

RIDER OF
EQUITY PARTICIPATION

The Deed shall contain the following provision:

1. If Grantee (which includes, without limitation, any/all successors, assigns or transferee of Grantee) sells, assigns, transfers or conveys the Property or any interest therein, and/or any interest in the ownership entities that comprise the Grantee, directly or indirectly (collectively, a "Sale"), the Sale proceeds, less any expenses incurred by the Grantee, as approved by HUD and which are not funded by a grant, consisting of:

- Reasonable transaction costs;
- Purchase price;
- Amounts paid previously by Grantee to HUD under paragraph 2 of this provision subsequent to the transfer of the Property from HUD to Grantee;
- Costs of renovation and rehabilitation, including any funded by Low Income Tax Credits (less developer fees), that are not routine maintenance and repairs

shall be assigned to HUD in the following amounts:

- (a) between the date of the Deed and five (5) years from the date of the Deed, one hundred (100%) percent; **and**
 - (b) between five (5) years, one (1) day and fifteen (15) years from the date of the Deed, seventy-five percent (75%); **and**
 - (c) between fifteen (15) years, one (1) day and twenty-five (25) years from the date of the Deed, fifty percent (50%); **and**
 - (d) between twenty-five (25) years, one (1) day and thirty (30) years from the date of the Deed, twenty-five percent (25%); **and**
 - (e) over thirty years, zero percent (0%).
2. Grantee (which includes, without limitation, any/all successors, assigns or transferee of Grantee), shall not refinance the Property or any interest therein, or encumber or refinance any interest in the ownership entities that comprise Grantee, directly or indirectly, including without limitation the placement of any debt secured by the Property (a "Refinancing"), without the written consent of HUD. HUD may condition such consent on, among other things, the proceeds from the Refinancing being paid to HUD in the manner provided in Section 1, (a) - (e) above, less expenses incurred by Grantee consisting of:
 - Reasonable transaction costs;
 - Mortgage debt paid off by the Refinancing;
 - Amounts paid previously by Grantee to HUD under paragraph 2 of this provision subsequent to the transfer of the Property from HUD to Grantee;
 - Costs of renovation and rehabilitation, including any funded by Low Income Tax Credits (less developer fees), that are not routine maintenance and repairs.
 3. Grantee shall keep or cause to be kept, accurate records of account of any Sale or Refinancing and of the cost of renovation and rehabilitation. HUD, its agents or contractors, during Grantee's normal working hours, shall have the right to enter and have free access to inspect all books and records of Grantee. Upon the written request of HUD, Grantee shall retain an

independent certified public accountant to prepare an accounting of any Sale, Refinancing, or cost of renovation or rehabilitation.

4. A merger, conversion, share exchange, interest exchange of corporate or partnership interest in the entity owning the Property is also a Sale and requires the approval of HUD and shall be subject to the provision of the above paragraph 1.
5. 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 transaction does not constitute or involve the occurrence of a “transfer” or “assignment” of a real estate interest or other assets of a constituent party to any such transaction.

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

Grantee_____

HUD_____

RIDER OF
EQUITY PARTICIPATION FOR HOMEOWNERSHIP PURCHASERS
(As Set Forth in Redevelopment Plan)

The Deed shall contain the following provision:

1. Grantee plans to sell Homeownership Units at the Property to Qualified Homebuyers in accordance with the Redevelopment Plan. If Grantee has sold a Homeownership Unit to a Qualified Homebuyer, the provisions below apply.
2. Grantee shall keep or cause to be kept, accurate records of account of the initial sale of each Homeownership Unit. HUD, during normal working hours of Grantee, shall have the right to enter and have free access to inspect all books and records of Grantee related to the initial sale of each Homeownership Unit. Upon the written request of HUD, but not more than annually, Grantee shall retain an independent certified public accountant to prepare an accounting of initial sales of Homeownership Units.
3. "Purchaser Sale Proceeds" are all amounts paid or obligations assumed by the Qualified Homebuyer of a Homeownership Unit, except:
 - (a) reasonable transaction costs;
 - (b) Purchase Price; and
 - (c) improvement, renovation, and rehabilitation expenses, excluding routine maintenance and repairs.
4. If a Qualified Homebuyer sells, assigns, or voluntarily transfers or conveys the Homeownership Unit within the first ten (10) years of ownership, a percentage of the Purchaser Sales Proceeds shall be paid to Grantee, starting in the first year of ownership at one hundred percent (100%) and decreasing by ten percent (10%) for each year of the first ten years of ownership. At the start of the eleventh (11th) year, the Qualified Homebuyer may retain one hundred percent (100%) of the Purchaser Sales Proceeds. However, in order to qualify for retention of any portion of the Purchaser Sale Proceeds, the Homeownership Unit must have been the primary residence of the Qualified Homebuyer for the first five years after the Qualified Homebuyer acquired the unit.
5. For ten (10) years after the initial purchase of a Homeownership Unit, a Qualified Homebuyer, its successors, assigns or grantees for value, shall obtain written approval from Grantee prior to refinancing the Homeownership Unit, including placing new indebtedness secured by the Homeownership Unit. After obtaining written approval from Grantee, the Qualified Homebuyer, successors, assigns or grantees for value, may retain the proceeds from the refinancing ("Purchaser Refinancing Proceeds") so long as the Purchaser Refinancing Proceeds are to be used for certain approved expenses ("Approved Expenses"). Approved Expenses are expenses which have been approved by Grantee for: i) property improvements; ii) education; and iii) medical reasons of a serious nature.
6. The amount of the Purchaser Refinancing Proceeds shall not exceed the Qualified Homebuyer's equity in the Homeownership Unit. The amount of the Qualified Homebuyer's equity for ten (10) years from the date of purchase of the Homeownership Unit shall be calculated as the difference between the value of the Homeownership Unit (as subject to restrictions under this provision) and the refinanced debt secured by the Homeownership

Unit (“Equity”). The Purchaser Refinancing Proceeds that the Qualified Homebuyer may retain shall begin at 0% and increase each year by ten percent (10%) of the Equity and shall be one hundred percent (100%) at the start of the 11th year.

7. The Qualified Homebuyer, its successors, assigns or grantees for value shall not use the Purchaser Refinancing Proceeds for any purpose other than for Approved Expenses without receiving approval from HUD. If, during the ten (10) years after its initial purchase, a Qualified Homebuyer, its successors, assigns or grantees for value, refinances its Homeownership Unit without written approval by Grantee or HUD, as applicable, then the proceeds from the Refinancing, less any expenses incurred by the Qualified Homebuyer consisting of: i) reasonable transaction costs; ii) mortgage debt paid off in connection with the Refinancing; iii) costs paid by the Qualified Homebuyer, as approved by Grantee, related to improvements, renovation and rehabilitation other than for routine maintenance and repairs, and iv) amounts previously paid by the Qualified Homebuyer to Grantee under this paragraph 7 shall be paid to Grantee in the manner provided in paragraph 4, above.
8. In the event of death of a Qualified Homebuyer and transfer of title of a Homeownership Unit, or an interest in the Homeownership Unit, to an heir and/or devisee who is determined to be a Qualified Homebuyer, such heir and/or devisee shall assume all obligations of the Qualified Homebuyer, and no payment to Grantee shall be due. If the heir and/or devisee does not meet the qualifications of a Qualified Homebuyer:
 - (a) the heir and/or devisee shall transfer the Homeownership Unit to a Qualified Homebuyer within one hundred and eighty (180) days of acquiring title, with such person assuming all obligations of the Qualified Homebuyer. No payment shall be due to Grantee as a result of the transfer; or
 - (b) the transfer shall be treated as a Sale and the heir and/or devisee shall pay the appropriate percentage of Purchaser Sale Proceeds, as set forth in paragraphs 3 and 4 above, based on the fair market value of the Homeownership Unit at the time of death of the Qualified Homebuyer.

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

Grantee _____

HUD _____