

CONVEYANCE TO NON-PUBLIC ENTITY

The Deed shall include the following provisions:

The Purchaser covenants that the Property shall not be conveyed to a non-public entity except through a public disposition process consistent with the disposition procedures of the unit of general local government.

Prior to conveyance of the Property the Transferee must be approved by HUD under HUD's Previous Participation Certification procedure.

The Purchaser is required to review the experience, qualifications and capacity of the Purchaser to own the property. At a minimum, the Purchaser's review and approval process must consist of the following:

Previous Participation Certification - Review of Purchaser's Previous Participation under HUD's Active Partners Performance System (APPS). The Purchaser has the option to file the required Previous Participation Certification (aka Form HUD-2530) in electronic or paper format. The paper format can be located and downloaded at:

<http://www.hud.gov/offices/adm/hudclips/forms/files/2530.doc>

Instructions on registering in the APPS and HUD's Secure System (electronic version) can be found at:

<http://www.hud.gov/offices/hsg/mfh/apps/appsmfhm.cfm>

Certification of Substantial Compliance - The Purchaser must provide certification that any other properties that are owned by the Purchaser 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.

Property Management - The Purchaser must identify the proposed management entity and describe the management entity's qualifications and experience in managing similar types of properties. If the Purchaser proposes to self-manage the property, the Purchaser should provide a narrative describing the Purchaser's qualifications and experience in managing similar types of properties.

Written Statement of Experience - The Purchaser must submit a written statement demonstrating generally five (5) years of experience in successfully owning and managing properties similar to the property being acquired. The statement shall provide the following information for all similar properties to the property being conveyed, not to exceed three (3) specific examples. The written statement should not exceed five (5) pages per property and should address the following.

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

For the Property being sold, provide the following documentation:

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

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 _____