

Instructions for completing the HUD MHLS 2022-1 Confidentiality Agreement and Qualification Statement

Important Notes:

- Changes to the documents will **not** be accepted
- The Confidentiality Agreement and Qualification Statement must be completed in their entirety to review due diligence materials partially completed documents will be rejected
- **No original documents are required.** Electronic signatures will be accepted for this sale. Please refer to Section 10 of the Confidentiality Agreement and Pages 9 and 10 of the Qualification Statement for additional information related to electronic signatures.

Completed documents may be sent to J.S. Watkins Realty Partners:

Via email: MHLS2022-1@debt.com

Via fax: 978-967-8138

HUD MULTIFAMILY AND HEALTHCARE LOAN SALE 2022-1 CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (this “Agreement”) is made and agreed to by the person designated as the Reviewer on the signature page hereof (the “Reviewer”).

Preamble

The U.S. Department of Housing and Urban Development (“HUD”) is offering for sale certain HUD-held mortgage loans secured by multifamily and healthcare properties (the “Mortgage Loan(s)”). In connection with the sale, HUD has determined to permit the Reviewer to review and inspect certain documents, databases containing imaged documents, data (including computerized data on tape or other media) and other information relating to the Mortgage Loans and may provide the Reviewer with a password in order to allow the Reviewer password-protected access to any or all of the foregoing (all or any portion of the foregoing, including any password provided to the Reviewer, referred to herein as the “Confidential Information”) on the condition that the Reviewer execute and deliver this Agreement.

In consideration of being granted the opportunity to review and inspect the Confidential Information, the Reviewer agrees as follows:

Agreement

Section 1. Purpose. The Reviewer agrees that its review, inspection and use of the Confidential Information shall be solely to conduct due diligence on its own behalf and not as an agent, representative or broker of any undisclosed party, for one or more of the following purposes: (i) determining whether or not to submit a bid to purchase one or more of the Mortgage Loans; (ii) determining whether or not to provide financing with respect to the purchase of one or more of the Mortgage Loans; or (iii) determining whether or not to provide insurance or other credit enhancement with respect to one or more of the Mortgage Loans or with respect to any securities or participation certificates backed by or representing an interest in one or more of the Mortgage Loans.

Section 2. Non-Disclosure and Use of Confidential Information by Reviewer. The Reviewer agrees that, except as set forth below, all Confidential Information shall be used by the Reviewer solely for one or more of the purposes stated in Section 1 of this Agreement. The Reviewer further agrees that it shall not, without the prior written consent of HUD, disclose any of the Confidential Information, or any notes, summaries or other information prepared by or on behalf of the Reviewer using the Confidential Information (the “Related Information”), to any party other than to (i) the Reviewer’s employees, officers and directors (including those of affiliates), (ii) the Reviewer’s agents and representatives, including attorneys, accountants and financial advisors, (iii) prospective providers of financing, (iv) insurance firms, (v) credit rating agencies and (vi) prospective purchasers of any Mortgage Loans (or interests therein) to be purchased by the Reviewer

from HUD (collectively, the “Representatives”). No Representative shall be permitted to review or use any of the Confidential Information or the Related Information unless such Representative: (i) has a need to review or use the Confidential Information and/or the Related Information for one or more of the purposes stated in Section 1 hereof, and (ii) has entered into an agreement with the Reviewer substantially in the form of this Agreement or is otherwise bound to review and use the Confidential Information subject to and only in accordance with the terms of this Agreement. In addition, the Reviewer acknowledges and agrees as follows:

(a) The term “Confidential Information” shall not include information which (i) is already available to the general public other than as a result of disclosure by the Reviewer or any of the Representatives, and which information is not subject to any confidentiality obligations to HUD; or (ii) is required to be disclosed by law or by regulatory or judicial process, provided that the Reviewer has provided HUD with reasonable notice so as to allow HUD an opportunity to seek a protective order in advance of such disclosure.

(b) The Reviewer shall defend, indemnify and hold harmless HUD, its employees, representatives, agents and contractors (“Indemnified Parties”), from and against any and all claims, demands, causes of action, losses, damages, liabilities, judgments, costs and expenses (including reasonable attorney’s fees) asserted against or incurred by any Indemnified Party as a result of the breach of any of the terms or conditions of this Agreement by the Reviewer or any other person or entity to whom the Reviewer has disclosed the Confidential Information and/or the Related Information. In addition, if HUD determines that the Reviewer (or any other such person or entity) has breached any of the terms or conditions of this Agreement, HUD may refuse to accept any bids made by or on behalf of the Reviewer.

(c) The rights, powers and remedies provided for in the preceding subsection 2(b) shall be in addition to and do not preclude the exercise of any other right, power or remedy available to HUD under law or in equity. No forbearance, failure or delay in exercising any such right, power or remedy shall operate as a waiver thereof or preclude its further exercise.

(d) Any unauthorized use of the Confidential Information and/or the Related Information may result in the imposition of criminal penalties under 18 U.S.C. § 641.

Section 3. Disclosure by HUD. Reviewer acknowledges and agrees that any information provided to HUD in connection with the sale may be subject to public disclosure as required by federal law, such as but not limited to the Freedom of Information Act (“FOIA”). In the event that any such information is required by law to be released, HUD will provide the submitter of the information with an opportunity to inform HUD of any reason(s) why release of the requested information should not occur. HUD retains the right to ultimately determine whether the reason(s) given justifies HUD in withholding the information in accordance with applicable law. Notwithstanding Section 7, this section shall survive the termination of this Agreement.

Section 4. Duplication. The Reviewer shall not, without the prior written consent of HUD, make any reproductions of the Confidential Information or the Related Information for any person other than a Representative.

Section 5. Limited Access. The Reviewer shall inform each of its Representatives that receives any of the Confidential Information and/or the Related Information of the requirements of this Agreement and shall require each such Representative to comply with such requirements.

Section 6. Debtor Contact. The Reviewer agrees not to communicate with any debtor, guarantor, debtor's management or leasing company, debtor's or guarantor's accountant or attorney relative to the Mortgage Loans.

Section 7. Termination. The restrictions in this Agreement shall terminate as to any Mortgage Loan if the Reviewer acquires such Mortgage Loan or if HUD otherwise finally disposes of the Mortgage Loan; provided, however, that any claim by HUD based on a breach of this Agreement occurring prior to such acquisition or HUD disposition shall survive the acquisition or HUD disposition unless waived by HUD in writing. The terms and conditions of this Agreement shall remain in full force and effect with respect to any Mortgage Loan that the Reviewer does not acquire or that HUD does not finally dispose of. The Reviewer shall promptly destroy any Confidential Information or Related Information relating to the Mortgage Loans that the Reviewer does not acquire or that HUD does not finally dispose of.

Section 8. Release of HUD. Reviewer acknowledges and understands that some or all of the Confidential Information may have been prepared by parties other than HUD, that HUD has not independently verified the Confidential Information, and that except as may be contained in any loan sale agreement executed by HUD and a bidder in connection with the sale of some or all of the Mortgage Loans, neither HUD, its employees, representatives, agents or contractors nor any other entity which provides or makes available Confidential Information to Reviewer at the direction of HUD, makes any representation or warranty whatsoever, whether express, implied or by operation of law, with respect to the content, completeness or accuracy of the Confidential Information. Reviewer hereby releases HUD and its employees, representatives, agents and contractors, including the preparers of any of the Confidential Information, from all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including attorneys' fees) asserted against or incurred by Reviewer by reason of Reviewer's reliance on or knowledge of the Confidential Information or for any other reason. Notwithstanding Section 7, this section shall survive the termination of this Agreement.

Section 9. Entire Agreement. This Agreement represents the entire agreement between the Reviewer and HUD relating to the treatment of the Confidential Information and the Related Information heretofore or hereafter reviewed or inspected by the Reviewer. This Agreement supersedes all other negotiations and agreements relating to such matters.

Section 10. Agreement to be Bound by Electronic Signatures. HUD and the Reviewer acknowledge and agree that this Agreement may be electronically signed

pursuant to applicable laws governing electronic transactions, including, without limitation, the Electronic Signatures in Global and National Commerce Act (E-SIGN) (15 U.S.C. 7001 et seq.), and the Uniform Electronic Transactions Act (UETA). The Reviewer agrees that the electronic signature appearing on this Agreement is equivalent to a handwritten signature for purposes of validity and enforceability. If the Reviewer executes this Agreement via electronic signature, such party represents and warrants that:

(i) the Reviewer has controls in place to ensure compliance with applicable laws governing electronic transactions, including, without limitation, the E-SIGN Act and UETA, and electronic records, retained by the Reviewer will be stored to prevent unauthorized access to or unauthorized alteration of the electronic signature and associated records;

(ii) the Reviewer creation and maintenance of its electronic signature, and storage of its copy of the fully executed Agreement, will be in compliance with applicable laws governing electronic transactions to ensure admissibility of such electronic signature and related electronic records in a legal proceeding;

(iii) the Reviewer has controls and systems in place to provide necessary information, including, but not limited to, the Reviewer's business practices and methods, for record keeping and audit trails, including audit trails regarding such party's electronic signature to the Agreement.

IN WITNESS WHEREOF, a duly authorized representative of the Reviewer has executed this Agreement as of the date set forth below.

REVIEWER:

(Company Name or Individual Investor Name)

By: _____
(Signature)

Printed Name: _____

Title: _____

Address: _____

City, State, ZIP: _____

Phone: _____

Fax: _____

E-mail Address: _____

Date of Execution: _____

Confidential and other information will be accessible via the J. S. Watkins site at:

<http://www.debt.com>

AFFILIATE USERS: If you would like to allow additional users to access materials under your Confidentiality Agreement, please list them below. Each Affiliate User will be issued a unique username and password to access the J. S. Watkins site. Please note that Affiliate Users are limited to two in order to access the Bidder Information Package.

Affiliate Users will receive notification of their usernames and passwords by email.

1. Name: _____ E-Mail: _____

Phone: _____

2. Name: _____ E-Mail: _____

Phone: _____

HUD MULTIFAMILY AND HEALTHCARE LOAN SALE 2022-1
QUALIFICATION STATEMENT

The U.S. Department of Housing and Urban Development (“HUD”) is planning to sell certain HUD-held notes and mortgages secured by multifamily and healthcare facilities (the “Mortgage Loans”) in loan sale MHLS 2022-1 (the “Loan Sale”). The undersigned understands and acknowledges that, before it can register for the Loan Sale, it must meet certain requirements to be a “qualified bidder.” The undersigned understands further that the information requested herein is being requested for the purpose of providing HUD with information to determine whether the undersigned is a qualified bidder. Providing the requested information is voluntary; however, failure to furnish all of the requested information may result in the prospective purchaser, or agent, if any, not being permitted to bid at the Loan Sale or other loan sale initiatives and/or not receiving notice of future loan sale initiatives.

Anyone who knowingly or willfully makes false or fraudulent statements or representations in connection with the disclosures or certifications will be referred to the Office of Inspector General and/or the appropriate law enforcement officials for investigation and legal enforcement. The penalty for knowingly making a false statement or report shall be a fine of not more than \$1,000,000 or imprisonment for not more than 30 years, or both. 18 U.S.C. Sections 1001, 1007, and 1014.

The following information is being solicited in order to determine if the individual or entity listed below is qualified to bid. Hereinafter and for the purposes of this document, the individual or entity seeking to be a Qualified Bidder in the Loan Sale is referred to as “Purchaser.” This information will also be used to prepare the transfer documents if the Qualified Bidder ultimately bids and is determined to be the successful bidder.

I. Purchaser Information (identify Purchaser exactly as the name will appear on the Loan Sale Agreement) that must be executed by a Qualified Bidder, and that provides the terms of the transfer of Mortgage Loan(s)):

A. _____
Name of Purchaser Entity (or Individual, if Purchaser is purchasing in its individual capacity)

B. _____
Corporate or Partnership Designation and State of Formation/Origination (if applicable)

C. _____
Address of Purchaser

D. _____
City, State, Zip Code

E. _____
Phone

F. _____
Facsimile

G. _____
Purchaser Tax I.D./S.S. No.

H. _____
E-mail Address

I. Please check the description that best describes Purchaser's business designation:

- | | |
|---|---|
| <input type="checkbox"/> Commercial Bank | <input type="checkbox"/> Insurance Company |
| <input type="checkbox"/> Savings Association/Bank | <input type="checkbox"/> Financial Services Company |
| <input type="checkbox"/> Mortgage Banker | <input type="checkbox"/> Pension Fund |
| <input type="checkbox"/> Investment Bank | <input type="checkbox"/> Individual |
| <input type="checkbox"/> Real Estate Company | <input type="checkbox"/> Healthcare Operator |
| <input type="checkbox"/> Project Mortgagor | <input type="checkbox"/> Non Profit |
| | <input type="checkbox"/> Other, please describe |

II. Purchaser Qualification. The undersigned understands that if it is determined to be a "qualified bidder" for the Loan Sale, its status as such does not necessarily mean that it will be a "qualified bidder" for any other loans or assets offered in any other HUD sale. The undersigned also understands that its status as a "qualified bidder" for any other HUD sale does not necessarily mean that it will be a "qualified bidder" for the Loan Sale. Purchaser hereby certifies, represents and warrants to HUD that it is a "qualified bidder" based upon Purchaser's satisfaction of one or more of the following qualifying statements 1 through 8. Purchaser must check one or more of the following qualifying statements 1 through 8 to qualify as a "qualified bidder" for the Mortgage Loans being sold in the Loan Sale. (CHECK ALL THAT ARE APPROPRIATE):

- () 1. Purchaser is a corporation, partnership, limited liability company or business trust with total assets in excess of \$5,000,000, or a wholly-owned subsidiary of such an entity, and was not formed for the specific purpose of acquiring the Mortgage Loans to be offered for sale at the Loan Sale.

2. Purchaser is a bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended (the “Act”)); savings and loan association or other institution (as defined in Section 3(a)(5)(A) of the Act); insurance company (as defined in Section 2 (13) of the Act); investment company registered under or business development company as defined in the Investment Company Act of 1940, as amended; Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Company Act of 1958, as amended; or a broker or dealer registered under Section 15 of the Securities Exchange Act of 1934 as amended.
3. Purchaser is a trust with total assets in excess of \$5,000,000 not formed for the specific purpose of acquiring the Mortgage Loans to be offered for sale at the Loan Sale, whose investment decisions are directed by a person who has such knowledge and experience in financial and business matters that he or she is capable of evaluating the merits and risks of purchasing the Mortgage Loans offered for sale at the Loan Sale.
4. Purchaser is a business entity, all of whose equity owners are either entities that are “accredited investors” as defined in Rule 501 of the Act or individuals who (i) have a net worth, or joint net worth with his or her spouse, in excess of \$1,000,000, or (ii) had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person’s spouse in excess of \$300,000 in each of those years, and has a reasonable expectation of reaching the same level of income in the current year.
5. Purchaser is an individual (i) whose individual net worth, or joint net worth with his or her spouse, currently exceeds, and at the time of purchase of the Mortgage Loans will exceed, \$1,000,000, or (ii) who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person’s spouse in excess of \$300,000 in each of those years, and has a reasonable expectation of reaching the same level of income in the current year.
6. Purchaser either (i) is in the business of buying, originating or selling some or all of the types of mortgage loans being offered for sale in this Loan Sale or (ii) otherwise deals in the ordinary course of Purchaser’s business in assets identical or similar to the types of mortgage loans being offered for sale in this Loan Sale.
7. Purchaser is a mortgagor, or healthcare operator with respect to any HUD insured or subsidized mortgage loans (excluding the Mortgage Loan being offered in the Loan Sale). **(If checking only this box, Purchaser must meet the requirements in Paragraphs A-L, inclusive, below to be qualified to bid).**
8. Purchaser is a shareholder, a limited partner or a non-managing member (including tax credit investors) with respect to the Mortgage Loan being offered in the Loan

Sale. Purchaser certifies that Purchaser has the requisite knowledge and experience with respect to such Mortgage Loan and the property securing the Mortgage Loan to enable Purchaser to evaluate the merits and risks of a purchase of and to make an informed decision with respect to the Mortgage Loan. **(If checking only this box, Purchaser must meet the requirements in Paragraphs A-I and L-N, inclusive, to be qualified to bid).**

<u>FHA Project No.</u>	<u>Project Name</u>
_____	_____
_____	_____
_____	_____

By executing this Qualification Statement, Purchaser certifies, represents and warrants to HUD that EACH of the following statements A through and including N is true and correct as to such Purchaser:

- A. Purchaser is a sophisticated person or entity and, without limiting the foregoing, has such knowledge and experience in the origination, sale and/or purchase of performing and non-performing or distressed loans, including, without limitation, loans secured by real estate, as well as knowledge and experience, by itself or with its advisers, in other financial and business matters, as to enable Purchaser to utilize the information available in connection with the Loan Sale to evaluate the merits and risks of a prospective acquisition and ownership of the Mortgage Loans and to make an informed decision with respect thereto.

- B. Purchaser acknowledges, understands and is able to bear the economic risks associated with the acquisition and ownership of the Mortgage Loans, including, without limitation, the risk of a total loss of Purchaser's purchase price for and other costs and expenses and losses as might be incurred in connection with the Mortgage Loans and/or the risk that Purchaser may be required to hold the Mortgage Loans for an indefinite period of time.

- C. Purchaser acknowledges and agrees that, whether or not it chooses to review any information made available to it regarding the Mortgage Loans being offered for sale at the Loan Sale, Purchaser has the ability and shall be responsible for making its own independent investigation and evaluation of the Mortgage Loans and the economic, credit or other risks involved in a purchase of the Mortgage Loans, including, without limitation, the ability to resell or otherwise liquidate any of the Mortgage Loans purchased at the Loan Sale.

- D. Purchaser is bidding for and will purchase the Mortgage Loans for its own account and not for or with a view toward resale (in whole or in part) in a “distribution” within the meaning of the Act, and Purchaser’s ownership and intended use and disposition of the Mortgage Loans will comply fully with all applicable federal and state laws, regulations and requirements, including, without limitation, any and all laws and/or restrictions imposed on resale of the Mortgage Loans by federal and state securities or Blue Sky laws, rules, regulations or requirements.
- E. Purchaser represents and warrants that it will not cause or allow any interest it acquires in any Mortgage Loan, or any interest it may ultimately acquire in the project secured by the Mortgage Loan, to be resold or assigned, in whole or in part, by real interest or beneficial interest, to any individual or entity who is (i) a mortgagor, including their principals, affiliates, and assigns, with respect to the Mortgage Loan being offered in the Loan Sale; (ii) an FHA-approved mortgagee, including any principals, affiliates, or assigns thereof, that has received FHA insurance benefits directly or indirectly for the same Mortgage Loan being offered in the Loan Sale; (iii) an FHA-approved mortgagee and/or loan servicer, including any principals, affiliates, or assigns thereof, that originated the Mortgage Loan being offered in the Loan Sale *if* the Mortgage Loan defaulted within two years of origination and resulted in the payment of an FHA insurance claim; (iv) an Active Shareholder, or a healthcare operator, including their principals, affiliates, assigns, and family member(s), with respect to the Mortgage Loan being offered in the Loan Sale. For the purposes of this document, Active Shareholder means any individual shareholder, or any entity that is comprised of a shareholder(s), with respect to a Mortgage Loan or the project securing such Mortgage Loan, provided such shareholder(s) had an investment in the Mortgage Loan or the project securing such Mortgage Loan being offered for sale in this Loan Sale within the two year period prior to and up through the date of the Loan Sale, and whose investment is more than 1 percent (1%) individually, or more than ten percent (10%) collectively; (v) a mortgagor or a healthcare operator, including their principals, affiliates, and assigns, with respect to any HUD insured or subsidized mortgage loan (excluding the Mortgage Loan being offered in the Loan Sale) *unless* the requirements of provisions K and L herein have been met; (vi) a shareholder whose investment in the Mortgage Loan or the project securing the Mortgage Loan provided such shareholder’s investment was one percent (1%) or less within the two year period prior to and up through the date of the Loan Sale, limited partner or non-managing member (including tax credit investors), *unless* the requirements of provision N herein have been met; or (vii) any other entity or individual that is excluded from bidding in provision G below; and (viii) Purchaser represents and warrants that it will cause any subsequent purchaser, assign, owner (including any beneficial interest owner) to adhere to this paragraph E for a term of not less than five (5) years from the date the sale of the Mortgage Loan closes.

- F. Purchaser acknowledges and agrees that (i) the proposed sale of the Mortgage Loans in the Loan Sale does not involve, nor is it intended in any way to constitute, the sale of a “security” within the meaning of the Act or any applicable federal or state securities laws, (ii) no inference as to whether the Mortgage Loans are or are not “securities” under such federal or state securities laws shall be drawn from any of the certifications, representations or warranties made by Purchaser in this Qualification Statement for purposes of qualifying Purchaser as a “qualified bidder” at the Loan Sale, (iii) it is not contemplated that any filing will be made with the Securities and Exchange Commission or pursuant to the Blue Sky or securities laws of any jurisdiction, and (iv) if the Mortgage Loans are securities, they may not be resold or otherwise transferred by Purchaser except in accordance with any and all applicable securities and Blue Sky laws.
- G. Purchaser represents and warrants that it is not: (i) a mortgagor, including its principals, affiliates, family members, and assigns, with respect to the Mortgage Loans being offered in the Loan Sale; (ii) a mortgagor, including its principals, affiliates, family members, and assigns, with respect to any HUD insured or subsidized mortgage loan (excluding the Mortgage Loans being offered in the Loan Sale) who is in violation, default, or noncompliance with any HUD mortgage, regulatory or business agreement that cannot satisfy the requirements of provisions K and L herein; (iii) an individual or entity that is debarred, suspended, or excluded from doing business with HUD pursuant to Title 2 of the Code of Federal Regulations, Part 2424; (iv) a contractor, subcontractor and/or consultant or advisor (including any agent, employee, partner, director, principal or affiliate of any of the foregoing) who performed services for, or on behalf of, HUD in connection with the Loan Sale; (v) an FHA-approved mortgagee, including any principals, affiliates, or assigns thereof, that has received FHA insurance benefits for the Mortgage Loans being offered in the Loan Sale; (vi) an FHA-approved mortgagee and/or loan servicer, including any principals, affiliates, or assigns thereof, that originated the Mortgage Loans being offered in the Loan Sale *if* the Mortgage Loan(s) defaulted within two years of origination and resulted in the payment of an FHA insurance claim; (vii) a healthcare operator with respect to the Mortgage Loans being offered in the Loan Sale, including its principals, affiliates, assigns, or member(s) of such individuals’ family and its Related Party; (viii) an employee of HUD, a member of such employee’s household, or an entity owned or controlled by any such employee or member of such an employee’s family; (ix) a limited partner or non-managing member (including tax credit investors), including any of its principals, affiliates, assigns, or member(s) of such individual(s)’s family, with respect to the Mortgage Loans being offered for sale in the Loan Sale that cannot satisfy the requirements of provisions A-I and L-N, inclusive; (x) an Active Shareholder, or a healthcare operator, including their principals, affiliates, assigns, and family member(s), with respect to the Mortgage Loans being offered in the Loan Sale or (xi) an individual or entity that uses the services, directly or indirectly, of any person or entity

ineligible under subsections (i) through (x) above to assist in preparing its bid on the Mortgage Loans.

In addition, (xii) Purchaser represents and warrants that (i) within the two-year period prior to October 1, 2021, it has not, and it is not an affiliate, principal or employee of any person or entity that, within such two-year period, serviced any of the Mortgage Loans or performed other services for or on behalf of HUD with respect to any of the Mortgage Loans, (ii) within the two year period prior to October 1, 2021, it was not a contractor or subcontractor to and it did not otherwise have access to information concerning the Mortgage Loans or provide services to any person or entity which, within such two-year period, had access to information with respect to the Mortgage Loans, and (iii) no employee, officer, director or any other person that provides or will provide services to Purchaser with respect to such Mortgage Loans during any warranty period established for the Loan Sale, within the two-year period prior to October 1, 2021, (x) serviced any of the Mortgage Loans or performed other services for or on behalf of HUD with respect to any of the Mortgage Loans or (y) had access to information concerning the Mortgage Loans or provided services to any person or entity which, within such two-year period, serviced, performed services for HUD or otherwise had access to information with respect to the Mortgage Loans.

If Purchaser satisfies any of the criteria identified in subsections (i)-(xii) above, Purchaser is ineligible to bid in the Loan Sale.

- H. Purchaser acknowledges and agrees that HUD has the right to request additional or updated information at any time, including, without limitation, financial statements, bank references, corporate brochures, experience resume, etc., and/or confirmation of the representations, warranties and certifications made herein, and, in its sole discretion, to refuse to qualify any prospective bidder who, in HUD's sole judgment, does not have the requisite financial capability to complete the purchase of the Mortgage Loans and/or knowledge and experience to enable such prospective bidder to evaluate the merits and risks of purchasing and to make an informed decision with respect to the purchase of the Mortgage Loans to be offered for sale at the Loan Sale. The undersigned further understands that this Qualification Statement is being furnished to permit HUD to qualify Purchaser and, in connection therewith, Purchaser authorizes HUD and its agents to conduct credit investigations of Purchaser and all principals of Purchaser through appropriate third-party reporting agencies.
- I. Purchaser represents and warrants that, if it is an entity, it has full authority to deliver this Qualification Statement and that the individual executing this Qualification Statement has full authority to do so on behalf of the undersigned and all principals thereof, and that, to the best of such undersigned's knowledge, all information provided herein is true, complete and correct.

- J. If Purchaser is a mortgagor or a healthcare operator with respect to any HUD insured or subsidized mortgage loans (excluding the Mortgage Loans being offered in the Loan Sale), Purchaser has identified such Mortgage Loans under Number 7 above.
- K. If Purchaser is a mortgagor or a healthcare operator with respect to any HUD insured or subsidized mortgage loans (excluding the Mortgage Loans being offered in the Loan Sale), before executing this Qualification Statement, Purchaser has submitted to HUD, in accordance with HUD's regulations and the regulatory agreements relating to the projects securing such Mortgage Loans, the annual audited financial statements for each such project for fiscal years 2018 – 2020. If any of the 2018 – 2020 audited financial statements for a project securing a Mortgage Loan have not already been submitted to HUD, Purchaser must meet the requirement for electronic submission of the audited financial statements and HUD must receive the completed Qualification Statement on or before October 1, 2021. **If HUD did not receive the required financial statements by October 1, 2021, Purchaser will be ineligible to bid in the Loan Sale.** Purchaser agrees to provide any additional information relating to such a Mortgage Loan or project as HUD may reasonably request in connection with the Loan Sale.
- L. If Purchaser or any Related Party, as defined below, is a mortgagor in any of HUD's multifamily housing programs or a mortgagor or operator in any of HUD's healthcare programs (excluding the Mortgage Loans being offered in the Loan Sale) and Purchaser is not otherwise disqualified under paragraph G above, Purchaser represents and warrants that: (i) neither Purchaser nor any Related Party is in default (whether monetary or nonmonetary) under any HUD loan, and neither Purchaser nor any Related Party has been notified by HUD that it is in violation of, or not in compliance with, any regulatory or business agreements with HUD; or (ii) if such a default or violation exists, Purchaser shall cure such default or violation on or before October 1, 2021. Curing any nonmonetary default means specific performance in accordance with instructions provided by HUD. Curing any monetary default includes repaying HUD for any monetary amounts that may have been advanced by HUD or by an FHA approved mortgagee or servicer that subsequently received FHA insurance benefits with respect to the Mortgage Loan. **If Purchaser does not cure such default or violation on or before October 1, 2021, Purchaser will be ineligible to bid in the Loan Sale.**

In addition, Purchaser represents and warrants that neither Purchaser nor any Related Party is flagged in HUD's Active Partners Performance System (APPS),

If Purchaser or any Related Party is in default under any HUD loan, in violation of any HUD regulatory or business agreement, or is flagged in APPS, **please check the following line** _____ and on an attachment submitted with this Qualification Statement either (A) indicate the FHA loan number, the name of the project, the

name of the mortgagor, and the nature of the default, violation, or flag; or (B) provide a complete listing or organizational chart of any known Related Party or affiliates. HUD will undertake a review, to determine whether Purchaser or any Related Party is in default under or has violated any HUD loan, HUD regulatory agreement or other HUD business agreement, or has been flagged by HUD in APPS. HUD reserves the right, in its sole and absolute discretion, to refuse to qualify a prospective bidder if the Purchaser or any Related Party is in default under any HUD loan, in violation of any HUD regulatory or business agreement, or is flagged in APPS prospective bidder shall be final and not subject to appeal. **Subject to paragraph G above, if Purchaser does not cure (or cause to be cured) such violation on or before October 1, 2021, Purchaser will be ineligible to bid in the Loan Sale.**

For purposes of this Qualification Statement, Related Party shall include any principal of Purchaser, any affiliate of Purchaser, and any principal of any affiliate of Purchaser. An affiliate is any party that controls, is controlled by, or is under common control with Purchaser. A principal in a partnership is any general partner, or a limited partner with a 25% or greater equity or ownership interest. A principal in a corporation is any officer or director, and any stockholder with a 10% or greater equity or ownership interest. A principal in a limited liability company is any manager, officer or director, and any owner with a 10% or greater equity interest. Purchaser represents and warrants that each Related Party that is a mortgagor in a HUD multifamily housing program or a mortgagor or operator in a HUD healthcare program is identified on an attachment submitted with this Qualification Statement.

- M. If Purchaser is a shareholder, a limited partner or non-managing member (including tax credit investors) with respect to a Mortgage Loan being offered in the Loan Sale, Purchaser has checked Number 8 above.
- N. Notwithstanding the definition of Related Party above, if Purchaser checked Number 8 under Part II above, with respect to a Mortgage Loan, Purchaser represents and warrants that: (i) Purchaser, or any Related Party, is not an Active Shareholder as defined in paragraph E above; (ii) prior to the loan becoming a HUD-held asset, Purchaser's and any of its Related Party's involvement in the property securing the Mortgage Loan was solely financial; and (iii) Purchaser and any Related Party did not participate directly or indirectly in the ongoing management of the property (or properties) securing the Mortgage Loan.

HUD and the Purchaser agree that this Qualification Statement may be electronically signed pursuant to applicable laws governing electronic transactions, including, without limitation, the Electronic Signatures in Global and National Commerce Act (E-SIGN) (15 U.S.C. 7001 et seq.), and the Uniform Electronic Transactions Act (UETA). Purchaser acknowledges and agrees that the electronic signature appearing on this Qualification Statement is equivalent to a handwritten

signature for purposes of validity and enforceability. If Purchaser executes this Qualification Statement via electronic signature, such party represents and warrants that:

(i) Purchaser has controls in place to ensure compliance with applicable laws governing electronic transactions, including, without limitation, the E-SIGN Act and UETA, and electronic records, retained by Purchaser will be stored to prevent unauthorized access to or unauthorized alteration of the electronic signature and associated records;

(ii) Purchaser's creation and maintenance of its electronic signature, and storage of its copy of the fully executed Qualification Statement, will be in compliance with applicable laws governing electronic transactions to ensure admissibility of such electronic signature and related electronic records in a legal proceeding;

(iii) Purchaser has controls and systems in place to provide necessary information, including, but not limited to, Purchaser's business practices and methods, for record keeping and audit trails, including audit trails regarding such party's electronic signature to this Qualification Statement.

Purchaser understands that the above certifications, representations, and warranties are made for the purpose of qualifying Purchaser as a "qualified bidder" at the Loan Sale. Purchaser also agrees to update this Qualification Statement submission if any material changes occur that in any way alters the information and responses provided herein, between the execution date of this Qualification Statement and the date that Purchaser's deposit is returned or the date that the sale of the Mortgage Loan closes, whichever occurs first. Purchaser hereby represents that the above certifications, representations, and warranties are true and correct in all respects as of the time they are made and as of the time Purchaser purchases any of the Mortgage Loans offered for sale at the Loan Sale and understands that HUD is relying upon the truthfulness and correctness of such statements.

Dated: _____, 2021

PURCHASER: _____
(Print Name – must match Entity Name on
Confidentiality Agreement)

By: _____
(signature)

Print Name: _____

Print Title: _____

MHLS 2022-1
Preliminary Loan Portfolio as of August 20, 2021
(Information subject to change)

Property Type	City	State	Lien Position	Total Units	UPB
Multifamily	Columbia	SC	1st	200	\$ 4,952,719
Multifamily	Augusta	GA	1st	95	\$ 580,962
Multifamily	Augusta	GA	2nd	0	\$ 969,964
Multifamily	Augusta	GA	3rd	0	\$ 329,233
Multifamily	Anchorage	AK	1st	100	\$ 6,899,923
Healthcare	Bethel Park	PA	1st	22	\$ 2,691,061
Healthcare	Maple Heights	OH	1st	54	\$ 1,087,924
Healthcare	Columbia	SC	1st	24	\$ 1,589,967
Healthcare	Rock Island	IL	1st	80	\$ 11,279,239
Healthcare	Evansville	IN	1st	85	\$ 7,293,988
Healthcare	Mesa	AZ	1st	77	\$ 4,660,858

Property Type	Asset Count	State Count	Units	UPB
Multifamily	5	3	395	\$ 13,732,802
Healthcare	<u>6</u>	6	<u>342</u>	<u>\$ 28,603,038</u>
Total	11		737	\$ 42,335,839