

Montcalm County Habitat for Humanity Re-Purchase Policy

Pursuant to Points 8 & 9 of the Michigan Standard Mortgage and Point 4 of the Michigan Standard Mortgage Note, these are the terms of re-purchase:

8. Purchase Option/Right of First Refusal. The Borrower agrees that, in the event that the Borrower desires to sell the Property at any time prior to the satisfaction or termination of this Security Instrument and its underlying Note, the Borrower must first offer to sell the Property to Habitat pursuant to the terms indicated in this paragraph. The offer to Habitat ("Offer") shall be made in writing at least sixty (60) days before the Borrower accepts any offer to purchase the Property from any third party. Habitat shall have sixty (60) days from the date of receipt of the Offer to accept or reject the Offer.

The purchase price for the Property when offered to Habitat pursuant to this paragraph shall be the sum of all principal payments made pursuant to the Note, if this right is exercised within ten (10) years of the date of the Security Instrument.

If this Purchase Option/Right of First Refusal is exercised thereafter, the purchase price shall be equal to the current value of the Property. **However, the amount paid shall be reduced by any amounts owing to Habitat (1) as repayment of the Principal Reduction Amount, (2) as remaining debt owed under the Note and (3) and through application of Paragraph 3(D) of the Note dealing with Allocation of Gifted Equity.** The "current value" will be (a) an amount determined by a licensed residential appraiser selected by Habitat, (b) an amount equal to the average of two (2) "broker's price opinions" provided by real estate brokers selected by Habitat, or (c) an amount equal to a bona fide offer to purchase the Property made to the Borrower by a person unrelated to the Borrower. It shall be within Habitat's sole discretion to determine which method shall be used to determine "current value".

In the event that Habitat exercises this Purchase Option/Right of First Refusal, the transaction shall be closed on or before sixty (60) days from the date of Habitat's acceptance of the Offer. **Any conveyance of the Property contrary to this Purchase Option/Right of First Refusal shall be null and void. In the event of such a conveyance, Habitat shall have the option, at any time within ten (10) years of actual notice of such conveyance, to purchase the Property from the titleholder of record pursuant to the terms and condition of this paragraph.**

9. Protection of Habitat's Rights in the Property. If the Borrower fails to perform the covenants and agreements contained in the Security Instrument, or there is a legal proceeding that may significantly affect Habitat's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Habitat may do and pay for whatever is necessary to protect the value of the Property and Habitat's rights in the Property including but not limited to performing any repairs to the property without advance notice to the Borrower. Habitat's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorney's fees and entering on the Property to make repairs. Although Habitat may take action under this Paragraph 9, Habitat does not have to do so.

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Any amounts disbursed by Habitat under this Paragraph 9 shall become additional debt of the Borrower secured by this Security Instrument. Unless the Borrower and Habitat agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Habitat to the Borrower requesting payment.

4. PURCHASE OPTION/RIGHT OF FIRST REFUSAL

I agree that, in the event that I desire to sell the Property at any time prior to the satisfaction or termination of this Note, I must first offer to sell the Property to Habitat pursuant to the terms indicated in this Paragraph. The offer to Habitat ("Offer") shall be made in writing at least sixty (60) days before I accept any offer to purchase the Property from any third party. Habitat shall have sixty (60) days from the date of receipt of the Offer to accept or reject the Offer.

If this right is exercised within ten (10) years of the date of the accompanying Security Instrument, the purchase price for the Property when offered to Habitat pursuant to this Purchase Option/Right of First Refusal shall be equal to the sum of all principal payments made pursuant to this Note. All amounts left owing on the Note will be discharged.

If this Purchase Option/Right of First Refusal is exercised thereafter, the purchase price shall be equal to the current value of the Property. **However, the amount paid pursuant to this Purchase Option/Right of First Refusal shall be reduced by any amounts owing to Habitat (1) as repayment of the Principal Reduction Amount, (2) as remaining debt owed under this Note, and (3) through application of Paragraph 3(D) of this Note dealing with Allocation of Gifted Equity.** The "current value" will be (a) an amount determined by a licensed residential appraiser selected by Habitat, (b) an amount equal to the average of two (2) "broker's price opinions" provided by real estate brokers selected by Habitat, or (c) an amount equal to a bona fide offer to purchase the Property made to the Borrower by a person unrelated to the Borrower. It shall be within Habitat's sole discretion to determine which method shall be used to determine "current value".