

Pierson Pointe:
Exhibit A

In compliance with the provisions of the Wilmington Realtor Foundation Homeownership Program (WRFHP), the Property is conveyed subject to the following specific covenants:

1. In perpetuity:

A. The Grantee must use the Property as their primary residence. At any time that the property is not a primary residence, the property must be sold in accordance with 1D2c.

B. The Property may not be used as a rental or income producing property. If the property is found to be used as a rental; the tenant will be evicted at the expense of the Grantee. Multiple violations can result in the HOA foreclosing on the property.

C. Initial and Subsequent Buyers must meet Qualifying Income Limits of 80-120% of the AMI for the Wilmington MSA according to:

<https://ami-lookup-tool.fanniemae.com/amilookuptool/>

D. WRF retains the option to:

1. purchase the Property, OR

2. to select a Buyer from the Homeownership Program, when:

a. the Grantee chooses to sell, assign, voluntarily transfer or convey the Property, regardless of cause.

b. a Grantee of the Property dies and the estate chooses to sell the Property.

c. Grantee is no longer using the residence as a primary residence as required in 1A.

d. Grantee has violated the restriction on rental or income producing status noted in 1B.

E. The Sale Price shall be determined by WRF as specified in Section 2C below.

F. The Grantee and WRF shall share in the Capital Gain per the schedule outlined in Section 2D below.

G. The Grantee's ability to Refinance the property is restricted to the terms and conditions in Section 3A-D below.

2. Regarding Resale:

- A. Grantee must provide WRF 30 days written notice of intent to sell, assign, voluntarily transfer or convey the Property. Property may not be offered for sale by the Grantee during this 30 day period.
- B. During said 30 days:
1. WRF shall determine the Authorized Sale Price in consideration of Paragraph C below.
 2. WRF will exercise their option to purchase the Property OR
 3. WRF will select a Qualified Buyer from the WRF Homeownership Program to purchase the Property.
 4. Should WRF waive their option to purchase, AND fail to provide Qualified Buyer from the WRF Homeownership Program within 30 days from the date of written notice, the Property will be eligible to be placed on the open market, under the Sale Restrictions in Section 2C-D
 5. WRF will provide Grantee with a Buyer Package including a “Resale Disclosure” that MUST be provided to potential Buyers.
- C. The Sale Price shall be determined by WRF as follows:
1. A maximum of 2% per year increase in the sale price of the Property AND
 2. Sale Price must be affordable to Subsequent Buyer(s) who earn 80-120% AMI for the Wilmington MSA according to:
<https://ami-lookup-tool.fanniemae.com/amilookuptool/>
- D. Capital Gain (defined as the difference between the current sale price minus 103% of the prior sale price) will be divided between WRF and Grantee as follows:

Years of ownership per initial Grantee and each subsequent Grantee	WRF %	Owner %
1-2	100	0
3-5	50	50
6	20	80

EXAMPLE: The following chart represents the **POTENTIAL MAXIMUM** sale price and **MAXIMUM CAPITAL GAIN AND DISTRIBUTION** for the **INITIAL** Grantee if they sell the Property in years 1-6.

The following values have been used for illustration:

Initial Purchase Price \$250,000

3% Closing Cost \$7,500

103% Purchase Price \$257,500

MAXIMUM annual appreciation rate of 2% specified in **SECTION 2C1** above has been applied to the **MAXIMUM** Sale Price for each year of ownership.

NOTE: Actual Maximum Sale Price and related Maximum Capital Gain **MAY BE LESS** depending on WRF's pricing of the Property in compliance with Section 2C1-2 above.

Years of Ownership	103% Purchase Price	MAXIMUM Sale Price per Pricing Limitations 2C1-2 (NOT Guaranteed)	MAXIMUM Capital Gain= MAXIMUM Sale Price-103% Purchase Price (NOT Guaranteed)	WRF Split %	WRF Split \$	Grantee Split %	Grantee Split \$ (NOT Guaranteed)
1	257750	262905	5155	100	5155	0	0
2		268163	10413	100	10413	0	0
3		273526	15776	50	7888	50	7888
4		278997	21247	50	10623	50	10623
5		284577	26827	50	13413	50	13413
6		290268	32518	20	6504	80	26015

3. Refinancing of mortgage:

- A. WRF must be notified in writing to Wilmington Realtor Foundation 1826 Sir Tyler Drive, Wilmington, NC 28405, if the Grantee desires to refinance the Property.
- B. Only the outstanding balance of the first mortgage plus transaction fees can be refinanced.
- C. Cash-out refinance is not permitted.
- D. Home Equity Loans and Lines of Credit are not permitted.
- E. If a Grantee refinances the Property with a cash-out mortgage, or opens a home equity line of credit or home equity loan, without notifying WRF, a lien will be placed against the property, by WRF, for any amount over the payoff amount of the first mortgage plus transaction costs.