

RIDER 8 OF 11

EQUITY PARTICIPATION
(Other than Homeownership)

The Deed shall include the following provisions:

- (1) Definitions. As used in paragraphs 2 through 6 herein, the term:

"Purchaser" or "Purchaser" shall mean the Purchaser or Purchaser (as defined in section 1 of this Contract of Sale) or any of its successors, assigns or purchasers for value;

"Sale" shall mean an event when the Purchaser (Purchaser) sells, refinances, assigns, transfers or conveys the Property or any portion thereof, other than (1) for homeownership in accordance with this Contract of Sale, (2) to finance the cost of improvements or repairs to the Property in amounts approved by Seller, or (3) to finance the renovation or new construction of rental units (including with tax credits, and whether for families, elderly or special populations) through conveyance to an "Owner Entity" that includes the Purchaser (Purchaser) (or an affiliate of the Purchaser (Purchaser)) as having a general partner interest or member interest in such Owner Entity; and

"Refinancing" shall include, without limitation, the placement of any indebtedness secured by the Property.

- (2) If Purchaser conducts a Sale, then the Sale proceeds, less any expenses incurred by the Purchaser, as approved by Seller, consisting of: (1) reasonable transaction costs; (2) purchase price paid by the Purchaser for the Property; (3) amounts previously paid by the Purchaser to the Seller under paragraph 3 herein or (4) other of Purchaser's costs (whether paid or incurred but not paid) related to construction of improvements, or renovation and rehabilitation, but not including (i) costs of routine maintenance and repairs, or (ii) costs funded by grants provided by the Seller; shall be assigned to the Seller in the following amounts:

- (a) between the date of this Deed and fifteen years from the date of the Deed, one hundred (100) percent;

- (b) between fifteen years, one day and twenty years from the date of this Deed, seventy-five (75) percent;
 - (c) between twenty years, one day and thirty years from the date of this Deed, fifty (50) percent; and
 - (d) over thirty years from the date of this Deed, zero (0) (this rider no longer applies).
- (3) If the Purchaser completes a Refinancing without approval in writing from Seller, the proceeds from the Refinancing, less any expenses incurred by the Purchaser consisting of: (1) reasonable transaction costs; (2) any mortgage debt paid off in connection with the Refinancing; (3) costs paid or incurred by Purchaser, as approved by Seller, related to the construction of improvements, renovation and rehabilitation, but not including (i) costs of routine maintenance and repairs, or (ii) costs funded by grants provided by the Seller; or (4) amounts previously paid by Purchaser to Seller under this paragraph 3; shall be paid to the Seller in the manner provided in subparagraphs 2(a) to 2(d) above.
- (4) The Purchaser shall keep or cause to be kept, accurate records of account of any Sale or Refinancing, and of the cost of the construction of improvements or renovation and rehabilitation. The Seller, during normal working hours, shall have the right to enter and have free access to inspect all books and records of the Purchaser related to the Property. Upon the written request of the Seller, but not more than annually, the Purchaser shall retain an independent certified public accountant who shall prepare an accounting of any Sale or Refinancing or of the cost of renovation or rehabilitation under the Redevelopment Plan.
- (5) The Seller reserves the right to approve future conveyances of the Property, require conveyance by competitive procedures and to obtain an independent third party assessment of value from a licensed appraiser in order to determine that (1) proceeds derived from any Refinancing, or that (2) any Sale or other transaction conveying ownership of the Property, accurately reflects market value for the specified use of the Property at the time of conveyance. This paragraph (5) shall not apply to: sales of individual homeownership units, the conveyance of any common areas or property to a homeowners' association or a similar common ownership entity, the grant of any utility easements or

other necessary public easements, the dedication of public streets, alleys, ways, and curbs required as part of the redevelopment, the financing of improvements as approved by the Seller if the Property is not developed for homeownership, or the leasing of any of the Property for ancillary activities undertaken to provide community services.

- (6) With respect to any transfer of the property to which Section 42(i)(7) of the Internal Revenue Code is applicable, no funds except for those funds in excess of the minimum purchase price as defined in said Section, less the amount allowed as deductions in paragraph (2) of this Rider shall be payable to HUD.

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 _____