

Encore, A Residential Condominium has an affordability component composed of units with five (5) year affordability restrictions and seven (7) year affordability restrictions. Following is a brief description of the requirements that must be met in order to be eligible to purchase an affordable home at Encore, as well as some of the restrictions that the unit and purchaser will be subject to.

Eligibility Requirements:

- Purchaser's household must meet the Income Limitations. The Income Limitation shall be defined as a household earning eighty percent (80%) of median income or less for households in the Nashville, Tennessee area, as defined by the Department of Housing and Urban Development ("HUD"), as adjusted annually by HUD. The current Income Limitations are:
 - One person household - \$34,500.00.
 - Two person household - \$39,450.00Purchaser shall submit evidence of Purchaser's income by submitting the most current pay receipt for all persons in Purchaser's household along with the prior year's tax return for all such persons.
- No more than two (2) persons may be a party to the Purchase Agreement as Purchaser. In the event there are two (2) persons, their combined household income must meet the Income Limitations.
- The Purchase Agreement must be in the name of the individual Purchaser only. No corporate entity, business, trust or any other entity may be a party to the Purchase Agreement as Purchaser.
- The Purchase Agreement is not assignable by Purchaser.
- Purchaser may receive gift money from a third party; however said gift money may not exceed 10 percent of the Total Purchase Price of the Unit.
- Purchaser must submit a loan commitment letter to Encore Phase I Development Company, LLC, from an Accredited Financial Institution which is defined as a bank or lender who underwrites its loans based on generally recognized guidelines as set forth by Fannie Mae, Freddie Mac or Federal Housing Administration prior to entering into a Purchase Agreement.
 - PLEASE NOTE THAT YOU WILL HAVE THE OPPORTUNITY TO MEET WITH A PREFERRED LENDER FOR ENCORE WHILE YOU ARE AT THE SALES CENTER.
- Purchaser shall retain such evidence of the household income at the time of the Binding Purchase Agreement Date for seven (7) years following the date of closing.

Program Restrictions:

- The Unit shall be encumbered for a period of seven (7) years by a deed restriction or other instrument as defined by MDHA.
- The Unit must be owner occupied and may not be used for investment purposes; however, Administrator recognizes that, due to circumstances beyond the control of Purchaser, there may be a need to rent the Unit during the seven (7) year period. In the event there is a need to rent the Unit, Purchaser must submit a written request to the Administrator requesting permission to rent. In addition the Unit must be rented to an Eligible Qualifier and proof of eligibility must be submitted to MDHA prior to entering into a lease. In addition, the maximum amount of rent that can be charged is determined solely by MDHA. The current maximum rent is defined as follows:
 - You can only charge 30% of the annual income of the renter. For example, if the annual income is \$34,000.00, you can charge \$10,200.00 annually, or \$850.00 per month. You must provide a utility allowance of +/- \$93 for a maximum potential rent of \$757 per month.All rentals are subject to the terms and conditions set forth in the Master Deed for Encore, A Residential Condominium, which instrument was received by Purchaser at the time of execution of this Purchase Agreement.
- The Unit shall not be resold within the affordability restriction period (Five (5) or Seven (7) years) from the date of conveyance from the Seller to Purchaser, unless the Unit is sold to an Eligible Qualifier.

Purchase Agreement Requirements:

- Earnest money requirements for affordable units will be \$2,500.00. Checks should be made payable to Giarratana-Novare Realty.

- There are additional upgrades that are available for purchase. 50% of the total upgrade amount is due at the time the selections are made, and the remaining 50% is due 120 days prior to the closing date.
- After the all of the conditions set forth in the Eligibility Requirements have been met, the Purchase Agreement and associated documentation will be sent to MDHA for approval. MDHA retains the sole right to approve or not approve a Purchase Agreement.
- You will be notified within 30 days of the status of your Purchase Agreement. If the Purchase Agreement is approved by MDHA, your Earnest Money check will be deposited and a fully executed copy of the Purchase Agreement will be sent to you electronically.

2005 or 2006 tax returns
loan commitment letter
month of paycheck stubs
\$ 2500 earnest money