

**AFFORDABLE HOUSING RESTRICTIVE COVENANT
AND AGREEMENT**

This Affordable Housing Restrictive Covenant and Agreement (the “**Covenant**”) dated this _____ day of _____, 200____, is entered into between The Housing Partnership (“**THP**”), a nonprofit corporation, with an address of 1555 Islington Street, Portsmouth, NH 03801-4215 and _____ and _____, (the “**Owner**”) of the property known as _____, _____, _____. This Covenant applies to the real property and the building constructed on the property (the “**Home**”), described on **Exhibit A** attached hereto.

WHEREAS, _____ (the “**Developer**”), [*in partnership with THP*] will be constructing or has constructed homes in a new subdivision named _____, according to the final subdivision plan dated _____ and recorded in the _____ Registry of Deeds as Plan No. _____ (the “**Development**”);

WHEREAS, as a condition of the City [or *Town*] of _____ (the “**City**”) approving the Development under its [*affordable housing zoning ordinance*] adopted in accordance with RSA 674:16 and RSA 674:21, the City has required a certain percentage of the homes within the Development be maintained as affordable housing;

[WHEREAS, as a condition of THP endorsing the Development and/or partnering with the Developer, THP has required a certain percentage of the homes within the Development be maintained as affordable housing, consistent with THP’s charitable purposes, which includes “the development and preservation of affordable housing for low and moderate income people in the Greater Seacoast region of New Hampshire and Maine”];

WHEREAS, this Covenant is designed to satisfy the conditions of the City [or *THP*] by requiring that the Home be maintained [*in perpetuity*] or [*for a term of ___ years*] as affordable housing;

WHEREAS, this Covenant shall apply to and be enforceable against all current and future owners of the Home, and shall restrict the sale, resale, rental, mortgaging and use of the Home [*in perpetuity*] or [*for a term of ___ years*];

WHEREAS the Owner recognizes the special nature of the terms and conditions of this Covenant and, with the independent and informed advice of legal counsel, freely accepts the terms and conditions of this Covenant, including, without limitation, the terms and conditions that affect the marketability and the resale price of the Home; and

WHEREAS, THP, as designated agent for the City [or *THP or its designated agent or successor*], shall have responsibility for monitoring and enforcing this Covenant in compliance with the City’s requirements for permanent affordability [*or in furtherance of THP’s charitable mission*].

THEREFORE, in consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1 DEFINITIONS

The following terms shall have the following meanings for purposes of this Covenant:

- 1.1 “**Area Median Income**” or “**AMI**” means the current Area Median Income for single persons and households of various sizes established by the United States Department of Housing and Urban Development (HUD) or by any successor United States Government department, agency, or instrumentality, for the metropolitan statistical area which includes the City of

_____, New Hampshire.

- 1.2 “**City**” has the meaning set forth in the above recitals.
- 1.3 “**Closing**” means the transfer of title of the Home to THP in accordance with **Section 2.4(A)**.
- 1.4 “**Compliance Certificate**” means the certificate issued by THP verifying the facts in accordance with **Section 2.3**.
- 1.5 “**Covenant**” has the meaning set forth in the above recitals.
- 1.6 “**Current Appraised Value**” means the appraised value of the Home (valued as though the Owner owned the Home in fee simple absolute without this Covenant) at the time Owner gives an Intent to Sell Notice established by a real estate appraiser qualified to appraise property in the secondary market.
- 1.7 “**Developer**” has the meaning set forth in the above recitals.
- 1.8 “**Development**” has the meaning set forth in the above recitals.
- 1.9 “**Eligible Buyer**” means a natural person, who is certified by THP to be qualified to buy a Home in accordance with the qualifications, standards, and procedures then in effect under relevant provisions of THP’s affordable housing program; provided, however, that for purposes of determining who is an Eligible Buyer for purposes of this Covenant, Eligible Buyers shall include only those individuals whose income is [*according to the program or ordinance*] at or below [*eighty (80%)*] or [*one hundred (100%)*] or [*one twenty hundred (120%)*] percent of Area Median Income at the time of purchasing the Home.
- 1.10 “**First Mortgage**” means a recorded mortgage which is senior to any other mortgages or liens against the Home (other than the lien for real estate taxes and homeowner association assessments, if any), and which is used to secure a loan from an Institutional Lender to an Eligible Buyer to purchase a Home.
- 1.11 “**Home**” has the same meaning set forth in the above recitals.
- 1.12 “**Initial Appraised Value**” means the appraised value of the Home (valued as though the Owner owned the Home in fee simple absolute without this Covenant) at the time of Owner’s purchase as set forth in **Exhibit B**.
- 1.13 “**Intent to Sell Notice**” means Owner’s written notice to THP of the Owner’s intent to sell the Home and shall include those items listed in **Section 2.2**.
- 1.14 “**Institutional Lender**” means any bank, savings and loan association, or any other lender that is licensed to engage in the business of providing purchase money or mortgage financing on residential real property.
- 1.15 “**Maximum Resale Price**” means the *lesser* of (i) the Current Appraised Value of the Home or (ii) the Purchase Price + 25% x (Current Appraised Value - Initial Appraised Value) calculated in accordance with **Exhibit B**.¹

¹ Several formulas can be used to determine the resale price. The most common formulas establish the resale price based on (i) the CPI increase, (ii) a discount rate equal to the subsidy at the time of purchase, or (iii) a percentage of the appreciated appraised value. THP evaluated these formulas by using actual data and determined that the appraisal based method preserved the “affordability” of the Home even in rapidly appreciating markets.

- 1.16 “**Owner**” has the same meaning set forth in the above recitals and also means the record title owner of a Home.
- 1.17 “**Primary Residence**” means the residence a person occupies for a minimum of eight (8) full months out of any twelve (12) month period.
- 1.18 “**Purchase Notice**” means THP’s written notice to the Owner of THP’s election to purchase the Home in accordance with **Section 2.2**.
- 1.19 “**Purchase Price**” means any and all consideration paid for the purchase of a Home, either at or outside of closing, but not including prorated amounts such as taxes and utilities, costs and expenses of obtaining financing, the fair market value of furnishings or personal property, lender’s fees, title insurance fees, closing costs, inspection fees, or other normal and customary financing and closing costs.
- 1.20 “**Right of First Refusal**” means THP’s, (or its successors or assigns) right of first refusal to purchase the Home at the Maximum Resale Price in accordance with **Section 2**.
- 1.21 “**Transfer**” means any sale, assignment or transfer, voluntary or involuntary, by operation of law (whether by deed, contract of sale, gift, devise, bequest, trustee’s sale, deed in lieu of foreclosure, or otherwise) of any ownership or possessory interest in a Home, including but not limited to, a fee simple interest, a joint tenancy interest, a tenancy in common, a life estate, or leasehold interest, or mortgage or lien.
- 1.22 “**Transfer Certificate**” means the certificate issued by THP verifying the facts in accordance with **Section 3.1(A)**.

2 RIGHT OF FIRST REFUSAL

- 2.1 **Right of First Refusal.** In accordance with the terms of this section, the Owner grants THP a Right of First Refusal to buy the Home for the Maximum Resale Price. This right is effective as long as this Covenant is effective.
- 2.2 **Intent to Sell Notice.** If an Owner wishes to sell a Home, the Owner shall send THP an Intent to Sell Notice at the address and in manner required in **Section 7.1**. The Intent to Sell Notice shall contain the Current Appraised Value of the Home and the Maximum Resale Price of the Home calculated in accordance with **Exhibit B**. The Owner shall obtain THP’s prior approval of the appraiser before proceeding with obtaining the Current Appraised Value of the Home. If THP disagrees with the Current Appraised Value of the Home, THP may obtain a second appraisal at its expense and the Current Appraised Value shall be equal to the average of the two appraisal amounts. Within thirty (30) days from the date of the Intent to Sell Notice, THP shall send the Owner a Purchase Notice if it elects to purchase the Home. If THP elects to purchase the Home, THP may either purchase it directly or assign its right to purchase to an Eligible Buyer. The purchase of the Home by THP or by THP’s assignee shall be completed within sixty (60) days of the date of THP’s Purchase Notice in accordance with **Sections 2.4** and **3** below. If the purchase is not completed within sixty (60) days of the date of the Purchase Notice, the Owner may sell the Home as provided for in **Section 2.3**. The time permitted for the completion of the purchase may be extended by mutual agreement between the Owner and THP.
- 2.3 **Non-Exercise of Right of First Refusal.** If THP does not elect to purchase the Home or fails to respond to the Owner’s Intent to Sell Notice, the Owner may sell the Home to any third party at fair market value, free of the restrictions set forth in this Covenant. However, all consideration and payments received by the Owner in excess of the Maximum Resale Price shall be immediately payable to THP. Upon receipt of the excess amount, THP shall issue a

Compliance Certificate stating that THP has received the excess amount payable, if any, has not elected to purchase the Home, and that all rights and restrictions in this Covenant are released and null and void. The Compliance Certificate shall be recorded at the appropriate Registry of Deeds and may be relied upon by all subsequent owners of the Home that this Covenant is released and null and void.

- 2.4 **Transfer Requirements.** If THP elects to purchase the Home, the Owner shall convey the Home to THP or its assignee, by a good and sufficient warranty deed conveying a good and clear record marketable title to the Home free and clear of all encumbrances except (i) such taxes for the then current year as are not yet due and payable on the date of delivery of the deed, (ii) any lien for municipal betterments assessed after the date of the Purchase Notice, (iii) provisions of local building and zoning laws, and (iv) all easements, restrictions, covenants and agreements of record.
- A. The deed shall be delivered and the Purchase Price paid at the Closing at the Registry of Deeds in the County where the Home is located, or such other place as the parties agree to in writing. The Closing shall occur at the time and date specified in written notice by THP or its assignee to the Owner, but in no event shall the date of the Closing be later than sixty (60) days from the date of THP's Purchase Notice.
 - B. The Owner may use the purchase money to clear the title of any encumbrance provided the necessary instrument is obtained and recorded simultaneously with the delivery of the deed.
 - C. At the Closing, the Owner shall deliver the Home free from all occupants and in the same condition as it was on the date of this Covenant, reasonable wear and tear excepted.
 - D. If the Owner shall be unable to give title or to make the conveyance in compliance with this section, or if any change in the condition of the Home not included in the exceptions shall occur, the Owner shall be given a reasonable amount of time not to exceed thirty (30) days after the Closing was to have occurred in which to remove the defect in title or to restore the Home to the required condition. The Closing shall occur fifteen (15) days after notice by the Owner that the defect has been cured or the Home restored. If the Owner is unable to cure the title defect or restore the Home to its required condition, THP or its assignee may rescind the Purchase Notice.

3 **RESALE AND TRANSFER RESTRICTIONS**

- 3.1 **Maximum Resale Price/Eligible Buyer.** Except as set forth in **Section 3.4**, a Home shall not be Transferred, and no attempted Transfer will be valid unless:
- A. THP issues a Transfer Certificate stating that the Purchase Price is equal to or less than the Maximum Resale Price, the buyer, if not THP, is an Eligible Buyer, the proposed terms of the Transfer are in compliance with this Covenant, and the Transfer Certificate is recorded at the appropriate Registry of Deeds.
 - B. THP or its assignee executes a new Covenant in the same form as this Covenant and the new Covenant is recorded at the appropriate Registry of Deeds.
 - C. Any amount in excess of the Maximum Resale Price that is paid to an Owner pursuant to **Section 2.3** is paid by the Owner to THP and a Compliance Certificate is recorded at the appropriate Registry of Deeds.
 - D. Any good faith buyer of a Home, an Institutional Lender or other any other third party may rely upon a Compliance Certificate or Transfer Certificate as conclusive evidence of the

matters stated in the Certificates and may record the Certificates in connection with the Transfer of the Home.

- E. Within ten (10) days of the Closing, the new Owner shall deliver to THP a certified copy of the recorded deed of the Home and new Covenant.
- 3.2 **[Administrative Fee.** *An Owner shall pay THP ___ percent (_%) of the Maximum Resale Price as an administrative fee to process a request for a Compliance Certificate or Transfer Certificate at the time either Certificate is requested.]*
- 3.3 **NO GUARANTEE. NOTHING IN THIS COVENANT SHALL BE CONSTRUED OR GIVE RISE TO ANY IMPLIED REPRESENTATION, WARRANTY OR GUARANTEE, AND THP AND THE DEVELOPER EXPRESSLY DISCLAIM THAT AN OWNER WILL BE ABLE TO RESELL A HOME FOR THE MAXIMUM RESALE PRICE OR RECOVER OWNER'S INITIAL PURCHASE PRICE.**
- 3.4 **Exempt Transfers.** The following Transfers shall be exempt from the Right of First Refusal set forth in this Covenant:
 - A. Any Transfer resulting from the death of an Owner by operation of law or pursuant to any will or trust to a spouse, child, parent, grandparent or grandchild of any Owner. For purposes of this Covenant, the term child includes adopted children or stepchildren.
 - B. Any Transfer resulting from a decree of dissolution of the marriage or legal separation or from a property settlement agreement incidental to such a decree, by which a spouse who is an Owner and becomes the sole Owner of the Home.
 - C. Any Transfer by an Institutional Lender in connection with any foreclosure proceeding or any Transfer to an Institutional Lender in lieu of a foreclosure.

Following any Exempt Transfer set forth above, the Home shall remain subject to the covenants, conditions and restrictions set forth in this Covenant. Any transfer by or to an Institutional Lender as set forth in **Section 3.4(C)** above shall be subject to the terms and provision of **Section 5** of this Covenant.

4 RESTRICTONS ON USE, RENTAL AND JUNIOR ENCUMBRANCES

- 4.1 **Occupancy.** The Owner shall maintain the Home as his or her Primary Residence, occupying that Home for a minimum of eight (8) full months out of any twelve (12) month period, unless otherwise agreed in writing by THP. Occupancy by children or other immediate family members or dependents of the Owner, who have been occupying the Home for a period of at least nine (9) consecutive months before the start of the Owner's absence, shall be deemed occupancy by the Owner. Upon written request of THP, the Owner shall provide THP with such information as THP may reasonably request to satisfy itself that the Home is being used as the Owner's Primary Residence.
- 4.2 **Residential Use.** The Owner shall use, and shall cause all occupants thereof to use, the Home only for residential purposes and such incidental activities related to residential use as are currently permitted by then existing zoning codes, City ordinances, and restrictive covenants governing the Development. The Owner shall not use or occupy, nor permit any use or occupancy of the Home in violation of this Covenant.
- 4.3 **Maintenance/Improvements.** The Owner shall maintain the Home in a good, safe, and habitable condition in all respects, except for normal wear and tear, and in full compliance with all applicable laws, ordinances, homeowner covenants, and rules and regulations set

forth by any master association for the Development or by any governmental authority with jurisdiction over matters concerning the condition and use of the Home. The Owner may make any improvements to the Home and the value of the improvements will be appraised as part of the Home's Current Appraised Value as set forth in **Section 2.2**.²

- 4.4 Restrictions Against Leasing and Junior Encumbrances.** The Owner shall not lease, refinance, encumber (voluntarily or otherwise) or grant a mortgage on the Home without the prior written consent of THP, provided, however, that this provision shall not apply to a First Mortgage granted to acquire the Home. Any rents, profits, or proceeds from any prohibited lease or encumbrance shall be paid to and be the property of THP. In the event that THP in the exercise of its absolute discretion consents to a lease, refinancing, encumbrance or mortgage, it shall be a condition to such consent that all rents, profits or proceeds from such transaction which exceed the carrying costs of the Home as determined by THP, in its sole discretion, be paid to and be the property of THP. **No encumbrance shall be in excess of the amount of the Maximum Resale Price.**

5 MORTGAGE PROTECTIONS

- 5.1 Covenant Subordinate to First Mortgage.** This Covenant shall be subordinate to a First Mortgage.
- 5.2 Notice of Foreclosure.** *[An Institutional Lender shall give THP sixty (60) days notice of its intent to foreclose upon its First Mortgage or to accept a conveyance of the Home in lieu of foreclosure.] or [An Institutional Lender shall give THP, its successors or assigns, the same notice provided to "any person having a lien of record" in accordance with RSA 479:25,II.]*³ During the [____ (___)] day period, THP, its successors or assigns, shall have the right, but not the obligation, to purchase the mortgage for the amount due thereunder (including applicable expenses), and in such event the Institutional Lender shall deliver to the purchaser such assignments and other evidentiary documents as the purchaser shall reasonably request.
- 5.3 Termination of Covenant.** If an Institutional Lender acquires the Home by foreclosure or by deed in lieu of foreclosure under its First Mortgage, after giving THP the required [____ (___)] days notice, the rights and restrictions contained in this Covenant shall terminate, and the Home shall become free from the rights and restrictions in this Covenant. Notwithstanding the foregoing, nothing shall prevent an Institutional Lender from selling a Home subject to this Covenant to an Eligible Buyer in any foreclosure proceeding or after acquisition of title to the Home. THP shall, upon request, provide a determination as to a purchaser's qualifications as an Eligible Buyer. In such case, the deed shall indicate that the Home is being sold subject to this Covenant. In addition, if THP, or its successors or assigns, purchases a Home at a foreclosure sale or from an Institutional Lender, THP, or its successors or assigns may resubject the Home to this Covenant by recording a supplemental covenant.
- 5.4 Excess Proceeds.** If an Institutional Lender conducts a foreclosure or other proceeding enforcing its rights under its mortgage and the Home is sold for a price in excess of the greater of: (i) the outstanding principal balance of the note secured by such mortgage plus all future advances, accrued interest and all reasonable costs and expenses which the Institutional is entitled to recover pursuant to the terms of its mortgage, or (ii) the Maximum

² Some covenants require prior approval of home improvements. THP chose not to limit improvements by the Owner.

³ FannieMae Selling Guideline Requirements, VII, 102.09: Inclusionary Zoning Restrictions and XII, 611: Condominiums Subject to Inclusionary Zoning Restrictions, prohibits an Institutional Lender from being required to send a third party, such as THP, notice of a default or foreclosure. This is currently being reviewed by FannieMae. FannieMae is also reviewing the applicability of the notice requirements under RSA 479:25,II.

Resale Price applicable on the date of the sale, the excess after repayment to the Owner of the Owner's equity investment in the Home shall be paid to THP in consideration of the loss of the value and benefit of the rights and restrictions contained in this Covenant held by THP and released by THP pursuant to this section. If the excess is paid, THP shall agree to indemnify the Institutional Lender against loss or damage it may suffer as a result, provided the Institutional Lender gives THP prompt notice of any claim and shall not object to intervention by THP in any proceeding relating to the claim. In order to determine the Maximum Resale Price of the Home at the time of foreclosure or other proceeding, THP may, at its own expense, obtain an appraisal of the Current Appraised Value of the Home satisfactory to the Institutional Lender. If the Institutional Lender disagrees with the Current Appraised Value, the Institutional Lender may obtain a second appraisal at its expense and the Current Appraised Value used to determine the Maximum Resale Price shall be equal to the average of the two appraisal amounts. To the extent the Owner possesses any interest in any amount which would otherwise be payable to THP under this section, to the fullest extent permissible by law, the Owner hereby assigns its interest in such amount to the Institutional Lender as holder for payment to THP.

6 COVENANT TO RUN WITH THE HOME

- 6.1 **Right of First Refusal.** The Developer and the Owner, for good and valuable consideration, the receipt and sufficiency of which is acknowledged, grant and assign to THP and THP's successors and assigns, the Right of First Refusal to purchase the Home, the right to enforce the rights, restrictions, covenants and agreements in this Covenant, [*the right to enter the Home for the purpose of enforcing the rights, restrictions, covenants and agreements in this Covenant*], the right to designate an Eligible Buyer of the Home, and the right to take all actions with respect to the Home which THP may determine to be necessary or appropriate, with or without court order, to prevent, remedy or abate any violation of the rights, restrictions, covenants and agreements in this Covenant. The rights granted to THP shall be in addition to and not in limitation of any rights and remedies available to THP for enforcement of the restrictions, covenants and agreements set forth in this Covenant.
- 6.2 **Duration.** It is intended and agreed that all of the rights, restrictions, covenants and agreements in this Covenant shall be deemed to be covenants running with the Home and shall be binding upon and enforceable against the Owner, the Owner's successors and assigns and any party holding title to the Home, for the benefit of and enforceable by THP and THP's successors and assigns [*in perpetuity*] or [____ (__) years] *from the creation of this Covenant*], or [*fifty (50) years from the recording of a new Covenant in accordance with Section 3.*].⁴
- 6.3 _____. [*This Covenant and all the rights and restrictions contained in this Covenant shall be deemed to be a condition of the zoning permits granted by the City of _____ under the affordable housing zoning ordinance adopted in accordance with RSA 674:16 and RSA 674:21.*]
- 6.4 **Covenant to Run with the Home.** The Owner intends, declares and covenants on behalf of itself and its successors and assigns (i) that this Covenant and the rights and restrictions contained in the Covenant shall be covenants running with the land, encumbering the Home [*in perpetuity*] or [*for the term of this Covenant*], and are binding upon the Owner's successors in title, (ii) are not merely personal covenants of the Owner, and (iii) shall bind the Owner, its successors and assigns and enure to the benefit of THP and THP's successors and assigns [*in perpetuity*] or [*for the term of this Covenant*]. Grantee hereby agrees that any and all requirements of the laws of the State of New Hampshire to be satisfied in order for

⁴ This section should be reviewed given NH's time limits on restrictions and enforceability of covenants, because unlike Maine and Massachusetts, NH does not have a statute allowing affordability covenants to remain effective in perpetuity.

the provisions of this Covenant to constitute restrictions and covenants running with the land shall be deemed to be satisfied in full [and that any requirements of privity of estate or privity of contract are also deemed to be satisfied in full].

6.5 **Enforcement.** Without limitation on any other rights or remedies of THP or THP's successors or assigns, any sale or other transfer or conveyance of the Home in violation of the provisions of this Covenant shall, to the maximum extent permitted by law, be voidable by THP or THP's successors or assigns. The Owner shall be liable for all court costs and reasonable attorneys' fees incurred by THP in connection with any enforcement action brought by THP.

7 **MISCELLANEOUS**

7.1 **Notices.** Whenever this Covenant requires either party to give notice to the other, the notice shall be given in writing and delivered in person or mailed, by certified or registered mail, return receipt requested, to the party at the address set forth below, or such other address designated by like written notice:

If to THP:

The Housing Partnership
1555 Islington Street
Portsmouth, NH 03801
Attn: Executive Director

If to Owner:

All notices, demands and requests shall be effective upon being deposited in the United States Mail or, in the case of personal delivery, upon actual receipt.

7.2 **Homestead Waiver.** This Covenant is prior and superior to the Owner's right to a homestead exemption under RSA 480:1, or any successor statutes. Each Owner waives his or her homestead rights to the fullest extent that they conflict with or impair THP's rights and remedies under this Covenant.

7.3 **Severability.** If any provision of this Covenant shall be held by a court of proper jurisdiction to be invalid or unenforceable; the remaining provisions shall survive and their validity, legality and enforceability shall not in any way be affected or impaired thereby; and the court may, but shall not be required to, fashion a substitute for the provision held to be invalid or unenforceable.

7.4 **Headings.** The headings of the sections in this Covenant are for convenience only and shall not be used to interpret the meaning of any provision hereof.

Executed as of the date first written above.

OWNER:

Witness

Witness

**THE HOUSING PARTNERSHIP,
a nonprofit corporation**

Witness

Executive Director

State of New Hampshire

County of _____

Personally appeared the above named _____ and _____, this ____ day of _____, 200_ and acknowledged the foregoing to be her free and voluntary act and deed, before me.

Justice of the Peace/Notary Public

My commission expires: _____

State of New Hampshire

County of _____

Personally appeared the above named _____ and _____, this ____ day of _____, 200_ and acknowledged the foregoing to be her free and voluntary act and deed, before me.

Justice of the Peace/Notary Public

My commission expires: _____

EXHIBIT A
LEGAL DESCRIPTION OF THE HOME

EXHIBIT B

MAXIMUM RESALE PRICE CALCULATION

Pursuant to **Section 2** of the Covenant, the **Maximum Resale Price** shall be equal to the lesser of (i) the **Current Appraised Value** of the Home, or (ii) the **Purchase Price + 25% x (Current Appraised Value - Initial Appraisal Value)**. All capitalized terms in **Exhibit B** shall have the same meaning in **Section 1** of the Covenant.

The **Maximum Resale Price** shall be calculated as follows:

Formula		Example
Purchase Price	<i>To be established by THP and inserted at time of purchase</i>	\$100,000
Initial Appraised Value	<i>To be established by an appraisal completed by THP and inserted at time of purchase</i>	\$120,000
Current Appraised Value	<i>To be established in accordance with Section 2.2 of the Covenant</i>	\$140,000
Current Appraised Value – Initial Appraised Value		(\$140,000-\$120,000) = \$20,000
x 25%		\$20,000 x 25% = \$5,000
[Owner’s Limited Appreciation]		\$5,000
+ Purchase Price		\$100,000
= Maximum Resale Price		\$105,000

The undersigned agree that the **Purchase Price** and the **Initial Appraised Value** of the Home are as set forth above.

Executed as of the date of the Covenant.

**THE HOUSING PARTNERSHIP,
a nonprofit corporation**

Witness

Executive Director

OWNER:

Witness

Witness
