



INVESTMENT PROPERTY FOR SALE
105 W. Tidwell
Houston, TX 77022

Vacant Lot/Undeveloped Land

A HUD-Owned property is offered for sale:

- ❖ HUD is accepting oral bids only.
- ❖ This is a vacant lot; former site of Sebring Apartments.



Oral bids will be accepted
on: October 25, 2012
at: 10:00 am (local time)

Sale Location:
Houston HUD Office
1301 Fannin Street
Suite 2200
Houston, TX 77002



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

INVITATION TO BID

Consistent with and subject to the terms and conditions of this Invitation to Bid, there is an opportunity to make an offer to purchase the Property more particularly described below. This document, titled Invitation to Bid, sometimes referred to herein as the "Invitation," and commonly known as a "Bid Kit," sets forth the terms and conditions for the submission of a bid to acquire the Property at the HUD-Owned sale of the Property. This Invitation also includes information concerning Previous Participation Certification (Form HUD-2530) requirements and a list of the forms necessary to submit a complete, responsive bid.

INVITATION DEFINITIONS

The following definitions apply to capitalized terms in this Invitation.

1. **APPS:** The Active Partners Performance System (APPS) allows HUD's business partners to manage their company and individual participation information and submit their APPS Previous Participation Certification (APPC) requests directly to HUD for processing via the Internet.
2. **Affiliate:** Persons are affiliates of each other if, directly or indirectly, either one controls or has the power to control the other or a third person controls or has the power to control both. The ways we use to determine control include, but are not limited to (a) Interlocking management or ownership; (b) Identity of interests among family members; (c) Shared facilities and equipment; (d) Common use of employees; or (e) A business entity which has been organized following the exclusion of a person which has the same or similar management, ownership, or principal employees as the excluded person. ([24 C.F.R. § 200.215](#) - Affiliate.)
3. **Cash Due at Closing:** The Purchase Price less the Earnest Money Deposit received, plus any prorations if allowed by HUD. Cash due at Closing includes all initial deposits to escrow and/or reserve accounts as may be required by HUD. Funds shall be paid in the form of a money order, certified funds or a cashier's check made payable to: The U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.
4. **Cash Escrow:** An assurance of completion of HUD required repairs. The amount(s) identified in the Property at a Glance. The cash escrow shall be held by HUD.
5. **Certification of Substantial Compliance:** A certification by High Bidder that its other properties in the jurisdiction of the Property are in substantial compliance with state and local laws. Exhibit F to the Contract of Sale.
6. **Closing:** When title to the Property is transferred to the bidder that HUD deems qualified to purchase the Property.
7. **Contract of Sale:** Attachment B; A legal document for the purchase and sale of the real property in which the buyer agrees to purchase for a certain price and the seller agrees to convey title by way of a deed.
8. **Days:** Federal government business days, unless otherwise stated as calendar days.
9. **Deed:** see Special Warranty Deed.
10. **Earnest Money Deposit:** The amount of the deposit identified in the Property at a Glance. Must be submitted at the HUD-Owned Sale.
11. **Evidence of APPS registration:** After the Sale, this is certification that must be submitted to the Realty Specialist identified in the Property at a Glance and can be in the form of a copy of the Participant Successfully Registered page from the APPS system **and** a copy of the Multifamily Coordinator and User Registration page from Secure Systems **or** a copy of the Participant Detail page. (See APPS User Guide-Industry for printing instructions).
12. **Extension Fees:** The fee that must be paid to HUD when requesting an extension of the time, or deadline, for the Closing. If an extension of the deadline for the Closing to occur is authorized, the Purchaser must pay a fee for each thirty (30) calendar day extension period, the amount of which will be determined by HUD consistent with current policies and procedures.
13. **Extension Period:** Extensions of time for Closing are granted for a thirty (30) calendar day period.
14. **Form HUD-9552:** Post-Closing Repair Requirements and Exhibits, Attachment E of this Invitation ("Repairs".)
15. **Grantee:** The person or entity identified in the Contract of Sale, and riders, as the proposed Purchaser of the Property. This is the High Bidder at the sale who is obligated to perform under the Contract of Sale and will be reviewed by HUD to determine eligibility and qualifications to own and operate the Property.
16. **High Bidder:** Highest, responsive bidder at the sale.
17. **HUD-Owned Sale (the "Sale"):** Sale of the property currently owned by the Department of Housing and Urban Development (HUD.)
18. **LOC:** Letter of Credit: An assurance of the completion of HUD required Repairs. An unconditional, irrevocable and nondocumentary Letter of Credit, issued from a recognized FDIC-insured lending institution. The amount is identified in the Property at a Glance.
19. **Payment and Performance Bonds:** An assurance of completion of HUD required Repairs. Form HUD-92452A should be used for payment bonds and form for the performance bond that is acceptable to HUD, each equaling 100% of HUD's estimate of the required Repairs.
20. **PCS:** Physical Condition Standards; The HUD minimum physical condition standards for dwelling units occupied by families receiving Section 8 Property-based assistance. ([24 C.F.R. § 5.703](#)). These are the decent, safe and

sanitary conditions, and in good repair, standards which must be met within a specified number of calendar days after Closing.

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

SECTION 1 - INTRODUCTION AND GENERAL INFORMATION

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

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

1. **GENERAL:** All bidders, management agents and other participants as required by HUD must file a Previous Participation Certification (Form HUD-2530) in either electronic or paper format. Bidders must comply with all HUD Previous Participation Certification (Form HUD-2530) requirements as outlined in Section 4.
2. **ELECTRONIC FILING:** If filing electronically, use [APPS](#) to submit Previous Participation Certification (Form HUD-2530) on HUD's Secure Systems Internet Site. Prior registration is not mandatory in order to bid at the Sale. However, all potential bidders registering for the first time in Secure Systems and/or APPS should do so at least two (2) weeks prior to the Sale because it takes approximately two (2) weeks after registration to receive the User/Coordinator ID. For instructions for registering for both Secure Systems and APPS are located on the [Active Partners Performance System \(APPS\) web site](#).
3. **PAPER FILING:** If filing in paper format, submit the Form HUD-2530, and an Organizational Chart of the proposed ownership entity to the Realty Specialist.
4. **UPDATES:** If a management agent will be participating in the management of the Property, or if bidder is changing principals, adding principals, changing the name of the purchasing entity, or changing tax identification from information already recorded in APPS or on a paper 2530, **it is the High Bidder's responsibility to ensure that all required participants register and complete the 2530 process within the prescribed time frames.**

- **Failure of any participant to submit a Previous Participation Certification (Form HUD-2530) or other required document(s) within the indicated time frame specified in Section 4 below, may be grounds for rejection of the bid.**
- **The High Bidder's experience, qualifications and capacity to purchase the Property must be approved by HUD in order to purchase the Property. This includes, but is not limited to, 2530 approval.**

SECTION 3 - SALE PROCEDURES AND SUBMISSION OF BIDS

1. **GENERAL:** In order to submit a complete, responsive bid to this Invitation, a bidder must submit the items listed in this Section, and the additional items as indicated in Section 4, below.
2. **BIDDING AT THE HUD-OWNED SALE:**
 - a. The Sale is an oral bid sale that takes place at the date, time and place indicated on the cover of this Invitation.
 - b. The bidder must state a bid orally at the Sale.
3. **CORRECTIONS:** Any changes to an oral bid, or changes/erasures made to the Contract of Sale or bidding information submitted by a bidder, may be made by the bidder or their agent only and must be initialed by the bidder or agent.
4. **WRITTEN, TELEGRAPHIC OR FACSIMILE BIDS:** Written, emailed, telegraphic or facsimile bids and/or bid modifications will not be considered.
5. **ITEMS THAT MUST BE SUBMITTED AT THE SALE:**
 - a. **Earnest Money Deposit:**
 - i. The Earnest Money Deposit, for the amount specified in the Property at a Glance (Attachment A), must be submitted to the person conducting the Sale prior to presenting an oral or written bid, at the start of the Sale.
 - ii. The Earnest Money Deposit must be in the form of a money order, certified funds, or cashier's check payable to: **THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.** No other method of payment is acceptable.
 - iii. A financial organization submitting a bid on its own behalf must have the Earnest Money Deposit drawn on another financial organization
 - iv. Lack of proper deposit will be cause for rejection of the bid by HUD.
 - v. Immediately following the Sale, the Earnest Money Deposit will be returned to all but the High Bidder.
 - b. **Evidence of bidder eligibility**, if applicable (ex: non-profit organization.) See Attachment I, if provided.
6. **NOTIFICATION TO THE HIGH AND SECOND HIGH BIDDER:** The High Bidder and Second High Bidder will be notified orally of their bidding positions by the person conducting the Sale immediately after the Sale.
7. **CONTRACT OF SALE:** Immediately after the Sale, the High Bidder must submit **THREE (3)** signed copies (original copies) of the Contract of Sale (Attachment B) to the person conducting the Sale.

SECTION 4 - POST SALE PROCEDURES

1. **CONTINUANCE OF OFFERS:** All bids shall be deemed to be continuing offers from the time of the Sale until bid-rejection by HUD or until Closing.
2. **POST-BID DOCUMENTS SUBMITTALS:** The High Bidder must submit the following items within the timeframes shown below:
 - a. Two (2) Days After Sale:
 - i. Previous Participation Certification:
 - (a) Paper filing:
 - (i) **Form HUD-2530:** A completed paper Form HUD-2530(s), with original signatures, for the purchasing entity and all principals. Proposed ownership must have established tax identification or social security number; an entity not yet formed cannot be accepted, and all principals. Proposed ownership must have established tax identification or social security number; an entity not yet formed cannot be accepted, and
 - (ii) **Organization Chart:** An organization chart, reflecting all principals of the purchasing entity and each principal's percentage of ownership must accompany the completed paper Form HUD-2530.
 - (b) Electronic filing:
 - (i) **Bidders not registered in APPS and Secure Systems:** Submit certification of registration in Secure Systems and APPS.
 - (ii) **Electronic Filers registered in APPS and Secure Systems:** Submit evidence of filing in accordance with Section 2 herein.

- ii. Certification of Substantial Compliance: A completed and original, Exhibit to the Contract of Sale. If HUD determines that such projects of the High Bidder, are not in substantial compliance with state and local codes, HUD may determine that the High Bidder is not qualified to purchase the Property. The Earnest Money Deposit may be forfeited
- b. Ten (10) days After Sale: The High Bidder must submit the documents checked below:
 - Affirmative Fair Housing Marketing Plan (Form HUD-935.2A)
 - Form HUD-2530 for Purchaser, if different from High Bidder
 - Form HUD-2530 for the Management Agent, if applicable
 - Personal Financial and Credit Statement (Form HUD 92417), for each proposed
 - Management Entity Profile (Form HUD-9832)
 - Project Owner's Certification for Owner-Managed Multifamily Housing Projects (Form HUD-9839A)
 - Project Owner's/Management Agent's Certification for Multifamily Housing Projects for Identity-of-Interest or Independent Management Agents (Form HUD-9839B)
 - 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.)

- c. Ten (10) days After Sale: Electronic filing of the Form HUD-2530 for the management agent or the High Bidder's ownership entity must be completed and a signed copy provided to the Realty Specialist.

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

3. QUALIFICATION, ACCEPTANCE, REJECTION OF BID:

a. Required Bidder Qualifications to Purchase Property:

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

b. Bidder Approval:

- i. If HUD determines that the High Bidder is qualified, the High Bidder will be confirmed as and identified as the Purchaser;
- ii. If the high bid is rejected due to HUD's determination that the High Bidder is not qualified to purchase the Property, HUD will notify the High Bidder in writing;
- iii. If HUD rejects the High Bidder, HUD may in its sole discretion elect to contact the Second High Bidder, and/or succeeding bidders as bidders withdraw or do not qualify, to purchase the Property. If contacted by HUD, the Second High bidder or succeeding bidder will be offered the opportunity to purchase the Property and will be given twenty-four (24) hours to submit the earnest money deposit and three (3) executed copies of the Contract of Sale. The Second High Bidder will then be deemed as the High Bidder. HUD will review the bidder's Post- Bid Document Submittals, which must be submitted within the same timeframes detailed in Section 4 of this Invitation beginning from the date the Contract of Sale is executed and submitted to HUD, in order to determine if the bidder is qualified to purchase the Property;
- iv. HUD's notification of rejection due to lack of qualifications, if applicable, shall be deemed to be given when mailed to the individual that executed the Contract of Sale; and
- v. The written rejection of the bid will be made as promptly as possible and generally within thirty (30) days after the date of the Sale.

4. EARNEST MONEY DEPOSIT: All bidders must submit the Earnest Money Deposit to the person conducting the Sale at the start of the Sale. Immediately following the Sale the Earnest Money Deposit will be returned to all but the High Bidder. Interest will not be paid on Earnest Money Deposits.

- a. If HUD determines that the High Bidder is qualified to own and manage the Property, its bid is acceptable and the High Bidder complies with the requirements of this Invitation, the Earnest Money Deposit will be credited against the Purchase Price at Closing.
- b. If the Purchase Price is unacceptable, the bidder's Earnest Money Deposit will be refunded.
- c. If, during the review of the High Bidder, it is found that the High Bidder has made any misrepresentation or material omission(s) in the bidder's submission of documentation, the Earnest Money Deposit will be forfeited.
- d. If the High Bidder is determined not to be qualified to purchase the Property **and** the High Bidder has complied with the requirements of this Invitation the Earnest Money Deposit will be refunded.
- e. If the High Bidder has failed to comply with the provisions outlined in this Invitation, the Earnest Money Deposit will be forfeited.

5. CLOSING DATE REQUIREMENT: The date and place for Closing will be determined by HUD and occur within the time period specified in the Contract of Sale, (Attachment B).

6. **EXTENSION OF CLOSING:** The right to extend the Closing is expressly reserved by HUD as set forth in the Contract of Sale (Attachment B).

SECTION 5 – CLOSING

1. **CASH DUE AT CLOSING:** Cash due at Closing is the Purchase Price less the Earnest Money Deposit received, plus any outstanding encumbrance amount and/or any pro-rations (see Paragraph 3 below.) All initial deposits to escrows and/or reserve accounts, if applicable, must be made by the Purchaser at Closing.
2. **PRORATIONS:**
- a. Purchaser is responsible for paying all taxes, assessments, liens, and utility bills including but not limited to, water, sewer, gas and electric, and any other encumbrances. These amounts will not be prorated.
 - b. If extension fees were paid, and the Closing occurs prior to the expiration of an Extension Period, the prorated amount of the extension fees for the unused portion of the Extension Period will be credited toward the amount due from Purchaser at Closing.
3. **CLOSING EXPENSES:** Irrespective of local custom, the Purchaser shall pay all Closing expenses, including, but not limited to, all documentary stamp taxes, and any costs in connection with a review of title or title insurance. The fees for the recordation of the HUD Deed and Attachments, if any, will be paid by HUD.
4. **METHOD OF PAYMENT:** Cash Due at Closing shall be paid in the form of a money order, certified funds, or cashier's check made payable to:

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

5. **REPAIR ESCROW:** If Repairs are required as a condition of Closing, Purchaser shall provide assurance at Closing that the Repairs will be completed. The Purchaser must submit either a LOC or Cash Escrow, the choice of which shall be at HUD's sole discretion.
6. **CONVEYANCE:** Conveyance of the Property shall be by Special Warranty Deed ("Deed"). The Deed will not contain any warranties of title.
7. **RECORDATION OF DEED:** HUD shall record the Deed and Attachments, if any.
8. **DOCUMENTS TO BE FURNISHED OR EXECUTED AT CLOSING:**
- Closing Statement

SECTION 6 – POST-CLOSING

POST-CLOSING REPAIRS: HUD is not requiring specific repairs and is not including a Form HUD-9552 in this Invitation. Interested parties are urged to review, Rider 4 of 4 which addresses Environmental Hazards.

SECTION 7 – DISCLAIMERS

1. **DOCUMENTS TO BE FURNISHED OR EXECUTED AT CLOSING:**
- a. This is an "all-cash", "as-is" sale. As stated in paragraph 5 of Section 1 bidders interested in purchasing this Property 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 Property. **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 Property 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 Property, 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 Purchase Price that has been paid to HUD.

ATTACHMENTS

- ATTACHMENT A** - Property at a Glance
- ATTACHMENT B** - Contract of Sale

THESE FORMS ARE AVAILABLE AT
http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/forms
OR USE THE URL PROVIDED BELOW TO OBTAIN THE FORM

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

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



**Attachment A
PROPERTY AT A GLANCE**

FORMER SITE OF SEBRING APARTMENTS FHA #: 114-11010

ADDRESS: **105 W. Tidwell EARNEST MONEY: \$100,000 SALES PRICE: Unstated Minimum**
Houston, TX 77022 TERMS: "All Cash- As Is"; 30 calendar days to close
 COUNTY: **Harris LETTER OF CREDIT/CASH ESCROW: \$0 SALE TYPE: HUD-Owned**

PROPERTY INFORMATION

THIS IS VACANT, UNDEVELOPED LAND

Number of Buildings	Stories	Year Built	Rehab Year	Approximate Site Acreage	Approximate Net Rentable Area
0				12.46	

COMMENTS CONCERNING PROPERTY INFORMATION:

There is no subsidy offered with this Sale.

The Property is vacant, undeveloped land.

This is an "all-cash", "as-is" sale.

HUD is not offering financing with this sale.

HUD will pay Property taxes for 2008, 2009, 2010, and 2011 at or before Closing.

USE RESTRICTIONS

Purchaser must test and abate environmental hazards; refer to the Rider entitled "Environmental Hazards."

If redeveloped as rental housing, units must meet HUD's Physical Condition Standards; any subsequent conveyance/sale or change in management of the property must have HUD's prior written approval. For more information refer to the Rider entitled "Use Restrictions."

TERMS OF SALE

- This is an "All-Cash" – "As-Is" sale.
- HUD is not providing financing for this sale.
- Payment of the full Purchase Price must be presented at Closing.
- No consideration will be given to a bid submitted by any party currently suspended or debarred from participating in HUD programs. As provided for in 24 C.F.R. Part 27, the defaulting mortgagor, or any principal, successor, affiliate, or assignee on the mortgage at the time of default shall not be eligible to bid on or otherwise purchase this Property. ("principal" and "affiliate" are defined at [24 C.F.R. § 200.215.](#))
- Bids for this Property will only be considered for acceptance if properly submitted by following the bidding instructions which includes but is not limited to submitting the Earnest Money Deposit, forms and statements as required in the Invitation. High Bidder will be reviewed to determine if qualified to purchase, own and manage the Property.
- 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 Property is located are in substantial compliance with applicable state and local housing statues, regulations, ordinances and codes. See Exhibit F to the Contract of Sale, 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.**
- HUD is not requiring repairs; interested parties are urged to review the Contract of Sale prior to submitting a bid at the Sale.
- Closing is to be held within thirty (30) calendar days after the High Bidder executes the Contract of Sale. The Contract of Sale must be executed immediately following the Sale.

- If HUD approves an extension of the Closing, the Purchaser must pay a fee which is the greater of 1.5% of the bid price or \$50,000 for each thirty (30) calendar day period.
- The Contract of Sale will include the following Riders: Use Restrictions, Nondiscrimination Against Section 8 Certificate Holders and Voucher Holders, Enforcement, Environmental Hazards.

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

INFORMATION AND BID KIT

INFORMATION and BID KIT may be viewed or printed at
http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/pd/mfplist.

You may also sign up for our electronic mailing list at
<http://www.hud.gov/subscribe/signup.cfm?listname=Multifamily%20Property%20Disposition&list=mfpd-l>.

If you do not have access to the internet or cannot download a PDF file, you may contact the Realty Specialist identified below to obtain a copy of the bid kit.

Bids for 105 W. Tidwell (site of former Sebring Apts.):

MUST BE PRESENTED ON: October 25, 2012

At: 10:00 am (local time)

Location of Sale:

Houston HUD Office
1301 Fannin Street
Suite 2200
Houston, TX 77002

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: Joseph Cochran

Phone: (817) 978-5557

Fax: (817) 978-6018

Email: joseph.p.cochran@hud.gov

INSPECTION OF PROPERTY

No Open House has been scheduled for this Sale.

U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
PROPERTY DISPOSITION PROGRAM

**CONTRACT OF SALE
CASH SALE**

THIS CONTRACT OF SALE ("Contract") is made this ____ day of _____, 20____, by and between the SECRETARY OF HOUSING AND URBAN DEVELOPMENT, ("HUD"), and the _____ ("Grantee"), for the purchase and sale of 105 W. Tidwell (site of former Sebring Apartments), situated in the City of Houston, County of Harris, State of Texas, and more particularly described in the attached Exhibit A entitled "Legal Description" (the "Property").

WITNESSETH THAT

1. **PURCHASE AND SALE:** In consideration of the covenants and agreements of the respective parties, as hereinafter set forth, HUD agrees to sell and Grantee agrees to purchase (the "Sale") all of HUD's right, title and interest in and to the Property, which includes all improvements thereon, appurtenances thereto, and articles of equipment and other personal property owned by HUD and used in connection therewith.
2. **PURCHASE PRICE:**
 - (a) The Purchase Price of the Property is _____ Dollar[s] (\$_____._____) to be paid at the Closing (defined below).
 - (b) Upon execution of this Contract, Grantee shall be required to pay an Earnest Money Deposit in the amount of **\$100,000**, in the form of a money order, certified funds or a cashier's check made payable to "The U.S. Department of Housing and Urban Development." A financial organization submitting a bid on its own behalf must have the Earnest Money Deposit drawn on a separate financial organization. Interest shall not be paid on Earnest Money Deposits.
 - (c) The balance of the Purchase Price, \$_____ Dollar[s] (\$_____._____), plus prorations, if any, shall be paid at Closing and in the form of a money order, certified funds or a cashier's check made payable to: **The U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.**
3. **SUBMISSION OF POST-BID DOCUMENTS BY GRANTEE:**
 - (a) Two (2) Days After Sale:
 - i. Previous Participation Certification:
 - a. Paper Filers:
 - (i) Form HUD-2530: The completed paper Form HUD-2530(s), with original signatures, for the purchasing entity and all principals. Proposed ownership must have established tax identification or social security number; an entity "to be formed" will not be accepted, and
 - (ii) Organization Chart: an organization chart, reflecting all principals of the purchasing entity and each principal's percentage or ownership must accompany the completed Form HUD-2530.
 - b. Electronic Filers:
 - (i) Electronic Filers not registered in APPS and Secure Systems: Submit certification, evidence of registration in APPS and Secure Systems.
 - (ii) Electronic Filers registered in APPS and Secure Systems: Submit evidence of filing.
 - ii. Certification of Substantial Compliance: Complete, original certification (Exhibit F). Grantee must certify to HUD that any/all projects that are owned by the Grantee or its affiliates and are located in the same jurisdiction (city or town) where the Property is located are in substantial compliance with applicable state and local housing statutes, regulations, ordinances and codes.

NOTE: If HUD determines that such projects of the Grantee are not in substantial compliance with state and local codes, HUD may reject the bid, rescind this Contract, refuse to sell the Property to Grantee and retain its Earnest Money Deposit.
 - (b) Within Ten (10) Days of Sale: Grantee must, if checked below, submit the additional post-bid documents:
 - Form HUD-2530 for Purchaser (Grantee), if different from High Bidder (as provided above)
 - Form HUD-2530 for the Management Agent, if applicable (as provided above)
 - (c) Within Ten (10) Days of Sale: If the management agent or the Grantee's ownership entity registered Form HUD-2530 electronically (e2530), the High Bidder and/or management agent must subsequently electronically file the e2530 after registration has been completed.

NOTICE: It is Grantee's responsibility to ensure compliance with form and document submission as required in the Invitation to Bid (Invitation) and Contract of Sale (Contract.) Failure to submit or comply with any requirements of the Invitation or Contract may result in Grantee being declared ineligible to purchase the Property. In such case HUD will rescind this Contract and Grantee shall forfeit the Earnest Money Deposit and any extension fees paid.

4. **OUTSTANDING ENCUMBRANCES:** Grantee agrees to assume all responsibility for paying all outstanding encumbrances and expenses, including, but not limited to, all taxes currently owed and delinquent for all tax parcels encompassed by the Legal Description of the Property, assessments, utility bills and any liens. At Closing or before HUD will pay Property taxes for 2008, 2009, 2010, and 2011.
5. **PRORATIONS, SECURITY DEPOSITS, OPERATION OF THE PROPERTY:**
 - (a) Prorations, Security Deposits: This is vacant, undeveloped land. HUD is not holding any deposits from the Property. There will be no prorations of income, expenses or security deposits at Closing.
 - (b) Operation/Maintenance of the Property: From the date of HUD's execution of this Contract until Closing, HUD shall continue to maintain the Property so that the Property will, except for normal wear and tear, be in substantially the same condition at Closing as on the date hereof.
6. **FORM OF CONVEYANCE, INSPECTION, OBJECTIONS TO TITLE AND RIGHTS OF RECISSION:**
 - (a) The Property shall be conveyed to the Grantee by Special Warranty Deed (Deed) in the form customarily used by HUD in the jurisdiction in which the Property is located. Title to the Property shall be good and marketable subject to existing tenancies, easements, zoning, covenants, restrictions and reservations of record. However, HUD shall not warrant those items deemed acceptable to Grantee pursuant to subsection (d) below.
 - (b) Any title evidence or survey desired by Grantee shall be obtained at the sole expense of the Grantee.
 - (c) If any defect in title renders the Property unmarketable, or if litigation is pending challenging the sale and/or the sale is enjoined and HUD does not cure the defect, settle the litigation or cause the injunctions to be removed within a reasonable time, or HUD notifies Grantee in writing that it is unable or unwilling to cure the defect, settle the litigation or remove the injunction,
 - (i) Grantee shall have the right to terminate this Contract by delivering to HUD written notice prior to the Closing. If such right is exercised, HUD shall return any Earnest Money Deposit paid under Section 2, and extension fees paid under Section 12;
 - (ii) HUD reserves the right to rescind this Contract and to return any earnest money deposit paid under Section 2 and extension fees paid under Section 12 of this Contract; and
 - (iii) **The return or tender of any Earnest Money Deposit or extension fees shall release HUD from all obligations and liability to Grantee.**
 - (d) The Property shall not be deemed unmarketable solely by reason of the existence of:
 - (i) covenants, conditions and restrictions of record;
 - (ii) private, public and utility easements, roads and highways;
 - (iii) party wall rights and agreements;
 - (iv) pending local building codes violation proceedings;
 - (v) existing leases and tenancies; and
 - (vi) special taxes or assessments.
 - (e) Grantee shall have twenty-one (21) calendar days from the date of execution of this Contract by HUD to notify HUD in writing of all defects in title appearing as of the date Grantee executes this Contract. If Grantee does notify HUD in writing of any alleged defects within twenty-one (21) calendar days after execution of the Contract by HUD, only those items in the notification will be addressed by HUD. All other title matters will be deemed acceptable to Grantee.
 - (f) Upon confirmation of the balance of the Purchase Price either by acceptance of a money order, certified funds or a cashier's check by HUD, HUD shall deliver to Grantee a duly executed Deed conveying HUD's right, title and interest in the Property. HUD will immediately present the Deed for recordation in the appropriate recorder's office.
7. **AS-IS SALE; NO REPRESENTATIONS**
 - (a) Grantee shall accept the Property in "as is" condition. HUD makes no representations or warranties concerning the physical condition of, or access to the Property or with respect to any properties adjacent to the Property. Without limiting the foregoing, 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 Property. It is Grantee's responsibility to assess the actual condition of the Property.
 - (b) Grantee acknowledges that the Purchase Price set forth in Section 2 of this Contract is based on Grantee's valuation of the Property, including the Post Closing Required Repairs, if any, and not upon any representation by HUD. Grantee's failure to inspect, or to be fully informed as to any factor

bearing upon the valuation of the Property, shall not affect the liabilities, obligations or duties of HUD or Grantee under this Contract, nor be a basis for termination of this Contract.

8. **CLOSING, CLOSING EXPENSES AND TRANSFER OF POSSESSION**

- (a) The Sale shall be effective upon Closing.
- (b) Grantee shall pay all Closing costs and expenses irrespective of local custom. The fees for the recordation of the Deed and Attachments, if any, will be paid by HUD.
- (c) Transfer of title to and possession of the Property, subject to the leases and tenancies herein referred, shall become effective as of Closing.

9. **POST CLOSING REQUIRED REPAIRS, REPAIR ESCROW:** HUD is not requiring repairs as a condition of sale.

All information provided is solely for the purpose of permitting Grantee to determine whether or not the Property 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 Grantee 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, and /or adjustment.

10. **LEAD-BASED PAINT RISK ASSESSMENT:** Grantee assumes any and all responsibilities with respect to lead-based paint and/or lead-based paint hazards, if any are present, in accordance with the Environmental Hazards rider attached to this Contract.

11. **TIME IS OF THE ESSENCE, LIQUIDATED DAMAGES:** Time is of the essence in the performance of this Contract. The Sale shall be closed at HUD's offices, or at such other place as may be agreed on by the parties in writing, within thirty (30) calendar days following execution hereof by HUD, unless this Contract is extended pursuant to Section 12. Should Grantee fail or refuse to perform its obligations under this Contract including, but not limited to the failure to establish the legal entity that is to take title, any Earnest Money Deposit paid to HUD and any extension fees paid under Section 12 shall be retained by HUD as liquidated damages. However, HUD shall not retain said amount as liquidated damages if Grantee is unable to perform due to unmarketable title.

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

- (a) A written request, which clearly states the reason for the Grantee's inability to close the sale on or before the prescribed Closing date, or any Extension Period, must be received within ten (10) calendar days prior to the prescribed Closing date, or within any Extension Period. The request **must be accompanied by the payment** of the required Extension Fee and sent to the following address:
 - Fort Worth Multifamily PD Center
 - Attn: Scott R. Bearden, Director
 - 801 Cherry Street, Unit #45, Ste. 2500
 - Fort Worth, TX 76102
- (b) Extensions shall be for thirty (30) calendar days.
- (c) For each thirty (30) calendar day period requested by Grantee and approved by HUD, extension fees shall be equal to;
 - i \$ 50,000, **or**
 - ii one and one-half percent (1.5%) of the bid price, whichever is greater.
- (d) The extension fees are not credited against the amount due from Grantee at Closing. However, if the Closing is held prior to the expiration of an Extension Period, the prorated amount of the Extension Fee, for the unused portion of the Extension Period, shall be credited toward the amount due from the Grantee at Closing.
- (e) The granting of one or more extensions shall not obligate HUD to grant additional extensions.
- (f) If any form or instrument required by HUD is not submitted within sufficient and reasonable time for HUD's review or processing and such delay necessitates an extension of the Closing deadline, an Extension Fee must be paid for this period.
- (g) Extension fees must be submitted by money order, certified funds or cashier's check made payable to:

THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

13. **GRANTEE 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 Contract, or to any benefit arising from it. However, this

provision does not apply to this Contract to the extent that this Contract is made with a corporation for the corporation's general benefit.

- (b) If Grantee is, or becomes suspended, debarred, or temporarily denied from participating in HUD programs prior to closing, this Contract shall be terminated.
- (c) Pursuant to 24 CFR 27.20(f), the defaulted mortgagor, or any principal, successor, affiliate, or assignee thereof, on the mortgage on the property at the time of default resulting in acquisition of the property by HUD shall not be eligible to purchase. A "principal" and an "affiliate" are defined as provided at 24 CFR 200.215.

14. **CONTRACT BINDING, RESTRICTIONS ON ASSIGNMENT OF CONTRACT:**

- (a) This Contract shall be binding upon Grantee, its respective heirs, executors, administrators, successors, successors in interest, and assigns.
- (b) Notwithstanding the foregoing, neither this Contract nor any rights hereunder may be assigned without HUD's written consent. Without limiting the prohibition of assignment, for the purposes of this Contract, including the Riders, the term Grantee shall be deemed to include a permitted assignee and all subsequent grantee(s).

15. **LIMITATION OF LIABILITY:** Notwithstanding any other provisions of this Contract to the contrary, HUD's liability under this Contract and/or any and all matters related thereto shall not exceed the amount of funds paid by Grantee to HUD hereunder.

16. **FORMS:** All forms and instruments referred to in this Contract shall be the standard HUD forms and instruments prepared by HUD and used by HUD in the jurisdiction in which the Property is located and shall contain such additional covenants and conditions required by this Contract.

17. **ACKNOWLEDGMENT OF TERMS AND CONDITIONS OF SALE:** Grantee affirms that it has full knowledge of the terms, conditions, and requirements contained in this Contract.

18. **ANTI-COLLUSION CERTIFICATION:**

(a) Grantee certifies:

- i. The bid and/or Purchase Price in this offer was arrived at independently, without (for the purposes of restricting competition) any consultation, communication, or agreement with any other bidder relating to:
 - a. the bid and/or Purchase Price;
 - b. the intention to submit a bid and/or Purchase Price; or
 - c. the methods or factors used in calculating the bid and/or Purchase Price offered.
- ii. The bid and/or Purchase Price in this offer has not been and will not be knowingly disclosed by the Grantee, directly or indirectly, to any other bidder or competitor before or during the actual time of the bid event (sale), unless otherwise required by law; **and**
- iii. No attempt has been made or will be made by the Grantee to induce any other bidder to submit or not to submit a bid and/or Purchase Price for the purpose of restricting competition.

(b) If the bid (sale) procedure requires or permits written bids, each signature on the Contract is considered to be certification by the signatory that the signatory:

- i. Is the person in the Grantee's organization responsible for determining the bid and/or Purchase Price being offered in this bid (sale) and that the signatory has not participated and will not participate in any action contrary to (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 (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 (a) above; **and**
- b. As agent, has not personally participated, and will not participate, in any action contrary to (a) above.

19. **FAILURE TO COMPLY:** Upon the failure or refusal of the Grantee to comply with any of the requirements listed above or elsewhere in the Invitation or Contract of Sale, HUD may declare the Grantee ineligible to purchase the Property. In which case, HUD reserves the right to reject the bid, rescind this Contract and the Grantee shall forfeit the Earnest Money Deposit and any extension fees paid.
HUD reserves the right to review, approve or reject the proposed management. If HUD determines that the Grantee is not qualified to self-manage the Property, HUD, in its sole discretion, may either reject the bid or require the Grantee to obtain the services of a property management firm satisfactory to HUD. If HUD chooses the later, the Grantee must provide HUD with evidence that a qualified property management firm has been retained prior to Closing. HUD must approve form and type of management prior to Closing and throughout the term of the Deed. If the Grantee does not meet this obligation, HUD reserves the right to reject the bid, rescind this Contract and retain the Grantee's Earnest Money Deposit and any extension fees paid.
20. **COMPLETE AGREEMENT:** This Contract supersedes all prior agreements and understandings related to the subject matter hereof, and may be changed, waived, discharged, or terminated only by a written document signed by the party against whom such change, waiver, discharge or termination is sought, except as otherwise provided herein.
21. **GENDER AND NUMBER:** Whenever the sense of this Contract so requires, the use of (1) the singular shall be deemed to include the plural, (2) the masculine gender shall be deemed to include the feminine or neuter gender, and (3) the neuter gender shall be deemed to include the masculine or feminine gender.
22. **SEVERABILITY:** If for any reason one or more of the provisions contained in this Contract shall be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Contract, but this Contract shall be construed as if such invalid, illegal or unenforceable provision never had been included in this Contract.
23. **NOTICE:** Any notice, request, information or other document to be given hereunder to any of the parties by any other party, shall be in writing and delivered personally or sent by an overnight or express mail service, with a return receipt, postage prepaid to the person and address set forth below. Any party may change the person or address to which notices are to be sent by giving written notice of such change to the other party in the manner herein provided for giving notice. The person, address and telephone number for the Department of Housing and Urban Development is:

U.S. Department of Housing and Urban Development
 Scott R. Bearden, Director, Multifamily Property Disposition Center
 801 Cherry Street, Unit #45, Suite 2500
 Fort Worth, Texas 76102
 Phone: 817 978-5804.

The person, address and telephone number for the Grantee are:

24. **EXHIBITS** - All exhibits described herein and attached hereto are fully incorporated into this Contract by this reference:
- EXHIBIT A: Legal description to the property
 - EXHIBIT B: Reserved
 - EXHIBIT C: Reserved
 - EXHIBIT D: Reserved
 - EXHIBIT E: Reserved
 - EXHIBIT F: Certification of Substantial Compliance
 - EXHIBIT G: Reserved
 - EXHIBIT H: Reserved
 - EXHIBIT H-1: Reserved

25. **PARAGRAPH HEADINGS** - The paragraph or section headings contained in this Contract are for convenience only and shall in no way enlarge or limit the scope of the paragraphs or sections hereof.
26. **OTHER PROVISIONS**
- (a) When the consent or approval of either party is required under the terms of this Contract, such consent or approval must be in writing.
 - (b) Grantee agrees that any restrictions to be placed in the Deed referred to in this Contract will run with the land.
 - (c) Whenever a number of days are referred to in this Contract, it shall refer to Federal government business days, unless otherwise stated as calendar days. If any period of time expires on a non-Federal government business day, Grantee or HUD shall have until the close of business of the next Federal government business day to take whatever action is to be taken within the time period.
27. **RIDERS TO THIS CONTRACT:** The Riders checked and initialed by the parties are attached to and incorporated into this Contract and will be placed in the Deed to run with the land.
- Use Restrictions
 - Enforcement
 - Nondiscrimination Against Section 8 Certificate Holders and Voucher Holders
 - Environmental Hazards
28. **CERTIFICATION OF SUBSTANTIAL COMPLIANCE (Exhibit F):** Grantee must also provide Certification to HUD that any other projects that are owned by Grantee or its affiliates and are located in the same jurisdiction as the Property are in substantial compliance with applicable state and/or local housing statutes, regulations, ordinances and codes. HUD may, in its discretion, verify the accuracy of such certification and request supporting documentation from the Grantee. 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 Property to the Grantee.

IN WITNESS WHEREOF:

The Grantee has executed this Contract in triplicate the _____ day of _____, 20_____.

WITNESS:

Grantee
BY: _____
Signature

Typed Name of Signatory

Title of Signatory

Address

Telephone

Signatures continue on next page

HUD has executed this Contract in triplicate this _____ day of _____.
(This line to be executed by HUD)

WITNESS:

SECRETARY OF HOUSING AND URBAN DEVELOPMENT

BY: _____
Scott R. Bearden, Director
Fort Worth Multifamily Property Disposition
Center

EXHIBIT A

LEGAL DESCRIPTION

AS OBTAINED THROUGH THE HARRIS COUNTY APPRAISAL DISTRICT:

REAL PROPERTY ACCOUNT INFORMATION: 1248630010001

Legal Description: RES A BLK 1, (BLDGS 1-19) HOHL APTS

REAL PROPERTY ACCOUNT INFORMATION: 1248630010002

Legal Description: RES B BLK 1, (EDUCATIONAL & INSTITUTIONAL) HOHL APTS

(LEGAL DESCRIPTION IS FURNISHED AS INFORMATION ONLY. INTERESTED PARTIES MUST DETERMINE LEGAL DESCRIPTIONS THROUGH THEIR OWN DUE DILIGENCE.)

RIDER 1 OF 4
USE RESTRICTIONS

The Deed shall contain the following provision:

Pursuant to 12 U.S.C. Section 1715z-11a, the Secretary has the authority to impose certain use restrictions, as set forth in this Deed.

1. **RESTRICTED PERIOD:** The restrictions herein shall be in effect for twenty (20) years from the date of this Deed ("the Restricted Period".) During the Restricted Period, if any portion of the Property is redeveloped as rental housing, all units of the Property must be maintained as affordable rental housing.
2. **CONVEYANCE OF PROPERTY:** **If any portion of the Property is redeveloped as rental housing**, any Conveyance of the Property must have the prior written approval of the HUD, or such Conveyance will be deemed to be null and void, and a default will exist under this Deed. Conveyance is defined as any sale, assignment, transfer, creation of a leasehold estate in excess of one (1) year, or any other legal or equitable conveyance or transfer of the Property or an interest therein, or any legal or equitable transfer of an interest in the Grantee or any entities that may comprise the Grantee. Without limiting the foregoing and not intending to be all inclusive, a merger, conversion, share exchange, or exchange of corporate or partnership interests is also considered a Conveyance, which requires the prior written approval from HUD.

The preceding provisions shall be applicable and in full force and effect notwithstanding that any applicable statutory law or case decision provides that any such merger or conversion or share (or interest) exchange, or leasehold estate transaction or other type of Conveyance does not constitute or involve the occurrence of a "transfer" or "assignment" of the Property, any of the assets related thereto, or an interest in the Grantee.

Any request for HUD's approval of Conveyance must include Previous Participation Certification (Form HUD-2530) by the proposed Purchaser (entity and all principals), a completed Certification of Substantial Compliance, a signed Agreement to Abide by Deed Restrictions and a written statement 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 Property; and
- (e) provide evidence of a minimum of five (5) years' substantive experience owning and managing subsidized multifamily properties with project-based Section 8 assistance.

HUD's approval of a Conveyance will be based on information provided in written statements and Previous Participation Certification approval (clearance). The approval of a Conveyance is within the sole discretion of HUD.

3. **CONDITION OF UNITS:** **If any portion of the Property is redeveloped as rental housing**, The Grantee shall comply with:
 - (a) the Physical Condition Standards and inspection requirements of 24 C.F.R. Part 5, Subpart G,
 - (b) the Physical Condition Standards of Multifamily Property of 24 C.F.R. Part 200, Subpart P, and
 - (c) 24 C.F.R. 5.703 requiring that the Property be maintained in decent, safe and sanitary condition to the greatest extent possible and free from health and safety hazards.

These requirements include any changes in the preceding regulations and related Directives.

4. **PROJECT MANAGEMENT:** **If any portion of the Property is redeveloped as rental housing**, HUD reserves the right to approve management for the Property during the Restricted Period. Any change in management of the Property must have HUD's prior written approval. Any request for HUD's review and approval of the proposed Grantee's management of the Property must include the following documents/forms:
 - Previous Participation Certification: (Form HUD-2530) for the management entity and all principals.
 - Statement of Experience: Any proposed property manager must provide a written statement of experience which demonstrates a minimum of five (5) years substantive experience managing multifamily properties of similar size and complexity. If the Property has project-based Section 8 assistance, any proposed property manager must demonstrate a minimum of five (5) years' experience managing multifamily properties with project-based Section 8 assistance.
 - 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 management forms 9839 A, B or C will be required for management certification.)

HUD's approval of Property Management will be based on information provided in written statements, Previous Participation Certification approval (clearance), Management Entity Profile and the management forms 9839 either A, B, or C. The approval of Property Management is within the sole discretion of HUD.

5. **CONDITION OF UNITS: If any portion of the Property is redeveloped as rental housing,** the Property and all units must meet HUD's Physical Condition Standards as set forth in 24 C.F.R. part 5.
6. **UNIT NUMBER OR USE CHANGE: If any portion of the Property is redeveloped as rental housing,** Grantee must request approval from HUD for any change to the use, number, size, or configuration of residential units in the Property; e.g., apartment units, beds in a care facility.
7. **NON-DISCRIMINATION REQUIREMENTS: If any portion of the Property is redeveloped as rental housing,** the Grantee shall comply with the provisions of all federal, state, or local laws prohibiting discrimination in housing.
8. **HAZARD INSURANCE: If any portion of the Property is redeveloped as rental housing,** hazard insurance shall be maintained in a sufficient amount to fully restore the Property to meet the affordable rental housing requirements described in this Deed.
9. **REMEDIES FOR NONCOMPLIANCE:** Upon any violation of any provision of this Deed by the Grantee, HUD may give written notice thereof to the Grantee by registered or certified mail, to the address provided by Grantee, or such other address as subsequently provided by Grantee and which upon appropriate written notice thereof to HUD may be designated by the Grantee as its legal business address. If such violation is not corrected to the satisfaction of the HUD within thirty calendar (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 Deed and may apply to any court, state or federal, for specific performance of this Deed, for an injunction against any violation of this Deed, for the appointment of a receiver to take over and operate the Property in accordance with the terms of this Deed, and/or such other relief as may be appropriate, since the injury to the HUD arising from a default of the terms of the Deed would be irreparable and the amount of damage would be difficult to ascertain. The availability of any remedy under the Deed shall not preclude the exercise of any other remedy available under any provision of the law, nor shall any action taken in the exercise of any remedy be considered a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not be construed as a waiver of the right to exercise that or any other right or remedy at any time.
10. **SUCCESSORS AND ASSIGNS** – All the restrictions in this Deed run with the land and are binding upon the Grantee's heirs, successors and assigns. If HUD approves a Conveyance during the Restricted Period, it may be conditioned upon, among other things, the assumption of Grantee's obligations under this Deed.
11. **SEPARABILITY** - The invalidity of any provision of this Deed shall not affect the validity of the remaining provisions hereof.
12. **AMENDMENT** – This Deed be amended by the mutual written consent of the parties, except those restrictions required by statute.

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

Grantee_____

HUD_____

RIDER 2 OF 4
ENFORCEMENT

The Deed shall contain the following provision:

1. The restrictive covenants set forth in this Deed shall run with the land hereby conveyed and, to the fullest extent permitted by law and equity, shall be binding for the benefit and in favor of and enforceable by the HUD and any/all successors in office.
2. Without limiting any other rights and remedies available to HUD, the HUD shall be entitled to:
 - (a) institute legal action to enforce performance and observance of these covenants,
 - (b) enjoin any acts which violate these covenants,
 - (c) exercise any other legal or equitable right or remedy with respect to these covenants.
3. In addition, the restrictive covenants, if any, set forth in this Deed relating to Section 8 assistance shall be enforceable by any tenant or applicant eligible for assistance under the Section 8 program.

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

Grantee_____

HUD_____

**NONDISCRIMINATION AGAINST SECTION 8 CERTIFICATE HOLDERS AND VOUCHER HOLDERS
(Refers to redevelopment and use as rental housing)**

The Deed shall contain the following provision:

1. In order to comply with Section 204 of the Housing and Community Development Amendments of 1978, 12 USC §1701z-12, as amended, the Grantee, for self, successors and assigns, shall not unreasonably refuse to lease a dwelling unit offered for rent, refuse to offer or sell cooperative stock, or otherwise discriminate in the terms of tenancy or cooperative purchase and sale because any tenant or purchaser is the holder of a Certificate of Family Participation or a Voucher under Section 8 of the United States Housing Act of 1937 (42 USC §1437f), or any successor legislation hereinafter referred to as "Section 8". This provision is limited in application, for tenants or applicants with Section 8 Certificates or Vouchers, to those units, which rent for an amount not greater than one-hundred and twenty percent (120%) of the Section 8 fair market rent for a comparable unit in the area as determined by HUD.
2. This restriction shall bind the Grantee, any/all successors, assigns and Grantees for value, for a period equal to the Restricted Period, which is twenty (20) years from the date of this Deed. In the event of a breach or a threatened breach of this covenant, HUD, any/all successors in office and/or one or more third-party beneficiaries, shall be entitled to institute legal action to enforce performance and observance of such covenant and to enjoin any acts which are in violation of such covenant. For the purposes of this restriction, a third-party beneficiary shall be any person who holds a Certificate of Family Participation or a Voucher under Section 8 or any equivalent document under successor legislation.

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

Grantee_____

HUD_____

RIDER 4 OF 4
ENVIRONMENTAL HAZARDS

The Deed shall contain the following provision:

Grantee covenants to:

1. Investigate and test the Property for substances, chemicals and waste (collectively "Hazardous Substances") and perform cleanup, remedial, removal or restoration work required by any governmental authority ("Inspect and Remediate Requirements").
2. Certify to HUD (in a form acceptable to HUD) that the Inspect and Remediate Requirements have been performed in accordance with this provision.
3. Indemnify, defend, and hold HUD harmless from any liability arising from Grantee's failure to satisfactorily perform the Inspect and Remediate Requirements. Grantee acknowledges that HUD's acceptance of the work is not a warranty that all Hazardous Substances have been eliminated from the Property and does not relieve Grantee of its ongoing responsibility to comply with appropriate governmental authorities.

Grantee shall comply with Inspect and Remediate Requirements checked and any additional Hazardous Substances it becomes aware of concerning:

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

Remedies:

If Grantee fails to comply with this provision, HUD may exercise one or more of the remedies listed below:

1. Enter and terminate the estate hereby conveyed;
2. Institute legal action to enforce performance and observance of such covenant;
3. Enjoin any acts which are violative of such covenant; and
4. Any other remedy available to HUD.

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

Grantee _____

HUD _____

EXHIBIT F (to the Contract of Sale)
Certification of Substantial Compliance

I Certify to the Seller and the United States Department of Housing and Urban Development (HUD) that any and all projects that are owned by the Grantee or its affiliates and are located in the same jurisdiction as _____ are in substantial compliance with applicable state and/or local housing statues, regulations, ordinances and codes and are listed on Schedule A attached hereto.

I understand that the Seller/HUD may, in their discretion, verify the accuracy of this certification and request supporting documentation from the Grantee. It is understood that if the Seller/HUD determines, in their sole discretion, that such other projects as listed on Schedule A are not in substantial compliance, the Seller will have the right to refuse to sell the Property to the Grantee.

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

By: _____
Grantee Name

Title

Address

Telephone Number

Date

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