give the family a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the owner, the owner must promptly refund the full amount of the balance to the family.

- 4) If the security deposit is not sufficient to cover amounts the family owes under the lease, the owner may seek to collect the balance from the tenant.

12. RESERVE FOR REPLACEMENTS

The owner must establish and maintain a replacement reserve for the property, in the amount required by HUD, to pay for extraordinary maintenance and repair, and for replacement of capital items. The owner must establish, maintain and account for the replacement reserve in accordance with HUD requirements.

13. OVERCROWDED AND UNDEROCCUPIED UNITS

If a contract unit is not decent, safe and sanitary because of an increase in the family size which causes the unit to be overcrowded, or if a contract unit is larger than appropriate for the size of the family, the owner must offer the family a suitable unit as soon as one becomes vacant and ready for occupancy, and the owner must require the family to move.

14. PROHIBITION OF DISCRIMINATION

A. The owner may not refuse to lease contract units to, or otherwise discriminate against any person or family in leasing of a contract unit, because of race, color, creed, religion, sex, national origin, disability or familial status (i.e., because the family includes children).

B. The owner must comply with the following requirements:

1) The Fair Housing Act (42 U.S.C. 3610 - 3619) and implementing regulations at 24 C.F.R. parts 100, et seq.;

2) Executive Orders 11889, 12259, and 12892 (Equal Opportunity in Housing) and implementing regulations at 24 C.F.R. part 107;

3) Title V of the Civil Rights Act of 1964 (42 U.S.C. 2000d-4) (prohibition of discrimination in Federally-assisted programs) and implementing regulations at 24 C.F.R. part 1;

4) The Age Discrimination Act of 1975 (42 U.S.C. 6101 - 6107) and implementing regulations at 24 C.F.R. part 146;

5) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) (prohibition of discrimination because of disability) and implementing regulations at 24 C.F.R. part 8;

6) Executive Orders 11625, 12138, and 12432 (promoting minority and women's business enterprise);

7) Title II of the Americans with Disabilities Act (42 U.S.C. 12101, et seq.) (prohibition of employment discrimination because of disability); and

8) The fair housing advertising poster guidelines at 24 C.F.R. part 110.

C. The CA and the owner must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and implementing regulations.

15. REDUCTION OF CONTRACT UNITS

If the owner fails for a continuous period of six months to have all of the contract units leased or available for leasing by eligible families, the contract administrator may, on thirty calendar days notice, reduce the number of contract units to not less than the number of units under lease to eligible families.

16. OWNER DEFAULT AND CA REMEDIES

A. Owner default

Any of the following is a default by the owner under the HAP contract:

- 1) The owner has failed to comply with any obligation under the HAP contract, including the owner's obligations to maintain all contract units in accordance with the PCS.
- 2) The owner has violated any obligation under any other housing assistance payments contract under Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).
- 3) The owner has committed any fraud or made any false statement to the CA or HUD in connection with the HAP contract.
- 4) The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing assistance program.
- 5) If the property is subject to a lien or security interest securing a HUD loan or a mortgage insured by HUD:
 - a) The owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement, or
 - b) The owner has committed fraud, bribery or any other corrupt or criminal act in connection with the HUD loan or HUD-insured mortgage.
- 6) If the owner has engaged in any drug-related criminal activity or any violent criminal activity.

B. CA remedies

- 1) If the CA determines that a breach has occurred, the CA may exercise any of its rights or remedies under the HAP contract.
- 2) The CA must notify the owner in writing of such determination. The notice by the CA to the owner may require the owner to take corrective action (as verified by the CA) by a time prescribed in the notice.
- 3) The CA's rights and remedies under the HAP contract include recovery of overpayments, termination or reduction of housing assistance payments, and termination of the HAP contract.
- 4) If the CA determines that the owner has failed to maintain one or more units in decent, safe and sanitary condition, and has abated housing assistance payments to the owner for such units, the CA may use amounts otherwise payable to the owner pursuant to this Contract, or any Renewal Contract, for the purposes of relocating or rehousing assisted residents in other housing.

C. CA remedy is not waived

The CA's exercise or non-exercise of any remedy for owner breach of the HAP contract is not a waiver of the right to exercise that remedy or any other right or remedy at any time.

17. OWNER DUTY TO PROVIDE INFORMATION AND ACCESS REQUIRED BY HUD OR CA

A. Required information

The owner must prepare and furnish any information pertinent to the HAP contract as may reasonably be required from time to time by the CA or HUD. The owner shall furnish such information in the form and manner required by the CA or HUD.

B. Central Contractor Registration (CCR)

The owner must complete the requirements outlined in Notice H 2011-01. This requires the owner to obtain a DUNS number and register with the Central Contractor Registration. HUD will not issue HAP payments to the owner until this requirement is met and the local HUD office has received DUNS number and CCR registration certification.

C. CA and HUD access to premises

The owner must permit the CA or HUD or any of their authorized representatives to have access to the premises during normal business hours, and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the owner to the extent necessary to determine compliance with the HAP contract, including the verification of information pertinent to the housing assistance payments or the HAP contract.

D. Annual Financial Statements

The owner shall comply with the Uniform Financial Reporting Standards of 24 C.F.R. Part 5, Subpart H, including any changes in the regulation and related Directives or any subsequent systems. The annual financial statements must be prepared in accordance with generally accepted accounting principles (GAAP), owner certified and submitted electronically no later than 90 days after the end of the owner's fiscal year in accordance with the requirements of 24 C.F.R. Part 5. This obligation shall apply during the term of the HAP contract and for each successive renewal term.

18. CA AND OWNER RELATION TO THIRD PARTIES

A. Injury because of owner action or failure to act

The CA has no responsibility for or liability to any person injured as a result of the owner's action or failure to act in connection with the implementation of the HAP contract, or as a result of any other action or failure to act by the owner.

B. Legal relationship

The owner is not the agent of the CA. The HAP contract does not create or affect any relationship between the CA and any lender to the owner or any suppliers, employees, contractors or subcontractors used by the owner in connection with the implementation of the HAP contract.

C. Exclusion of third party claims

Nothing in the HAP contract shall be construed as creating any right of a family or other third party (other than HUD) to enforce any provision of the HAP contract, or to assert any claim against HUD, the CA or the owner under the HAP contract.

D. Exclusion of owner claims against HUD

Nothing in the HAP contract shall be construed as creating any right of the owner to assert any claim against HUD.

19. CONFLICT OF INTEREST

A. Prohibited interest

- 1) No covered individual or entity may have any direct or indirect interest in the HAP contract.
- 2) Direct or indirect interest includes the interest of an immediate family member.

B. Definitions

- 1) "Immediate family member" means the spouse, parent, child, grandparent, grandchild, sister, or brother of any covered individual.
- 2) "Covered individual or entity" means an individual or entity that is a member of any of the following classes:
 - a) A member, officer or director of the CA, or any other CA official with administrative functions or responsibility concerning contract administration under the ACC.
 - b) If the CA is an instrumentality of a governmental body:
 - i) A member, officer or director of such governmental body.
 - ii) A member, officer or director of any entity that holds a direct or indirect interest in the instrumentality entity.

- c) An employee of the CA.
- d) A CA contractor, subcontractor or agent with administrative functions or responsibility concerning contract administration under the ACC, or a principal or other interested party of such contractor, subcontractor or agent.
- e) An individual who has administrative functions or responsibility concerning contract administration under the ACC, including an employee of a CA contractor, subcontractor or agent.
- f) A public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities concerning contract administration under the ACC.

C. Disclosure

- 1) A covered individual or entity must disclose his, her or its interest or prospective interest in the HAP contract, or any other contract, subcontract or other arrangement in connection with contract administration under the ACC to the CA and HUD.
- 2) The owner certifies that it has fully disclosed to the CA and HUD any interest that would be a violation of the conflict of interest requirements, and that it will fully and promptly update such disclosures.

D. HUD waiver

- 1) HUD may waive the conflict of interest requirements for good cause.
- 2) Any covered individual or entity for whom a waiver is granted may not execute any contract administration functions or responsibility concerning a HAP contract under which such individual is or may be assisted, or with respect to a HAP contract in which such individual or entity is a party or has any interest.

E. Interest of member of Congress

No member or employee of the Congress of the United States of America or resident commissioner shall be admitted to any share or part of the HAP contract or to any benefits, which may arise from it.

Sale Cancelled

20. EXCLUSION FROM FEDERAL PROGRAMS

A. Federal requirements

The owner must comply with and is subject to requirements of 24 C.F.R. Part 24, concerning debarment, suspension, and limited denial of participation.

B. Disclosure

The owner certifies that:

- 1) The owner has disclosed to the CA the identity of the owner and any principal or interested party.
- 2) Neither the owner nor any principal or interested party is listed on the U.S. General Services Administration list of parties excluded from Federal procurement and nonprocurement programs; and none of such parties are debarred, suspended or subject to a limited denial of participation under 24 C.F.R. part 24.

21. TRANSFER OF THE CONTRACT OR PROPERTY

A. When consent is required

- 1) The owner agrees that the HAP contract may not be transferred without the advance written consent of the CA in accordance with HUD requirements.
- 2) The owner agrees that the property may not be transferred without the advance written consent of the CA in accordance with HUD requirements.

- 3) "Transfer" includes:
 - a) An assignment or other transfer of ownership, in any form, of the HAP contract or the property;
 - b) An assignment or other transfer of the right to receive housing assistance payments that may be payable pursuant to the HAP contract;
 - c) The creation of a security interest in the HAP contract or the property; d) Foreclosure or other execution on a security interest; or e) A creditor's lien, or a transfer in bankruptcy.
- 4) If the owner is a corporation, partnership, trust or joint venture, the owner is not required to obtain advance consent of the CA pursuant to this paragraph a of the HAP contract for transfer of a passive and non-controlling interest in the ownership entity (such as a stock transfer or transfer of the interest of a limited partner), if any interests so transferred cumulatively represent less than half the beneficial interest in the HAP contract or the property. The owner must obtain advance consent pursuant to paragraph a of the HAP contract to transfer any interest of a general partner.

B. Transferee assumption of HAP contract

No transferee (including the holder of a security interest, the security holder's transferee or successor in interest, or the transferee upon exercise of a security interest) shall have any right to receive any payment of housing assistance payments pursuant to the HAP contract, or to exercise any rights or remedies under the HAP contract, unless the CA has consented in advance, in writing, to such transfer, and the transferee has agreed in writing, in a form acceptable to the CA in accordance with HUD requirements, to assume the obligations of the owner under the HAP contract, and to comply with all the terms of the HAP contract.

C. Effect of consent to transfer

- 1) The creation or transfer of any security interest in the HAP contract is limited to amounts payable under the HAP contract in accordance with the terms of the HAP contract.
- 2) The CA's consent to transfer of the HAP contract does not change the terms of the HAP contract in any way, and does not change the rights or obligations of the CA or the owner under the HAP contract.
- 3) The CA's consent to transfer of the HAP contract to any transferee does not constitute consent to any further transfers of the HAP contract, including further transfers to any successors or assigns of an approved transferee.

D. When transfer is prohibited

The CA will not consent to the transfer if any transferee, or any principal or interested party is debarred, suspended or subject to a limited denial of participation under 24 C.F.R. part 24, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.

22. OWNER DISCLOSURE OF OTHER GOVERNMENT ASSISTANCE

A. Owner disclosure

The owner must disclose to the CA, in accordance with HUD requirements, information regarding any assistance from the Federal Government, a State, or a unit of general local government, or from any agency or instrumentality thereof, that is available or expected to be available with respect to the contract units ("covered assistance"). Covered assistance includes, but is not limited to, any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, or tax benefit, or any other form of direct or indirect assistance.

B. Limit of payments

Housing assistance payments under the HAP contract must not be more than is necessary, as determined in accordance with HUD requirements, to provide affordable housing after taking account of any covered assistance. The CA will adjust, in accordance with HUD requirements, the amount of the housing assistance payments to the owner to compensate in whole or in part for any covered assistance.

23. OWNER LOBBYING CERTIFICATIONS

- A. The owner certifies, to the best of owner's knowledge and belief, that:
- 1) No Federally appropriated funds have been paid or will be paid, by or on behalf of the owner, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the HAP contract.
 - 2) If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the HAP contract, the owner must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- B. This certification by the owner is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352.

24. NOTICES AND OWNER CERTIFICATIONS

- A. Where the owner is required to give any notice to the CA pursuant to the HAP contract, such notice must be in writing, and must be given in the form and manner required by the CA.
- B. Any certification or warranty by the owner pursuant to the HAP contract shall be deemed a material representation of fact upon which reliance was placed when this transaction was made or entered into.

25. HUD REQUIREMENTS

The HAP contract shall be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including amendments or changes in HUD requirements during the term of the HAP contract. The owner agrees to comply with all such laws and HUD requirements.

26. ENTIRE AGREEMENT

The HAP contract, including the exhibits, is the entire agreement between the CA and the owner. No changes in the HAP contract may be made except in writing signed by both the owner and the CA

Sale Cancelled

EXHIBIT C
Legal Description

All of Lot 13 and a part of Lot 8 of Block 6 of Wm. F. Thomas' addition in the city of Wyoming, and being in the SE1/4 of section 35-T13N-R6E-4PM, Stark County, Illinois, more particularly bounded and described as follows, and bearings are for the purpose of description only:

Beginning at a cross (+) in the sidewalk at the SW corner of said Lot 13;
Thence North, along the West line of said Block 6, a distance of 110.0 feet to a (+) in the sidewalk;
Thence in an easterly direction, parallel with the South line of said Block 6, a distance of 265.5 feet to an iron rod:
Thence South, along the West line of a 16 foot alley, 110.0 feet to an iron rod at the SE corner of Lot 8 of said Block 6;
Thence in a westerly direction, along the south line of said Block 6, a distance of 265.5 feet to the Point of Beginning.

Furnished as information only, Interested Parties must ascertain Legal Descriptions through their own due diligence.

Sale Cancelled

INSTRUCTIONS

PREPARATION OF HAP CONTRACT

The HAP contract consists of Part 1, Part 2, and the contract exhibits. The exhibits are listed in paragraph 1.c of Part 1.

This form of HAP contract must be used word-for-word, and may not be modified. Part 1 contains section 1 of the HAP contract. Part 2 contains sections 2 to 26 of the HAP Contract.

Part 1 includes fill-in items, and a list of the contract exhibits. Fill out part 1 to prepare the HAP contract for execution.

The form of HAP contract must be used word-for-word, and may not be modified.

CONTRACT EXECUTION

Part 1 must be signed by the CA and by the owner of the housing.

ENDNOTES

¹ Enter all contract information.

² Enter a description of the housing that will be covered by the HAP contract. The description must clearly identify the property by providing the property's name, street address, city, county, state and zip code, block and lot number (if known), and any other information necessary to clearly designate the covered property.

³ If necessary, attach as Exhibit A a site plan, legal description or other descriptive information.

⁴ If required by the CA, attach as Exhibit B any additional information describing the physical condition, location, and/or plans of the contract units.

⁵ List in the space provided and attach at the back of the contract any additional exhibits, beginning with Exhibit C.

⁶ Enter the amount of funding obligated.

⁷ Enter a whole number of months.

Sale Cancelled

U.S. Department of Housing and Urban Development
Office of Housing
Property Disposition
Federal Fiscal Year 2012

SECTION 8
PROJECT-BASED RENTAL ASSISTANCE
HOUSING ASSISTANCE PAYMENTS CONTRACT

**TABLE OF CONTENTS
HAP CONTRACT
PART 1**

PART 1 OF HAP CONTRACT 1

1. CONTRACT INFORMATION¹ 1

A. PROPERTY 1

B. CONTENTS OF CONTRACT 1

C. CONTRACT EXHIBITS 1

D. EFFECTIVE DATE AND TERM OF HAP CONTRACT 1

 i. Effective date: 1

 ii. Length of contract term: 1

 iii. Anniversary date: 1

E. FUNDING OF HAP CONTRACT 1

EXECUTION OF HAP CONTRACT 2

PART 2 OF HAP CONTRACT 3

2. DEFINITIONS 3

3. PURPOSE 3

4. OCCUPANCY AND PAYMENT 4

A. PAYMENT FOR OCCUPIED UNIT 4

B. OCCUPANCY BY ELIGIBLE FAMILIES 4

C. VACANCY PAYMENT 4

5. CONTRACT RENT; HOUSING ASSISTANCE PAYMENTS 4

A. AMOUNT OF INITIAL CONTRACT RENT 4

B. HUD RENT REQUIREMENTS 5

C. CA PAYMENT TO OWNER 5

6. ADJUSTMENT OF CONTRACT RENT 5

A. DETERMINATION OF ADJUSTED RENT 5

B. MAXIMUM RENT 5

C. OWNER COMPLIANCE WITH HAP CONTRACT 5

D. NOTICE OF RENT ADJUSTMENT 5

7. OWNER RESPONSIBILITY 5

8. OWNER CERTIFICATION 6

9. CONDITION OF UNITS 7

A. OWNER MAINTENANCE AND OPERATION 7

B. CA INSPECTION 7

C. VIOLATION OF PCS 7

D. MAINTENANCE AND REPLACEMENT -- OWNER'S STANDARD PRACTICE 7

10. LEASING CONTRACT UNITS 7

11. TENANCY 8

A. LEASE 8

B. TERMINATION OF TENANCY 8

C. FAMILY PAYMENT 8

D. OTHER OWNER CHARGES 8

E. SECURITY DEPOSIT 8

12. RESERVE FOR REPLACEMENTS 9

13. OVERCROWDED AND UNDEROCCUPIED UNITS 9

Sale Cancelled

14. PROHIBITION OF DISCRIMINATION	9
15. REDUCTION OF CONTRACT UNITS	9
16. OWNER DEFAULT AND CA REMEDIES	9
A. OWNER DEFAULT	9
B. CA REMEDIES	10
C. CA REMEDY IS NOT WAIVED	10
17. OWNER DUTY TO PROVIDE INFORMATION AND ACCESS REQUIRED BY HUD OR CA	10
A. REQUIRED INFORMATION	10
B. CENTRAL CONTRACTOR REGISTRATION (CCR)	10
C. CA AND HUD ACCESS TO PREMISES	10
18. CA AND OWNER RELATION TO THIRD PARTIES	11
A. INJURY BECAUSE OF OWNER ACTION OR FAILURE TO ACT	11
B. LEGAL RELATIONSHIP	11
C. EXCLUSION OF THIRD PARTY CLAIMS	11
D. EXCLUSION OF OWNER CLAIMS AGAINST HUD	11
19. CONFLICT OF INTEREST	11
A. PROHIBITED INTEREST	11
B. DEFINITIONS	11
C. DISCLOSURE	12
D. HUD WAIVER	12
E. INTEREST OF MEMBER OF CONGRESS	12
20. EXCLUSION FROM FEDERAL PROGRAMS	12
A. FEDERAL REQUIREMENTS	12
B. DISCLOSURE	12
21. TRANSFER OF THE CONTRACT OR PROPERTY	12
A. WHEN CONSENT IS REQUIRED	12
B. TRANSFEREE ASSUMPTION OF HAP CONTRACT	13
C. EFFECT OF CONSENT TO TRANSFER	13
D. WHEN TRANSFER IS PROHIBITED	13
22. OWNER DISCLOSURE OF OTHER GOVERNMENT ASSISTANCE	13
A. OWNER DISCLOSURE	13
B. LIMIT OF PAYMENTS	13
23. OWNER LOBBYING CERTIFICATIONS	14
24. NOTICES AND OWNER CERTIFICATIONS	14
25. HUD REQUIREMENTS	14
26. ENTIRE AGREEMENT	14

Sale Cancelled

U.S. Department of Housing and Urban Development
Office of Housing
Property Disposition
Federal Fiscal Year 2012
SECTION 8
PROJECT-BASED RENTAL ASSISTANCE
**HOUSING ASSISTANCE PAYMENTS CONTRACT
PART 1 OF HAP CONTRACT**

1. CONTRACT INFORMATION¹

A. Property

Section 8 Project Number IL06-MOOO-099

Section 8 Project Number of prior HAP contract for property IL06-MOOO-099

FHA Project Number (if applicable) 072-44041

Property Name Pin Oak Apartments

Property Description² 116 W. Thomas, Wyoming, IL 61491, (See Exhibit C "Legal Description")

A total of 12 units in a 3 & 2 story building, with 12 Project Based Section 8 HAP units, located at the following address: 116 W. Thomas, Wyoming, IL 61491, (See Exhibit C "Legal Description")

B. Contents of contract

C. Contract exhibits

EXHIBIT A: SITE PLAN, LEGAL DESCRIPTION, OR OTHER DESCRIPTIVE INFORMATION³

EXHIBIT B: ANY ADDITIONAL INFORMATION DESCRIBING PHYSICAL CONDITION, LOCATION, AND/OR PLANS OF THE CONTRACT UNITS.⁴

EXHIBIT C: Legal Description⁵

D. Effective date and term of HAP Contract

i. *Effective date:* Date of Closing

ii. *Length of contract term:* One Year

iii. *Anniversary date:* One (1) Year from Date of Closing

E. Funding of HAP Contract

- i. The HAP Contract shall be funded first from any budget authority remaining under the prior HAP contract for the Property identified in paragraph 1.a. If any such budget authority remains as of the date of execution of the HAP Contract, HUD will use that amount to provide housing assistance payments under the HAP Contract. HUD will not obligate any additional funding until such time as the amount of remaining

budget authority is depleted and additional funding is needed to provide housing assistance payments under the HAP Contract. If there is no such remaining budget authority as of the date of execution of the HAP Contract, funding shall be provided subject to the availability of sufficient appropriations for the renewal of expiring or terminating section 8 project-based rental assistance contracts in accordance with subparagraph iii.

- ii. Execution of the HAP Contract by the Contract Administrator is an obligation by HUD of \$ _____⁶, an amount sufficient to provide housing assistance payments for approximately _____⁷ months of the first annual increment of the Renewal Contract term.
- iii. HUD will provide additional funding for the remainder of the first annual increment and for subsequent annual increments, including for any remainder of such subsequent annual increments, subject to the availability of sufficient appropriations. When such appropriations are available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate period of time within the Renewal Contract term to which it will be applied.

EXECUTION OF HAP CONTRACT

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

By: _____
Signature of authorized representative

Name and official title (Print)

Date _____

OWNER
Sale Cancelled

Name of Owner (Print)

By: _____
Signature of authorized representative

Name and title (Print)

Date _____

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

Property Disposition

Federal Fiscal Year 2012

SECTION 8
PROJECT-BASED RENTAL ASSISTANCE

**HOUSING ASSISTANCE PAYMENTS CONTRACT
PART 2 OF HAP CONTRACT**

2. DEFINITIONS

CA. Contract administrator. The agency that has entered into the HAP contract with the owner. The agency is HUD or a public housing agency as defined in the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)).

Central Contractor Registration (CCR). As required by [Notice H 2011-01](#), the owner is required to obtain and register a Dun and Bradstreet Numbering Systems Number (DUNS) number. HUD has established a regulation at 24 C.F.R. Part 5 Subpart K that requires for each obligation of funds, the recipient to have DUNS number and a valid registration in the Central Contractor Registration.

Contract rent. The total monthly rent payable to the owner for a contract unit, including the tenant rent. Contract rent includes payment for any housing services, maintenance and utilities to be provided by the owner in accordance with the HAP Contract.

Contract units. The housing units covered by this HAP contract. The contract units are described in Exhibit A by unit size (number of bedrooms) and applicable initial contract rents.

Enter the Income Verification (EIV). A computerized income verification system as required under 24 C.F.R. Part 5 and 908.

Family. The person(s) approved by the CA to reside in a contract unit with assistance under the program.

HAP Contract. This housing assistance payment contract between the CA and the owner. The contract consists of Part 1, Part 2, and the contract exhibits (listed in paragraph 1.c of the HAP contract).

HUD. U.S. Department of Housing and Urban Development.

HUD requirements. HUD requirements are issued by HUD headquarters as regulations, [Federal Register](#) notices, or other binding program directives.

PHA. A public housing agency (as defined and qualified in accordance with the United States Housing Act of 1937, 42 U.S.C. 1437 et seq.).

Physical condition standards (PCS). The HUD physical condition standards for HUD housing that is decent, safe and sanitary and in good repair (DSS/GR) as defined at; [24 CFR Part 5 Subpart G \(5.703\)](#).

Premises. The building or complex in which a contract unit is located, including common areas or grounds.

Principal or interested party. This term includes a management agent and other persons or entities participating in property management, and the officers and principal members, shareholders, investors, and other parties having a substantial interest in the HAP contract, or in any proceeds or benefits arising from the HAP contract.

Property. The housing designated in paragraph 1a of the HAP contract.

Section 8. Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

Tenant rent. The portion of the contract rent payable by the family, as determined by the CA in accordance with HUD requirements. The CA is not responsible for paying any part of the tenant rent.

3. PURPOSE

1) This is a HAP contract between HUD and the owner. The HAP contract is entered pursuant to Section 8.

- 2) The contract units are located in a multifamily property. HUD has conveyed the property to the owner. Prior to HUD acquisition of the property, occupancy of the contract units had been assisted by project-based rental assistance payments under Section 8.
- 3) The purpose of the HAP contract is to provide housing assistance payments on behalf of eligible families who lease and occupy contract units that comply with the HUD PCS. Housing assistance payments will only be paid to the owner for contract units occupied by eligible families who lease contract units from the owner in accordance with statutory requirements, and with all HUD regulations and other HUD requirements.
- 4) Both at the beginning of the contract term and at all times thereafter during the contract term, housing assistance payments will only be paid for contract units that comply with the PCS. Housing assistance payments will not be paid for any period when the contract units do not comply with the PCS.
- 5) If HUD is the CA, HUD may, at HUD's discretion, transfer administration of the HAP contract to a public housing agency acting as the CA under an annual contributions contract (ACC) with HUD.
- 6) The CA must make housing assistance payments to the owner in accordance with the HAP contract for contract units leased and occupied by eligible families during the HAP contract term.

4. OCCUPANCY AND PAYMENT

A. Payment for occupied unit

During the term of the HAP contract, the CA shall make housing assistance payments to the owner for the months during which a contract unit is leased to and occupied by an eligible family, as determined in accordance with HUD requirements. If an assisted family moves out of a contract unit, the owner may keep the housing assistance payment for the month when the family moves out.

B. Occupancy by eligible families

During the contract term, the owner shall lease all of the contract units to eligible families. Eligibility shall be determined in accordance with HUD requirements.

C. Vacancy payment

- 1) The owner may receive housing assistance payments for so much of the month in which the family moves out of a contract unit as the contract unit remains vacant.
- 2) If the unit remains vacant after the move-out month, the owner may receive a housing assistance payment in the amount of eighty percent (80%) of the contract rent for a vacancy period not to exceed an additional month after the month when the family moves out. However, if the owner collects any of the tenant rent for this month, the payment for the vacancy period must be reduced to an amount which, when added to the family's payments, does not exceed eighty percent (80%) of the contract rent.
- 3) The owner shall not receive any vacancy payment under this paragraph c, unless the owner:
 - a) Immediately upon learning of the vacancy, has notified the CA of the vacancy, or prospective vacancy, and the reason for the vacancy,
 - b) Takes all feasible actions to fill the vacancy, including contacting applicants on the owner's waiting list, conducting appropriate outreach for eligible families, and advertising the availability of the unit; and
 - c) Has not rejected any eligible applicant, except for good cause acceptable to the CA.

5. CONTRACT RENT; HOUSING ASSISTANCE PAYMENTS

A. Amount of initial contract rent

The initial contract rent for each contract unit is stated in Exhibit A of the HAP contract. At the beginning of the HAP contract term, and until the contract rent is adjusted in accordance with section 6 of the HAP contract, the contract rent for each bedroom size (number of bedrooms) shall be the initial contract rent amount listed in Exhibit A.

B. HUD rent requirements

Notwithstanding any other provision of the HAP contract, the contract rent may in no event exceed the amount authorized in accordance with HUD requirements.

C. CA payment to owner

- 1) Each month the CA must make a housing assistance payment to the owner for a unit under lease to and occupied by an eligible family in accordance with the HAP contract.
- 2) The monthly housing assistance payment to the owner for a contract unit is equal to the amount by which the contract rent exceeds the tenant rent.
- 3) Payment of the tenant rent is the responsibility of the family. The CA is not responsible for paying any part of the tenant rent, or for paying any other claim by the owner against a family. The CA is only responsible for making housing assistance payments to the owner on behalf of a family in accordance with the HAP contract.
- 4) The owner will be paid the housing assistance payment under the HAP contract on or about the first day of the month for which payment is due.
- 5) To receive housing assistance payments in accordance with the HAP contract, the owner must comply with all the provisions of the HAP contract. Unless the owner complies with all the provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.
- 6) If the CA determines that the owner is not entitled to the payment or any part of it, the CA, in addition to other remedies, may deduct the amount of the overpayment from any amounts due the owner, including amounts due under any other housing assistance payments contract.
- 7) The owner must notify the CA promptly of any overpayment or any change of circumstances that would affect the amount of the monthly housing assistance payment, and must return the amount of any overpayment.

6. ADJUSTMENT OF CONTRACT RENT

A. Determination of adjusted rent

- 1) During the term of the HAP contract, the CA shall annually, on the anniversary date, adjust the amount of the monthly contract rents in accordance with HUD requirements by using an OCAF (operating cost adjustment factor).
- 2) The owner shall not receive any other adjustment of the contract rent.

B. Maximum rent

Contract rent for each contract unit, as adjusted annually by the CA in accordance with section 6 of the HAP contract, may at no time exceed reasonable rent, as determined by the CA, charged for comparable units in the private unassisted market.

C. Owner compliance with HAP contract

The CA shall not approve, and the owner shall not receive, any increase of contract rent unless all contract units are in accordance with the PCS, and the owner has complied with the terms of the assisted leases and the HAP contract.

D. Notice of rent adjustment

Contract rent shall be adjusted by written notice by the CA to the owner in accordance with this section. Such notice constitutes an amendment of the rents specified in Exhibit A.

7. OWNER RESPONSIBILITY

- A. The owner is responsible for:

Sale Cancelled

- 1) Performing all management and rental functions for the contract units.
- 2) Selecting tenants.
- 3) Determining tenant eligibility.
- 4) Performing an initial examination and reexamination of family income; verifying family income utilizing EIV systems.
- 5) Calculating the amount of the tenant rent and the housing assistance payment in accordance with the HAP contract and HUD requirements.
- 6) Entering a lease with each assisted tenant.
- 7) Enforcing tenant obligations under the lease.
- 8) Paying for utilities and housing services (unless paid by the tenant in accordance with the HAP contract).
- 9) Collecting from the tenant:
 - a) Any security deposit.
 - b) The tenant rent.
 - c) Any charge for unit damage by the family.
- 10) Paying the family any applicable utility reimbursement for tenant-paid utilities (where the amount of the utility allowance exceeds the amount of the tenant rent).
- 11) Submitting monthly requests for payment in the form and manner required by HUD and the CA.
- 12) Maintaining and accounting for the replacement reserve.

B. The owner shall perform all owner responsibilities in accordance with HUD requirements.

8. OWNER CERTIFICATION

The owner certifies that at all times during the term of the HAP contract:

- 1) All contract units for which the owner is receiving housing assistance payments are in good and tenantable condition, and in accordance with the PCS. The owner is maintaining the premises and all contract units in accordance with the PCS.
- 2) The owner is providing all the services, maintenance and utilities as agreed to under the HAP contract and the leases with assisted families.
- 3) Each contract unit for which the owner is receiving housing assistance payments is leased to an eligible family, and the lease is in accordance with the HAP contract and HUD requirements.
- 4) To the best of the owner's knowledge, the members of an eligible family reside in each contract unit for which the owner is receiving housing assistance payments, and the unit is the family's only residence.
- 5) The owner (including a principal or other interested party) is not the parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit.
- 6) The amount of any housing assistance payment requested or received by the owner is the correct amount due under the HAP contract.
- 7) The contract rent for each contract unit does not exceed rents charged by the owner for other comparable unassisted units.
- 8) Except for the housing assistance payment and the tenant rent as provided under the HAP contract, the owner has not received and will not receive any payments or other consideration (from the family, the CA, HUD, or any other public or private source) for rental of the contract unit.

- 9) The family does not own, or have any interest in the contract unit. If the owner is a cooperative, the family may be a member of the cooperative.

9. CONDITION OF UNITS

A. Owner maintenance and operation

- 1) The owner shall comply with the Physical Condition Standards and inspection requirements of 24 C.F.R. Part 5, Subpart G, including any changes in the regulation and related Directives. In addition, the owner shall comply with HUD's Physical Condition Standards of Multifamily Properties of 24 C.F.R. Part 200, Subpart P, including any changes in the regulation and related Directives. This obligation shall apply both during the current term of the HAP contract and during each successive renewal term.
- 2) The owner must maintain and operate the contract units and premises to provide decent, safe and sanitary housing in accordance with the PCS, including performance of ordinary and extraordinary maintenance.
- 3) Both at the beginning of the contract term, and at all times thereafter during the contract term, the owner shall not request payment for or receive any housing assistance payment for any unit during any period when the unit or premises are not in accordance with the PCS.
- 4) If the premises or any contract unit is not in compliance with the PCS at the beginning of the contract term, the owner must promptly perform any ordinary or extraordinary maintenance necessary to bring the unit into compliance with the PCS. However, the owner shall not request or receive any housing assistance payment with respect to a contract unit for any period when the premises or the unit are not in accordance with the PCS.
- 4) The owner must provide all the services, maintenance and utilities set forth in Exhibit B, and in the lease with each assisted family.

B. CA inspection

The CA may inspect the contract units and the premises annually, and any time the CA deems necessary to assure that the contract units and premises are in accordance with the PCS, and that the owner is providing the maintenance, utilities, and other services in accordance with the leases and the HAP contract. The CA shall give the owner reasonable notice of the annual inspection.

C. Violation of PCS

- 1) If the CA determines that a contract unit is not in accordance with the PCS, the CA may exercise any of its remedies under the HAP contract for all or any contract units. Such remedies include termination, suspension or reduction of housing assistance payments, and termination of the HAP contract. The CA may exercise any contractual remedy respecting a contract unit even if the family continues to occupy the unit.
- 2) If the CA determines that the owner has failed to maintain one or more units in decent, safe and sanitary condition, and has abated the housing assistance payments to the owner for such units, the CA may use amounts otherwise payable to the owner pursuant to this Contract, or any Renewal Contract, for the purposes of relocating or rehousing assisted residents in other housing.
- 3) The CA shall not make any housing assistance payment for a dwelling unit that fails to meet the PCS. If a defect is life threatening, the owner must correct the defect within no more than 24 hours. For other defects, the owner must correct the defect within no more than 30 calendar days (or any CA-approved extension). The owner shall not request or receive any housing assistance payment for a dwelling unit for any period prior to the correction of any defect.

D. Maintenance and replacement -- owner's standard practice

Maintenance and replacement (including redecoration) must be in accordance with the standard practice for the building concerned as established by the owner.

10. LEASING CONTRACT UNITS

- A. During the term of the HAP contract, the owner must lease all contract units to eligible families.
- B. The owner must determine family eligibility in accordance with HUD requirements.
- C. The contract unit leased to each family must be appropriate for the size of the family as determined in accordance with HUD requirements.
- D. If a contract unit was occupied by an eligible family on the effective date of the HAP contract, the owner must offer the family the opportunity to lease the same or another appropriately sized contract unit with assistance under the HAP contract.
- E. The owner is responsible for screening and selecting tenants.

11. TENANCY

A. Lease

The lease between the owner and each assisted family must be in accordance with HUD requirements. The lease must include word-for-word all provisions required by HUD.

B. Termination of tenancy

- 1) The owner may only terminate a tenancy in accordance with the lease and HUD requirements.
- 2) The owner must give the CA a copy of any owner eviction notice to the tenant at the same time that the owner gives notice to the tenant. Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used to commence an eviction action under State or local law.

C. Family payment

- 1) The portion of the monthly contract rent payable by the family ("tenant rent") will be determined by the owner in accordance with HUD requirements. The amount of the tenant rent is subject to change during the term of the HAP contract.
- 2) The amount of the tenant rent as determined by the owner in accordance with HUD requirements is the maximum amount the owner may charge the family for rent of a contract unit, including all housing services, maintenance and utilities to be provided by the owner in accordance with the HAP contract and the lease.
- 3) The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the owner in accordance with HUD requirements. The owner must immediately return any excess tenant rent payment to the tenant.
- 4) The family is not responsible for payment of the portion of the contract rent covered by the housing assistance payment under the HAP contract. The owner may not terminate the tenancy of an assisted family for nonpayment of the CA housing assistance payment.
- 5) The owner is responsible for computing, in accordance with HUD requirements, the amount of the housing assistance payment and the tenant rent for each assisted family.

D. Other owner charges

The owner may not charge the tenant or family members extra amounts for items customarily included in rent in the locality or provided at no additional cost to an unsubsidized tenant in the premises.

E. Security deposit

- 1) The owner may collect a security deposit from the family.
- 2) The owner must comply with HUD and CA requirements regarding security deposits from a tenant.
- 3) When the family moves out of the contract unit, the owner, subject to State and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid

tenant rent, damages to the unit or other amounts which the family owes under the lease. The owner must give the family a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used as reimbursement to the owner, the owner must promptly refund the full amount of the balance to the family.

- 4) If the security deposit is not sufficient to cover amounts the family owes under the lease, the owner may seek to collect the balance from the tenant.

12. RESERVE FOR REPLACEMENTS

The owner must establish and maintain a replacement reserve for the property, in the amount required by HUD, to pay for extraordinary maintenance and repair, and for replacement of capital items. The owner must establish, maintain and account for the replacement reserve in accordance with HUD requirements.

13. OVERCROWDED AND UNDEROCCUPIED UNITS

If a contract unit is not decent, safe and sanitary because of an increase in the family size which causes the unit to be overcrowded, or if a contract unit is larger than appropriate for the size of the family, the owner must offer the family a suitable unit as soon as one becomes vacant and ready for occupancy, and the owner must require the family to move.

14. PROHIBITION OF DISCRIMINATION

- A. The owner may not refuse to lease contract units to, or otherwise discriminate against any person or family in leasing of a contract unit, because of race, color, creed, religion, sex, national origin, disability or familial status (i.e., because the family includes children).
- B. The owner must comply with the following requirements:
- 1) The Fair Housing Act (42 U.S.C. 3610 - 3619) and implementing regulations at 24 C.F.R. parts 100, et seq.;
 - 2) Executive Orders 11889, 12259, and 12892 (Equal Opportunity in Housing) and implementing regulations at 24 C.F.R. part 107;
 - 3) Title V of the Civil Rights Act of 1964 (42 U.S.C. 2000d-4) (prohibition of discrimination in Federally-assisted programs) and implementing regulations at 24 C.F.R. part 1;
 - 4) The Age Discrimination Act of 1975 (42 U.S.C. 6101 - 6107) and implementing regulations at 24 C.F.R. part 146;
 - 5) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) (prohibition of discrimination because of disability) and implementing regulations at 24 C.F.R. part 8;
 - 6) Executive Orders 11625, 12138, and 12432 (promoting minority and women's business enterprise);
 - 7) Title II of the Americans with Disabilities Act (42 U.S.C. 12101, et seq.) (prohibition of employment discrimination because of disability); and
 - 8) The fair housing advertising poster guidelines at 24 C.F.R. part 110.
- C. The CA and the owner must cooperate with HUD in the conducting of compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and implementing regulations.

15. REDUCTION OF CONTRACT UNITS

If the owner fails for a continuous period of six months to have all of the contract units leased or available for leasing by eligible families, the contract administrator may, on thirty calendar days notice, reduce the number of contract units to not less than the number of units under lease to eligible families.

16. OWNER DEFAULT AND CA REMEDIES

A. Owner default

Any of the following is a default by the owner under the HAP contract:

- 1) The owner has failed to comply with any obligation under the HAP contract, including the owner's obligations to maintain all contract units in accordance with the PCS.
- 2) The owner has violated any obligation under any other housing assistance payments contract under Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).
- 3) The owner has committed any fraud or made any false statement to the CA or HUD in connection with the HAP contract.
- 4) The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any Federal housing assistance program.
- 5) If the property is subject to a lien or security interest securing a HUD loan or a mortgage insured by HUD:
 - a) The owner has failed to comply with the regulations for the applicable mortgage insurance or loan program, with the mortgage or mortgage note, or with the regulatory agreement, or
 - b) The owner has committed fraud, bribery or any other corrupt or criminal act in connection with the HUD loan or HUD-insured mortgage.
- 6) If the owner has engaged in any drug-related criminal activity or any violent criminal activity.

B. CA remedies

- 1) If the CA determines that a breach has occurred, the CA may exercise any of its rights or remedies under the HAP contract.
- 2) The CA must notify the owner in writing of such determination. The notice by the CA to the owner may require the owner to take corrective action (as verified by the CA) by a time prescribed in the notice.
- 3) The CA's rights and remedies under the HAP contract include recovery of overpayments, termination or reduction of housing assistance payments, and termination of the HAP contract.
- 4) If the CA determines that the owner has failed to maintain one or more units in decent, safe and sanitary condition, and has abated housing assistance payments to the owner for such units, the CA may use amounts otherwise payable to the owner pursuant to this Contract, or any Renewal Contract, for the purposes of relocating or rehousing assisted residents in other housing.

C. CA remedy is not waived

The CA's exercise or non-exercise of any remedy for owner breach of the HAP contract is not a waiver of the right to exercise that remedy or any other right or remedy at any time.

17. OWNER DUTY TO PROVIDE INFORMATION AND ACCESS REQUIRED BY HUD OR CA

A. Required information

The owner must prepare and furnish any information pertinent to the HAP contract as may reasonably be required from time to time by the CA or HUD. The owner shall furnish such information in the form and manner required by the CA or HUD.

B. Central Contractor Registration (CCR)

The owner must complete the requirements outlined in Notice H 2011-01. This requires the owner to obtain a DUNS number and register with the Central Contractor Registration. HUD will not issue HAP payments to the owner until this requirement is met and the local HUD office has received DUNS number and CCR registration certification.

C. CA and HUD access to premises

The owner must permit the CA or HUD or any of their authorized representatives to have access to the premises during normal business hours, and, for the purpose of audit and examination, to have access to any books, documents, papers and records of the owner to the extent necessary to determine compliance with the HAP contract, including the verification of information pertinent to the housing assistance payments or the HAP contract.

D. Annual Financial Statements

The owner shall comply with the Uniform Financial Reporting Standards of 24 C.F.R. Part 5, Subpart H, including any changes in the regulation and related Directives or any subsequent systems. The annual financial statements must be prepared in accordance with generally accepted accounting principles (GAAP), owner certified and submitted electronically no later than 90 days after the end of the owner's fiscal year in accordance with the requirements of 24 C.F.R. Part 5. This obligation shall apply during the term of the HAP contract and for each successive renewal term.

18. CA AND OWNER RELATION TO THIRD PARTIES

A. Injury because of owner action or failure to act

The CA has no responsibility for or liability to any person injured as a result of the owner's action or failure to act in connection with the implementation of the HAP contract, or as a result of any other action or failure to act by the owner.

B. Legal relationship

The owner is not the agent of the CA. The HAP contract does not create or affect any relationship between the CA and any lender to the owner or any suppliers, employees, contractors or subcontractors used by the owner in connection with the implementation of the HAP contract.

C. Exclusion of third party claims

Nothing in the HAP contract shall be construed as creating any right of a family or other third party (other than HUD) to enforce any provision of the HAP contract, or to assert any claim against HUD, the CA or the owner under the HAP contract.

D. Exclusion of owner claims against HUD

Nothing in the HAP contract shall be construed as creating any right of the owner to assert any claim against HUD.

19. CONFLICT OF INTEREST

A. Prohibited interest

- 1) No covered individual or entity may have any direct or indirect interest in the HAP contract.
- 2) Direct or indirect interest includes the interest of an immediate family member.

B. Definitions

- 1) "Immediate family member" means the spouse, parent, child, grandparent, grandchild, sister, or brother of any covered individual.
- 2) "Covered individual or entity" means an individual or entity that is a member of any of the following classes:
 - a) A member, officer or director of the CA, or any other CA official with administrative functions or responsibility concerning contract administration under the ACC.
 - b) If the CA is an instrumentality of a governmental body:
 - i) A member, officer or director of such governmental body.
 - ii) A member, officer or director of any entity that holds a direct or indirect interest in the instrumentality entity.

- c) An employee of the CA.
- d) A CA contractor, subcontractor or agent with administrative functions or responsibility concerning contract administration under the ACC, or a principal or other interested party of such contractor, subcontractor or agent.
- e) An individual who has administrative functions or responsibility concerning contract administration under the ACC, including an employee of a CA contractor, subcontractor or agent.
- f) A public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities concerning contract administration under the ACC.

C. Disclosure

- 1) A covered individual or entity must disclose his, her or its interest or prospective interest in the HAP contract, or any other contract, subcontract or other arrangement in connection with contract administration under the ACC to the CA and HUD.
- 2) The owner certifies that it has fully disclosed to the CA and HUD any interest that would be a violation of the conflict of interest requirements, and that it will fully and promptly update such disclosures.

D. HUD waiver

- 1) HUD may waive the conflict of interest requirements for good cause.
- 2) Any covered individual or entity for whom a waiver is granted may not execute any contract administration functions or responsibility concerning a HAP contract under which such individual is or may be assisted, or with respect to a HAP contract in which such individual or entity is a party or has any interest.

E. Interest of member of Congress

No member or employee of the Congress of the United States of America or resident commissioner shall be admitted to any share or part of the HAP contract or to any benefits, which may arise from it.

Sale Cancelled

20. EXCLUSION FROM FEDERAL PROGRAMS

A. Federal requirements

The owner must comply with and is subject to requirements of 24 C.F.R. Part 24, concerning debarment, suspension, and limited denial of participation.

B. Disclosure

The owner certifies that:

- 1) The owner has disclosed to the CA the identity of the owner and any principal or interested party.
- 2) Neither the owner nor any principal or interested party is listed on the U.S. General Services Administration list of parties excluded from Federal procurement and nonprocurement programs; and none of such parties are debarred, suspended or subject to a limited denial of participation under 24 C.F.R. part 24.

21. TRANSFER OF THE CONTRACT OR PROPERTY

A. When consent is required

- 1) The owner agrees that the HAP contract may not be transferred without the advance written consent of the CA in accordance with HUD requirements.
- 2) The owner agrees that the property may not be transferred without the advance written consent of the CA in accordance with HUD requirements.

- 3) "Transfer" includes:
 - a) An assignment or other transfer of ownership, in any form, of the HAP contract or the property;
 - b) An assignment or other transfer of the right to receive housing assistance payments that may be payable pursuant to the HAP contract;
 - c) The creation of a security interest in the HAP contract or the property; d) Foreclosure or other execution on a security interest; or e) A creditor's lien, or a transfer in bankruptcy.
- 4) If the owner is a corporation, partnership, trust or joint venture, the owner is not required to obtain advance consent of the CA pursuant to this paragraph a of the HAP contract for transfer of a passive and non-controlling interest in the ownership entity (such as a stock transfer or transfer of the interest of a limited partner), if any interests so transferred cumulatively represent less than half the beneficial interest in the HAP contract or the property. The owner must obtain advance consent pursuant to paragraph a of the HAP contract to transfer any interest of a general partner.

B. Transferee assumption of HAP contract

No transferee (including the holder of a security interest, the security holder's transferee or successor in interest, or the transferee upon exercise of a security interest) shall have any right to receive any payment of housing assistance payments pursuant to the HAP contract, or to exercise any rights or remedies under the HAP contract, unless the CA has consented in advance, in writing, to such transfer, and the transferee has agreed in writing, in a form acceptable to the CA in accordance with HUD requirements, to assume the obligations of the owner under the HAP contract, and to comply with all the terms of the HAP contract.

C. Effect of consent to transfer

- 1) The creation or transfer of any security interest in the HAP contract is limited to amounts payable under the HAP contract in accordance with the terms of the HAP contract.
- 2) The CA's consent to transfer of the HAP contract does not change the terms of the HAP contract in any way, and does not change the rights or obligations of the CA or the owner under the HAP contract.
- 3) The CA's consent to transfer of the HAP contract to any transferee does not constitute consent to any further transfers of the HAP contract, including further transfers to any successors or assigns of an approved transferee.

D. When transfer is prohibited

The CA will not consent to the transfer if any transferee, or any principal or interested party is debarred, suspended or subject to a limited denial of participation under 24 C.F.R. part 24, or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or nonprocurement programs.

22. OWNER DISCLOSURE OF OTHER GOVERNMENT ASSISTANCE

A. Owner disclosure

The owner must disclose to the CA, in accordance with HUD requirements, information regarding any assistance from the Federal Government, a State, or a unit of general local government, or from any agency or instrumentality thereof, that is available or expected to be available with respect to the contract units ("covered assistance"). Covered assistance includes, but is not limited to, any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, or tax benefit, or any other form of direct or indirect assistance.

B. Limit of payments

Housing assistance payments under the HAP contract must not be more than is necessary, as determined in accordance with HUD requirements, to provide affordable housing after taking account of any covered assistance. The CA will adjust, in accordance with HUD requirements, the amount of the housing assistance payments to the owner to compensate in whole or in part for any covered assistance.

23. OWNER LOBBYING CERTIFICATIONS

- A. The owner certifies, to the best of owner's knowledge and belief, that:
- 1) No Federally appropriated funds have been paid or will be paid, by or on behalf of the owner, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the HAP contract.
 - 2) If any funds other than Federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the HAP contract, the owner must complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- B. This certification by the owner is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352.

24. NOTICES AND OWNER CERTIFICATIONS

- A. Where the owner is required to give any notice to the CA pursuant to the HAP contract, such notice must be in writing, and must be given in the form and manner required by the CA.
- B. Any certification or warranty by the owner pursuant to the HAP contract shall be deemed a material representation of fact upon which reliance was placed when this transaction was made or entered into.

25. HUD REQUIREMENTS

The HAP contract shall be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including amendments or changes in HUD requirements during the term of the HAP contract. The owner agrees to comply with all such laws and HUD requirements.

26. ENTIRE AGREEMENT

The HAP contract, including the exhibits, is the entire agreement between the CA and the owner. No changes in the HAP contract may be made except in writing signed by both the owner and the CA

Sale Cancelled

EXHIBIT C
Legal Description

All of Lot 13 and a part of Lot 8 of Block 6 of Wm. F. Thomas' addition in the city of Wyoming, and being in the SE1/4 of section 35-T13N-R6E-4PM, Stark County, Illinois, more particularly bounded and described as follows, and bearings are for the purpose of description only:

Beginning at a cross (+) in the sidewalk at the SW corner of said Lot 13;
Thence North, along the West line of said Block 6, a distance of 110.0 feet to a (+) in the sidewalk;
Thence in an easterly direction, parallel with the South line of said Block 6, a distance of 265.5 feet to an iron rod:
Thence South, along the West line of a 16 foot alley, 110.0 feet to an iron rod at the SE corner of Lot 8 of said Block 6;
Thence in a westerly direction, along the south line of said Block 6, a distance of 265.5 feet to the Point of Beginning.

Furnished as information only, Interested Parties must ascertain Legal Descriptions through their own due diligence.

Sale Cancelled

INSTRUCTIONS

PREPARATION OF HAP CONTRACT

The HAP contract consists of Part 1, Part 2, and the contract exhibits. The exhibits are listed in paragraph 1.c of Part 1.

This form of HAP contract must be used word-for-word, and may not be modified. Part 1 contains section 1 of the HAP contract. Part 2 contains sections 2 to 26 of the HAP Contract.

Part 1 includes fill-in items, and a list of the contract exhibits. Fill out part 1 to prepare the HAP contract for execution.

The form of HAP contract must be used word-for-word, and may not be modified.

CONTRACT EXECUTION

Part 1 must be signed by the CA and by the owner of the housing.

ENDNOTES

¹ Enter all contract information.

² Enter a description of the housing that will be covered by the HAP contract. The description must clearly identify the property by providing the property's name, street address, city, county, state and zip code, block and lot number (if known), and any other information necessary to clearly designate the covered property.

³ If necessary, attach as Exhibit A a site plan, legal description or other descriptive information.

⁴ If required by the CA, attach as Exhibit B any additional information describing the physical condition, location, and/or plans of the contract units.

⁵ List in the space provided and attach at the back of the contract any additional exhibits, beginning with Exhibit C.

⁶ Enter the amount of funding obligated.

⁷ Enter a whole number of months.

Sale Cancelled

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

Sale Cancelled

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
<h1>Sale Cancelled</h1>		

Attachment H

PROTECTING TENANTS AT FORECLOSURE ACT OF 2009

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

In the case of foreclosure involving any multifamily residential dwelling, the purchaser at foreclosure shall be subject to the following:

1. Any bona fide tenant occupying a unit as of the date of the notice of foreclosure must be given 90 days prior notice to vacate the unit; and
2. Any tenant retains all of its rights as of the date of the notice of foreclosure. These rights include:
 - (A) Any tenant who, on or after the date of the notice of foreclosure, is under a lease agreement entitling the tenant to occupy the premises until the end of the remaining term of the lease, will continue to maintain his/her rights under the lease agreement, except that a purchaser at foreclosure *who will occupy a unit as a primary residence* may, terminate a tenant's lease for that unit, effective on the date of sale, by issuing notice of the termination of tenancy to the tenant at least 90 days prior to the effective date of the notice.
 - (B) Any tenant who is a tenant at will under State law or occupies the unit without a lease retains all of its rights regarding occupancy of the unit, except such tenant may be required by a purchaser at foreclosure to vacate the unit provided that the tenant is given 90 days prior notice by the purchaser at foreclosure.
 - (C) Nothing contained in paragraphs 1 and 2 herein shall affect the requirements for termination of any Federal or State subsidized tenancy or of any State or local law that provides longer time periods or additional protections for tenants, those rights will be retained by the tenant.
3. If the tenant holds a Section 8 voucher and has a lease agreement, the purchaser at foreclosure may terminate the tenancy effective as of the date of the transfer of ownership to the purchaser if (1) the purchaser will occupy the unit as a primary residence and (2) provides the tenant with a notice to vacate at least 90 days before the effective date of the notice.
4. The purchaser at foreclosure will assume its interest in the property subject to: (1) the existing leases between the prior owner and the current tenant; and (2) the existing Housing Assistance Payments contract between the prior owner and the public housing agency for any occupied unit, except that requirements contained in this paragraph 4 and in paragraph 3 shall not affect any State or local law that provides longer time periods or other additional protections for tenants.

Sale Cancelled