

ASBESTOS HAZARDS

The Deed shall include the following provisions:

- (1) Purchaser agrees to indemnify, defend, and hold HUD harmless from any liability arising by reason of Purchaser's failure to perform Purchaser's obligations under this Deed with respect to the elimination of asbestos health hazards, the prohibition against the use of asbestos and Purchaser's responsibility for complying with applicable State and local asbestos laws and regulations.
- (2) If temporary or permanent relocation is necessary because of such rehabilitation, Purchaser covenants that it will comply with Section 203(j) of the Housing and Community Development Amendments of 1978, as amended, 12 USC §1701z-11(j), and the regulations thereunder, 24 CFR §290.17 as explained in paragraphs 3 through 5 below. Additionally, the Purchaser covenants that it will comply with the Uniform Relocation Assistance and Real Project Acquisition Policies Act of 1970, as amended, 42 USC §4601, and the regulations thereunder, 49 CFR Part 24, when Project-based Section 8 assistance is provided by the Seller. The Purchaser is responsible for ensuring compliance with the Act and Regulations, notwithstanding any contractual obligations with third parties to comply with the Act and Regulations. Purchaser covenants that it will provide advance written notice of the expected displacement. The notice shall be provided as soon as feasible, describe the assistance and the procedures for obtaining the assistance, and contain the name, address and phone number of an official responsible for providing the assistance.
- (3) If temporary relocation is necessary because of such rehabilitation, Purchaser covenants that it will provide assistance to tenants in locating a decent, safe and sanitary dwelling/housing unit which, to the extent feasible, shall be in a location not generally less desirable than the Project, and reimburse tenants for:
  - (a) Expenses of moving and any net increase in monthly housing cost (rent and reasonable utility costs) during the temporary displacement period.
  - (b) Expenses of returning to a repaired unit in the Project.
- (4) If permanent relocation is necessary because of such

rehabilitation, Purchaser covenants that it will provide assistance, as described below, to tenants, as may be appropriate:

- (a) Advisory services necessary to locate decent, safe and sanitary and affordable replacement housing which, to the extent feasible, shall be in a location not generally less desirable than the Project.
  - (b) Reimbursement for reasonable moving expenses, which need not exceed an amount determined by the Secretary to be reasonable considering the size of the household and the circumstances surrounding the move.
- (5) The Purchaser covenants not to increase the rent for any unit until such unit meets all the rehabilitation requirements. In addition, rent for units to be covered by a Housing Assistance Payments Contract may be increased only pursuant to and following execution of such Contract.
- (6) If Purchaser fails to comply with (1), above, and no extension by written agreement has been granted by the Secretary, the Secretary and his successors in office shall be entitled to:
- (a) Cash Purchaser's LOC(s) and apply the funds to perform or correct such work, or for such purposes as HUD deems appropriate, or
  - (b) Request payment or performance under any payment and/or performance bonds as described in the Post Closing Repair Escrow Requirements Rider.
  - (c) Apply the cash escrow funds to complete the repairs, correct latent defects in the completed repairs or retain the funds as liquidated damages.
  - (d) Record the No Warranty Deed and take title to the property for purposes the Secretary deems appropriate.
- (7) Notwithstanding 6(a) through (d) above, the Secretary will not exercise those remedies, if any lender holding a lien or security interest on the Project:
- (a) Gives written notice to HUD within the period provided for repairs, that it intends to complete the repairs, and

(b) Completes such repairs within 30 days of the notice or within such longer period(s) that HUD may approve in writing.

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

PURCHASER \_\_\_\_\_

SECRETARY OF HOUSING AND URBAN DEVELOPMENT \_\_\_\_\_