

PETER B. FARROW
Attorney
69 Pleasant Street
Concord, Massachusetts 01742
(978) 369-5450 (phone) (978) 369-7624 (fax)
pfarrow@peterbfarrow.com

March 7, 2008

By mail

Ms. Nancy Tavernier
35 Mohawk Drive
Acton MA 01760

Re: Acton Community Housing Corporation

Dear Nancy:

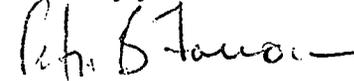
I enclose the duplicate original of the application for tax exemption mailed today to the IRS.

By copy of this letter I am sending copies to the others.

I've calendared to check in with the IRS in two months, although I have no expectation that they will turn this around in that time. The purpose is only to confirm status.

Let me know if you have any questions.

Sincerely yours,



Peter B. Farrow

Copy to Kevin McManus by mail with enclosure
Stephen Ledoux, Town Manager by mail with enclosure
Stephen Anderson, Esq. Town Counsel by mail with enclosure

Form 1023 Checklist

(Revised June 2006)

Application for Recognition of Exemption under Section 501(c)(3) of the Internal Revenue Code

Note. Retain a copy of the completed Form 1023 in your permanent records. Refer to the General Instructions regarding Public Inspection of approved applications.

Check each box to finish your application (Form 1023). Send this completed Checklist with your filled-in application. If you have not answered all the items below, your application may be returned to you as incomplete.

- Assemble the application and materials in this order:
- Form 1023 Checklist
 - Form 2848, *Power of Attorney and Declaration of Representative* (if filing)
 - Form 8821, *Tax Information Authorization* (if filing)
 - Expedite request (if requesting)
 - Application (Form 1023 and Schedules A through H, as required)
 - Articles of organization
 - Amendments to articles of organization in chronological order
 - Bylaws or other rules of operation and amendments
 - Documentation of nondiscriminatory policy for schools, as required by Schedule B
 - Form 5768, *Election/Revocation of Election by an Eligible Section 501(c)(3) Organization To Make Expenditures To Influence Legislation* (if filing)
 - All other attachments, including explanations, financial data, and printed materials or publications. Label each page with name and EIN.
- User fee payment placed in envelope on top of checklist. DO NOT STAPLE or otherwise attach your check or money order to your application. Instead, just place it in the envelope.
- Employer Identification Number (EIN)
- Completed Parts I through XI of the application, including any requested information and any required Schedules A through H.
- You must provide specific details about your past, present, and planned activities.
 - Generalizations or failure to answer questions in the Form 1023 application will prevent us from recognizing you as tax exempt.
 - Describe your purposes and proposed activities in specific easily understood terms.
 - Financial information should correspond with proposed activities.
- Schedules. Submit only those schedules that apply to you and check either "Yes" or "No" below.
- | | | | | | |
|------------|---------|--|------------|---|--|
| Schedule A | Yes ___ | No <input checked="" type="checkbox"/> | Schedule E | Yes <input checked="" type="checkbox"/> | No ___ |
| Schedule B | Yes ___ | No <input checked="" type="checkbox"/> | Schedule F | Yes <input checked="" type="checkbox"/> | No ___ |
| Schedule C | Yes ___ | No <input checked="" type="checkbox"/> | Schedule G | Yes <input checked="" type="checkbox"/> | No ___ |
| Schedule D | Yes ___ | No <input checked="" type="checkbox"/> | Schedule H | Yes ___ | No <input checked="" type="checkbox"/> |

- An exact copy of your complete articles of organization (creating document). Absence of the proper purpose and dissolution clauses is the number one reason for delays in the issuance of determination letters.
 - Location of Purpose Clause from Part III, line 1 (Page, Article and Paragraph Number) Act S.1; Bylaws S 2.1
 - Location of Dissolution Clause from Part III, line 2b or 2c (Page, Article and Paragraph Number) or by operation of state law Act S10; Bylaws 10
- Signature of an officer, director, trustee, or other official who is authorized to sign the application.
 - Signature at Part XI of Form 1023.
- Your name on the application must be the same as your legal name as it appears in your articles of organization.

Send completed Form 1023, user fee payment, and all other required information, to:

Internal Revenue Service
P.O. Box 192
Covington, KY 41012-0192

If you are using express mail or a delivery service, send Form 1023, user fee payment, and attachments to:

Internal Revenue Service
201 West Rivercenter Blvd.
Attn: Extracting Stop 312
Covington, KY 41011

Power of Attorney and Declaration of Representative

OMB No. 1545-0150
For IRS Use Only
 Received by: _____
 Name _____
 Telephone _____
 Function _____
 Date / /

▶ Type or print. ▶ See the separate instructions.

Part I Power of Attorney
Caution: Form 2848 will not be honored for any purpose other than representation before the IRS.

1 Taxpayer information. Taxpayer(s) must sign and date this form on page 2, line 9.

Taxpayer name(s) and address Acton Community Housing Corporation P O Box 681 Acton MA 01720-0681	Social security number(s) _____ _____ _____	Employer identification number 20 0341286 Plan number (if applicable) _____
		Daytime telephone number (978) 263 _____

hereby appoint(s) the following representative(s) as attorney(s)-in-fact:

2 Representative(s) must sign and date this form on page 2, Part II.

Name and address Peter B. Farrow, Esq. 69 Pleasant Street, Concord MA 01742	CAF No. _____ Telephone No. 978 369 5450 Fax No. 978 369 7624 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address	CAF No. _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address	CAF No. _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters:

3 Tax matters

Type of Tax (Income, Employment, Excise, etc.) or Civil Penalty (see the instructions for line 3)	Tax Form Number (1040, 941, 720, etc.)	Year(s) or Period(s) (see the instructions for line 3)
Application for charitable tax exempt status	1023	1996 and subsequent years

4 Specific use not recorded on Centralized Authorization File (CAF). If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for **Line 4. Specific uses not recorded on CAF.** ▶

5 Acts authorized. The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The authority does not include the power to receive refund checks (see line 6 below), the power to substitute another representative, the power to sign certain returns, or the power to execute a request for disclosure of tax returns or return information to a third party. See the line 5 instructions for more information.

Exceptions. An unenrolled return preparer cannot sign any document for a taxpayer and may only represent taxpayers in limited situations. See **Unenrolled Return Preparer** on page 2 of the instructions. An enrolled actuary may only represent taxpayers to the extent provided in section 10.3(d) of Circular 230. See the line 5 instructions for restrictions on tax matters partners.

List any specific additions or deletions to the acts otherwise authorized in this power of attorney: _____

6 Receipt of refund checks. If you want to authorize a representative named on line 2 to receive, **BUT NOT TO ENDORSE OR CASH**, refund checks, initial here _____ and list the name of that representative below.

Name of representative to receive refund check(s) ▶ _____

- 7 Notices and communications.** Original notices and other written communications will be sent to you and a copy to the first representative listed on line 2.
- a** If you also want the second representative listed to receive a copy of notices and communications, check this box
- b** If you do not want any notices or communications sent to your representative(s), check this box

8 Retention/revocation of prior power(s) of attorney. The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document. If you **do not** want to revoke a prior power of attorney, check here.

YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.

9 Signature of taxpayer(s). If a tax matter concerns a joint return, **both** husband and wife must sign if joint representation is requested, otherwise, see the instructions. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

▶ **IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED.**

Nancy E. Tavernier Signature Date *3/7/08* Title (if applicable) **Chairman**

Nancy E. Tavernier Print Name PIN Number **Acton Community Housing Corporation** Print name of taxpayer from line 1 if other than individual

Signature Date Title (if applicable)

Print Name PIN Number

Part II Declaration of Representative

Caution: Students with a special order to represent taxpayers in Qualified Low Income Taxpayer Clinics or the Student Tax Clinic Program, see the instructions for Part II.

Under penalties of perjury, I declare that:

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service;
- I am aware of regulations contained in Treasury Department Circular No. 230 (31 CFR, Part 10), as amended, concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others;
- I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified there; and
- I am one of the following:
 - a** Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
 - b** Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
 - c** Enrolled Agent—enrolled as an agent under the requirements of Treasury Department Circular No. 230.
 - d** Officer—a bona fide officer of the taxpayer's organization.
 - e** Full-Time Employee—a full-time employee of the taxpayer.
 - f** Family Member—a member of the taxpayer's immediate family (i.e., spouse, parent, child, brother, or sister).
 - g** Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Service is limited by section 10.3(d) of Treasury Department Circular No. 230).
 - h** Unenrolled Return Preparer—the authority to practice before the Internal Revenue Service is limited by Treasury Department Circular No. 230, section 10.7(c)(1)(viii). You must have prepared the return in question and the return must be under examination by the IRS. See **Unenrolled Return Preparer** on page 2 of the instructions.

▶ **IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED.** See the Part II instructions.

Designation—Insert above letter (a-h)	Jurisdiction (state) or identification	Signature	Date
a	Massachusetts	<i>Peter B. Furrow</i>	<i>3/7/08</i>

PETER B. FARROW
Attorney
69 Pleasant Street
Concord, Massachusetts 01742
(978) 369-5450 (phone) (978) 369-7624 (fax)
pfarrow@peterbfarrow.com

March 7, 2008

Internal Revenue Service
P O Box 192
Covington KY 41012-0192

Re: Acton Community Housing Corporation

Ladies/Gentlemen:

This corporation's application for tax exempt status under Section 501(c)(3) occurs in unusual circumstances making the following explanation useful in your processing.

In 1987, a Massachusetts charitable corporation named Acton Community Housing Corporation (which I'll refer to as "old" ACHC) was formed by residents of Acton, Massachusetts, acting at the request of the Town government as volunteers rendering community service, under Massachusetts General Laws Chapter 180, the Massachusetts statute governing charitable corporations. "Old" ACHC applied for and received tax exempt status under Section 501(c)(3) in 1990. This entity's purpose was to promote development of housing for low and moderate persons in Acton, which in Massachusetts typically involves some governmental funding at either or both the state and local level, and in due course "old" ACHC sought funding from the Town of Acton to subsidize development of such housing, with the Town to hold the legal restriction that would result. Acton, like many other towns in Massachusetts, governs itself through open town meeting, and at the 1994 Town Meeting which considered the funding request, the objection was raised that the Town was being asked to fund a private sector entity (albeit, acting to further Town policy and staffed by volunteers who lived in Town), and on that basis Town Meeting refused to authorize the funding, stalling Town policy for low and moderate income housing and requiring a political solution.

In response, the Acton Board of Selectmen, the Town's executive body, decided to follow an alternate path and sought a Special Act of the Massachusetts Legislature to form a charitable corporation under Town control, staffed by the same volunteers, to take over the activities of "old" ACHC in implementing Town housing policy. The Selectmen's petition to the Legislature resulted in Chapter 143 of the Acts of 1996 creating a corporation also named Acton Community Housing Corporation (which I'll refer to as "new" ACHC). As "new" ACHC, staffed by the same volunteers, set out to implement Town policy regarding development of low and moderate income housing in Acton, one senses that the unfortunate use of identical names for these separate corporate entities with the same purpose influenced subsequent administrative events.

The result was confusion as to corporate entity. From the Town's perspective, what dominated was the sense of continuity as the Town pursued its low and moderate income housing policy through the services of the same citizen volunteers, and people lost sight of there being two corporate entities requiring separate legal attention. Some sense of the consequences can be gleaned from the fact that "new" ACHC, the entity formed by Special Act of the Legislature, did not even appear on the records of the Secretary of State until follow-up inquiry by the Town in 2007 when, seeking a Certificate of Legal Existence for "new" ACHC in response to the delayed realization that, "old" ACHC having been dissolved in 2000, first learned that no entity constituting the "new" ACHC appeared in the records of the Massachusetts Secretary of State. Having filed and received IRS approval for "old" ACHC, people were unaware that "new" ACHC, as an affiliate of the Town, also had to file with either the Secretary of State or the IRS. Notwithstanding those legal anomalies, the Town volunteers continued to pursue development of housing for low and moderate income persons in furtherance of Town policy, using tax revenues provided by vote of Town Meeting and fees paid by private property developers in whose developments the affordable housing was included. No charitable contributions were solicited or received, nor was Form 990 filed for any year (although in some years there was no activity which would require filing). What the volunteers focussed on was implementing Town policy in low and moderate income housing development by acting through Acton Community Housing Corporation (but apparently without distinguishing "old" ACHC from "new" ACHC). All housing developed with assistance from "new" ACHC meets the safe harbor parameters set forth in Re. Proc. 96-32 for charitable housing activities.

This situation came to light with the offer in mid-2007 of the first charitable contribution, accompanied by the donor's request that the corporation demonstrate its tax exempt status. That donor request set off a chain of events that lead to the discovery of the history described above, and the need to achieve 501(c)(3) status for "new" ACHC, being applied for herewith.

Revenue Procedure 95-48 suggests that what occurred, even though the result of name confusion between "old" ACHC and "new" ACHC, nevertheless as to "new" ACHC conformed to applicable tax law due to the fact that "new" ACHC as formed by Special Act of the Massachusetts legislature is "an affiliate of a governmental unit" as more completely articulated in the Application. Accordingly, "new" ACHC was not required to file Form 990, under Section 4.02(b) of the Revenue Procedure as to the time prior to approval of its Application and will not be required to file under Section 4.02(a) of the Revenue Procedure, assuming its Application is approved. To borrow from the Revenue Procedure, since "new" ACHC's funds have been from Town tax revenues, combined with fees from property developers, and have not included charitable contributions, establishing its tax exemption prior to conducting operations to date was "not necessary to the efficient administration of the internal revenue laws".

"New" ACHC has acted in good faith by initiating this Application before notice from the IRS of failure to file. Granting the extension to apply will not prejudice interests of the federal government, first, because no activity occurred prior to 2004 that exceeded \$5,000, and second,

because not having filed Form 990 for any year, no statute of limitations has run in the event the IRS should determine filing was required.

We respectfully submit on this history that the requirement of filing Form 1023 within 27 months after incorporation in order to establish tax exemption retroactive to incorporation should be waived, allowing the applicant "new" ACHC, as an affiliate of the Town of Acton, to be exempt from the date of incorporation by Special Act of the Legislature in 1996. Failure to do that would place tax revenues of the Town applied to housing subsidy for low and moderate income persons at risk of federal income taxation, which seems an unjust result on these facts.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Peter B. Farrow".

Peter B. Farrow

Copy to Nancy Tavernier, Chairman, Acton Community Housing Corporation

**REQUEST FOR DISCRETIONARY EXTENSION OF TIME
TO FILE FORM 1023**

Internal Revenue Service
P O Box 192
Covington KY 41012-0192

The undersigned, Nancy Tavernier of 472 Main Street, Acton, Massachusetts, having a taxpayer identification of _____ - _____ - _____, being the Chairman of Acton Community Housing Corporation and being duly authorized, hereby request that the IRS exercise its discretion to extend the time for filing of Form 1023 so that, if the Corporation is found to be tax exempt under 501c3, that exemption will be effective from its incorporation or such later date by which Form 1023 should have been filed to be effective prior to annual receipt of more than \$5,000.

Form 1023 is being filed on or about March 7, 2008. If measured from incorporation on June 28, 1996, Form 1023 should have been filed not later than September 28, 1998. If measured from the time when the corporation first had annual revenues exceeding \$5,000, which is the result of the corporation having received \$25,000 about June 6, 2005, Form 1023 should have been filed by September 30, 2005.

This request is made for the reasons, and on the facts and circumstances, more completely set forth in Form 1023 and the accompanying documents.

Understanding Acton Community Housing Corporation to be an affiliate of the Town of Acton engaged solely in charitable housing purposes, we did not think the corporation was required to file annual tax returns, and none were filed.

Under penalties of perjury, I declare that I have examined this request, including all accompanying documents, and, to the best of my knowledge and belief, the request and the accompanying materials contain all the relevant facts relating to the request, and such facts are true, correct and complete.

Executed this March 7, 2008.

Nancy Tavernier
Nancy Tavernier

Subscribed and sworn to before me this March 7, 2008.



Peter B Farrow
Peter B. Farrow , Notary Public
My commission expires: 1/23/15

DECLARATION

Commonwealth of Massachusetts
County of Middlesex

I, Nancy Tavernier of 472 Main Street, Acton, Massachusetts, having been duly sworn, declare and say on personal knowledge as follows.

I have personal knowledge of the facts and circumstances described in the request of Acton Community Housing Corporation accompanying its filing of Form 1023 for tax exempt status under Section 501(c)(3) of the Internal Revenue Code and in the accompanying materials.

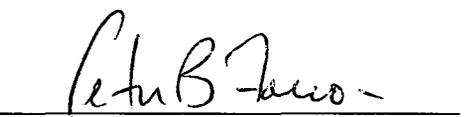
Under penalties of perjury, I declare that I have examined this request, including accompanying documents, and, to the best of my knowledge and belief, the request and the accompanying materials contain all the relevant facts relating to the request, and such facts are true, correct and complete.

Executed this March 7, 2008.


Nancy Tavernier

Subscribed and sworn to before me this March 7, 2008.




Peter B. Farrow, Notary Public
My commission expires: 1/23/15

AFFIDAVIT

Commonwealth of Massachusetts
County of Middlesex

I, Nancy Tavernier of 472 Main Street, Acton, Massachusetts, having been duly sworn, declare and say on personal knowledge as follows.

I live in Acton, Massachusetts and have volunteered community service by serving as Chairman of Acton Community Housing Corporation since 1999, and as a member of the Board of Directors since 1988, for the purpose of creating affordable housing in Acton. I participated in and have personal knowledge of the following matters.

Acting at the request of Town officials, we formed a charitable corporation in 1987 pursuant Massachusetts General Laws Chapter 180 named Acton Community Housing Corporation to promote affordable housing in Acton. We obtained an EIN and applied for and received in 1990 our 501c3 tax exempt status as a charitable housing organization.

Notwithstanding that this corporation was formed under supervision of the Town's Board of Selectmen, approved at an annual Town Meeting and staffed by Acton residents serving as volunteers performing community service, at the 1994 Annual Town meeting a proposal to transfer Town assets (e.g., Town-owned land) to that corporation to carry out an affordable housing project was defeated primarily on the basis that the Town should not transfer assets to a "private" non-profit organization.

In response to the essentially political issue that raised, the Acton Board of Selectmen, the Town's executive authority, decided to establish more clearly that Acton Community Housing Corporation was an instrumentality of the Town performing charitable purposes for the Town with regard to affordable housing. The 1995 Annual Town Meeting approved a Home Rule petition which was filed with the Massachusetts legislature to create a new Acton Community Housing Corporation more explicitly under ownership and control of the Town, which happened effective June 28, 1996 when Chapter 143 of the Acts of 1996 was enacted and signed by the governor.

We continued our activities as Acton Community Housing Corporation without giving thought, initially, to the circumstance that there were two corporations of that name. When we focused on those circumstances, the Directors of the corporation formed in 1987 petitioned the Massachusetts Supreme Judicial Court to dissolve it to end the confusion of two corporations of the same name formed for the same purpose, which occurred effective January 14, 2000. In 2003 we applied for and received an EIN for the new corporation. We did not consult with a tax advisor during these years.

Housing development takes time to happen, particularly the development of the affordable housing we support, since we do not undertake our own developments and our role is limited to subsidizing affordable units in projects being developed by private sector developers. We first became active in a project in 1993. Prior to 2003 all our efforts were entirely nonfinancial and administrative in nature. We first provided funding for a project in 2004. Our only funding sources have been Town funds voted by Town Meeting, supplemented by fees paid by the developers to cover certain administrative costs such as monitoring their compliance with Town affordable housing requirements.

We have not solicited charitable contributions. We received the first offer from a prospective donor, unsolicited, in mid-2007, but lacking official confirmation regarding our tax exempt status, have determined not to accept any donated funds until our tax exempt status is clarified.

Given the Town's role in forming the current corporation and its control over the corporation's activities, those of us serving on the corporation's Board of Directors have thought of ourselves as analogous to a Town board (although clearly a separate legal entity); it did not occur to us that the new corporation also needed to apply for 501c3 tax exempt status until mid-2007, when our first potential charitable donor asked for confirmation of tax exempt status that we realized we could not provide.

Executed this March 7, 2008.



Nancy Tavernier

Subscribed and sworn to before me this March 7, 2008.





Peter B. Farrow , Notary Public
My commission expires: 1/23/15

**Application for Recognition of Exemption
 Under Section 501(c)(3) of the Internal Revenue Code**

Use the instructions to complete this application and for a definition of all **bold** items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at www.irs.gov for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.

Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I - XI of Form 1023 and submit only those Schedules (A through H) that apply to you.

Part I Identification of Applicant

1 Full name of organization (exactly as it appears in your organizing document)		2 c/o Name (if applicable)	
Acton Community Housing Corporation			
3 Mailing address (Number and street) (see instructions)	Room/Suite	4 Employer Identification Number (EIN)	
472 Main Street		20-0341286	
City or town, state or country, and ZIP + 4		5 Month the annual accounting period ends (01 - 12)	
Acton MA 01720-0681		June 30	
6 Primary contact (officer, director, trustee, or authorized representative)		b Phone: 978 369 5450	
a Name: Peter B. Farrow, Authorized representative		c Fax: (optional) 978 369 7624	
7 Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, <i>Power of Attorney and Declaration of Representative</i> , with your application if you would like us to communicate with your representative.		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
8 Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
9a Organization's website: www.acton-ma.gov			
b Organization's email: (optional) achc@acton-ma.gov			
10 Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ.		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY)		06 / 28 / 1996	
12 Were you formed under the laws of a foreign country? If "Yes," state the country.		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Part II Organizational Structure

You must be a corporation (including a limited liability company), an unincorporated association, or a trust to be tax exempt. (See instructions.) **DO NOT file this form unless you can check "Yes" on lines 1, 2, 3, or 4.**

- 1 Are you a **corporation**? If "Yes," attach a copy of your articles of incorporation showing **certification of filing** with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification. **Yes** **No**

- 2 Are you a **limited liability company (LLC)**? If "Yes," attach a copy of your articles of organization showing certification of filing with the appropriate state agency. Also, if you adopted an operating agreement, attach a copy. Include copies of any amendments to your articles and be sure they show state filing certification. Refer to the instructions for circumstances when an LLC should not file its own exemption application. **Yes** **No**

- 3 Are you an **unincorporated association**? If "Yes," attach a copy of your articles of association, constitution, or other similar organizing document that is dated and includes at least two signatures. Include signed and dated copies of any amendments. **Yes** **No**

- 4a Are you a **trust**? If "Yes," attach a signed and dated copy of your trust agreement. Include signed and dated copies of any amendments. **Yes** **No**
- b Have you been funded? If "No," explain how you are formed without anything of value placed in trust. **Yes** **No**

- 5 Have you adopted **bylaws**? If "Yes," attach a current copy showing date of adoption. If "No," explain how your officers, directors, or trustees are selected. **Yes** **No**

Part III Required Provisions in Your Organizing Document

The following questions are designed to ensure that when you file this application, your organizing document contains the required provisions to meet the organizational test under section 501(c)(3). Unless you can check the boxes in both lines 1 and 2, your organizing document does not meet the organizational test. **DO NOT file this application until you have amended your organizing document.** Submit your original and amended organizing documents (showing state filing certification if you are a corporation or an LLC) with your application.

- 1 Section 501(c)(3) requires that your organizing document state your exempt purpose(s), such as charitable, religious, educational, and/or scientific purposes. Check the box to confirm that your organizing document meets this requirement. Describe specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document. Refer to the instructions for exempt purpose language. Location of Purpose Clause (Page, Article, and Paragraph): Bylaws Article II, Section 1

- 2a Section 501(c)(3) requires that upon dissolution of your organization, your remaining assets must be used exclusively for exempt purposes, such as charitable, religious, educational, and/or scientific purposes. Check the box on line 2a to confirm that your organizing document meets this requirement by express provision for the distribution of assets upon dissolution. If you rely on state law for your dissolution provision, do not check the box on line 2a and go to line 2c.
- 2b If you checked the box on line 2a, specify the location of your dissolution clause (Page, Article, and Paragraph). Do not complete line 2c if you checked box 2a. Bylaws Article VII require distribution to Town of Acton
- 2c See the instructions for information about the operation of state law in your particular state. Check this box if you rely on operation of state law for your dissolution provision and indicate the state:

Part IV Narrative Description of Your Activities

Using an attachment, describe your *past*, *present*, and *planned* activities in a narrative. If you believe that you have already provided some of this information in response to other parts of this application, you may summarize that information here and refer to the specific parts of the application for supporting details. You may also attach representative copies of newsletters, brochures, or similar documents for supporting details to this narrative. Remember that if this application is approved, it will be open for public inspection. Therefore, your narrative description of activities should be thorough and accurate. Refer to the instructions for information that must be included in your description.

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors

- 1a List the names, titles, and mailing addresses of all of your officers, directors, and trustees. For each person listed, state their total annual **compensation**, or proposed compensation, for all services to the organization, whether as an officer, employee, or other position. Use actual figures, if available. Enter "none" if no compensation is or will be paid. If additional space is needed, attach a separate sheet. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
Nancy Tavernier	Chairman and Director	472 Main Street Acton MA 01720	compensation prohibited
Kevin McManus	Treasurer and Director	472 Main Street Acton MA 01720	None; see above
Naomi McManus	Clerk and Director	472 Main Street Acton MA 01720	None; see above
Daniel Buckley	Director	472 Main Street Acton MA 01720	None; see above

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

b List the names, titles, and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation. Do not include officers, directors, or trustees listed in line 1a.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
Not applicable		
		
		
		
		

c List the names, names of businesses, and mailing addresses of your five highest compensated independent contractors that receive or will receive compensation of more than \$50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation.

Name	Title	Mailing address	Compensation amount (annual actual or estimated)
Not applicable		
		
		
		
		

The following "Yes" or "No" questions relate to *past, present, or planned* relationships, transactions, or agreements with your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, and 1c.

- 2a** Are any of your officers, directors, or trustees **related** to each other through **family or business relationships**? If "Yes," identify the individuals and explain the relationship. **Yes** **No**
 - b** Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If "Yes," identify the individuals and describe the business relationship with each of your officers, directors, or trustees. **Yes** **No**
 - c** Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If "Yes," identify the individuals and explain the relationship. **Yes** **No**
-
- 3a** For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.
 - b** Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c receive compensation from any other organizations, whether tax exempt or taxable, that are related to you through **common control**? If "Yes," identify the individuals, explain the relationship between you and the other organization, and describe the compensation arrangement. **Yes** **No**
-
- 4** In establishing the compensation for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c, the following practices are recommended, although they are not required to obtain exemption. Answer "Yes" to all the practices you use.
 - a** Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy? **Yes** **No**
 - b** Do you or will you approve compensation arrangements in advance of paying compensation? **Yes** **No**
 - c** Do you or will you document in writing the date and terms of approved compensation arrangements? **Yes** **No**

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

d	Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
e	Do you or will you approve compensation arrangements based on information about compensation paid by similarly situated taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations? Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
f	Do you or will you record in writing both the information on which you relied to base your decision and its source?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
g	If you answered "No" to any item on lines 4a through 4f, describe how you set compensation that is reasonable for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c.		
5a	Have you adopted a conflict of interest policy consistent with the sample conflict of interest policy in Appendix A to the instructions? If "Yes," provide a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If "No," answer lines 5b and 5c.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
b	What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you for setting their own compensation?		
c	What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you regarding business deals with themselves?		
	Note: A conflict of interest policy is recommended though it is not required to obtain exemption. Hospitals, see Schedule C, Section I, line 14.		
6a	Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, or 1c through non-fixed payments , such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are determined, who is eligible for such arrangements, whether you place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Do you or will you compensate any of your employees, other than your officers, directors, trustees, or your five highest compensated employees who receive or will receive compensation of more than \$50,000 per year, through non-fixed payments, such as discretionary bonuses or revenue-based payments? If "Yes," describe all non-fixed compensation arrangements, including how the amounts are or will be determined, who is or will be eligible for such arrangements, whether you place or will place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
7a	Do you or will you purchase any goods, services, or assets from any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such purchase that you made or intend to make, from whom you make or will make such purchases, how the terms are or will be negotiated at arm's length , and explain how you determine or will determine that you pay no more than fair market value . Attach copies of any written contracts or other agreements relating to such purchases.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Do you or will you sell any goods, services, or assets to any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," describe any such sales that you made or intend to make, to whom you make or will make such sales, how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you are or will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such sales.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
8a	Do you or will you have any leases, contracts, loans, or other agreements with your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If "Yes," provide the information requested in lines 8b through 8f.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Describe any written or oral arrangements that you made or intend to make.		
c	Identify with whom you have or will have such arrangements.		
d	Explain how the terms are or will be negotiated at arm's length.		
e	Explain how you determine you pay no more than fair market value or you are paid at least fair market value.		
f	Attach copies of any signed leases, contracts, loans, or other agreements relating to such arrangements.		
9a	Do you or will you have any leases, contracts, loans, or other agreements with any organization in which any of your officers, directors, or trustees are also officers, directors, or trustees, or in which any individual officer, director, or trustee owns more than a 35% interest? If "Yes," provide the information requested in lines 9b through 9f.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

- b Describe any written or oral arrangements you made or intend to make.
- c Identify with whom you have or will have such arrangements.
- d Explain how the terms are or will be negotiated at arm's length.
- e Explain how you determine or will determine you pay no more than fair market value or that you are paid at least fair market value.
- f Attach a copy of any signed leases, contracts, loans, or other agreements relating to such arrangements.

Part VI Your Members and Other Individuals and Organizations That Receive Benefits From You

The following "Yes" or "No" questions relate to goods, services, and funds you provide to individuals and organizations as part of your activities. Your answers should pertain to *past, present, and planned* activities. (See instructions.)

- 1a In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? If "Yes," describe each program that provides goods, services, or funds to individuals. Yes No
- b In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? If "Yes," describe each program that provides goods, services, or funds to organizations. Yes No
- 2 Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals? For example, answer "Yes," if goods, services, or funds are provided only for a particular individual, your members, individuals who work for a particular employer, or graduates of a particular school. If "Yes," explain the limitation and how recipients are selected for each program. Yes No
- 3 Do any individuals who receive goods, services, or funds through your programs have a family or business relationship with any officer, director, trustee, or with any of your highest compensated employees or highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c? If "Yes," explain how these related individuals are eligible for goods, services, or funds. Yes No

Part VII Your History

The following "Yes" or "No" questions relate to your history. (See instructions.)

- 1 Are you a **successor** to another organization? Answer "Yes," if you have taken or will take over the activities of another organization; you took over 25% or more of the fair market value of the net assets of another organization; or you were established upon the conversion of an organization from for-profit to non-profit status. If "Yes," complete Schedule G. Yes No
- 2 Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If "Yes," complete Schedule E. Yes No

Part VIII Your Specific Activities

The following "Yes" or "No" questions relate to specific activities that you may conduct. Check the appropriate box. Your answers should pertain to *past, present, and planned* activities. (See instructions.)

- 1 Do you support or oppose candidates in **political campaigns** in any way? If "Yes," explain. Yes No
- 2a Do you attempt to **influence legislation**? If "Yes," explain how you attempt to influence legislation and complete line 2b. If "No," go to line 3a. Yes No
- b Have you made or are you making an **election** to have your legislative activities measured by expenditures by filing Form 5768? If "Yes," attach a copy of the Form 5768 that was already filed or attach a completed Form 5768 that you are filing with this application. If "No," describe whether your attempts to influence legislation are a substantial part of your activities. Include the time and money spent on your attempts to influence legislation as compared to your total activities. Yes No
- 3a Do you or will you operate bingo or **gaming** activities? If "Yes," describe who conducts them, and list all revenue received or expected to be received and expenses paid or expected to be paid in operating these activities. **Revenue and expenses** should be provided for the time periods specified in Part IX, Financial Data. Yes No
- b Do you or will you enter into contracts or other agreements with individuals or organizations to conduct bingo or gaming for you? If "Yes," describe any written or oral arrangements that you made or intend to make, identify with whom you have or will have such arrangements, explain how the terms are or will be negotiated at arm's length, and explain how you determine or will determine you pay no more than fair market value or you will be paid at least fair market value. Attach copies or any written contracts or other agreements relating to such arrangements. Yes No
- c List the states and local jurisdictions, including Indian Reservations, in which you conduct or will conduct gaming or bingo.

Part VIII Your Specific Activities (Continued)

4a Do you or will you undertake **fundraising**? If "Yes," check all the fundraising programs you do or will conduct. (See instructions.) **Yes** **No**

- mail solicitations
- email solicitations
- personal solicitations
- vehicle, boat, plane, or similar donations
- foundation grant solicitations
- phone solicitations
- accept donations on your website
- receive donations from another organization's website
- government grant solicitations
- Other

Attach a description of each fundraising program.

b Do you or will you have written or oral contracts with any individuals or organizations to raise funds for you? If "Yes," describe these activities. Include all revenue and expenses from these activities and state who conducts them. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data. Also, attach a copy of any contracts or agreements. **Yes** **No**

c Do you or will you engage in fundraising activities for other organizations? If "Yes," describe these arrangements. Include a description of the organizations for which you raise funds and attach copies of all contracts or agreements. **Yes** **No**

d List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.

e Do you or will you maintain separate accounts for any contributor under which the contributor has the right to advise on the use or distribution of funds? Answer "Yes" if the donor may provide advice on the types of investments, distributions from the types of investments, or the distribution from the donor's contribution account. If "Yes," describe this program, including the type of advice that may be provided and submit copies of any written materials provided to donors. **Yes** **No**

5 Are you **affiliated** with a governmental unit? If "Yes," explain. **Yes** **No**

6a Do you or will you engage in **economic development**? If "Yes," describe your program. **Yes** **No**

b Describe in full who benefits from your economic development activities and how the activities promote exempt purposes.

7a Do or will persons other than your employees or volunteers **develop** your facilities? If "Yes," describe each facility, the role of the developer, and any business or family relationship(s) between the developer and your officers, directors, or trustees. **Yes** **No**

b Do or will persons other than your employees or volunteers **manage** your activities or facilities? If "Yes," describe each activity and facility, the role of the manager, and any business or family relationship(s) between the manager and your officers, directors, or trustees. **Yes** **No**

c If there is a business or family relationship between any manager or developer and your officers, directors, or trustees, identify the individuals, explain the relationship, describe how contracts are negotiated at arm's length so that you pay no more than fair market value, and submit a copy of any contracts or other agreements.

8 Do you or will you enter into **joint ventures**, including partnerships or **limited liability companies** treated as partnerships, in which you share profits and losses with partners other than section 501(c)(3) organizations? If "Yes," describe the activities of these joint ventures in which you participate. **Yes** **No**

9a Are you applying for exemption as a childcare organization under section 501(k)? If "Yes," answer lines 9b through 9d. If "No," go to line 10. **Yes** **No**

b Do you provide child care so that parents or caretakers of children you care for can be **gainfully employed** (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**

c Of the children for whom you provide child care, are 85% or more of them cared for by you to enable their parents or caretakers to be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**

d Are your services available to the general public? If "No," describe the specific group of people for whom your activities are available. Also, see the instructions and explain how you qualify as a childcare organization described in section 501(k). **Yes** **No**

10 Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other **intellectual property**? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed. **Yes** **No**

Part VIII Your Specific Activities (Continued)

- 11** Do you or will you accept contributions of: real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution. **Yes** **No**
-
- 12a** Do you or will you operate in a **foreign country** or **countries**? If "Yes," answer lines 12b through 12d. If "No," go to line 13a. **Yes** **No**
- b** Name the foreign countries and regions within the countries in which you operate.
- c** Describe your operations in each country and region in which you operate.
- d** Describe how your operations in each country and region further your exempt purposes.
-
- 13a** Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g. If "No," go to line 14a. **Yes** **No**
- b** Describe how your grants, loans, or other distributions to organizations further your exempt purposes.
- c** Do you have written contracts with each of these organizations? If "Yes," attach a copy of each contract. **Yes** **No**
- d** Identify each recipient organization and any **relationship** between you and the recipient organization.
- e** Describe the records you keep with respect to the grants, loans, or other distributions you make.
- f** Describe your selection process, including whether you do any of the following:
- (i)** Do you require an application form? If "Yes," attach a copy of the form. **Yes** **No**
- (ii)** Do you require a grant proposal? If "Yes," describe whether the grant proposal specifies your responsibilities and those of the grantee, obligates the grantee to use the grant funds only for the purposes for which the grant was made, provides for periodic written reports concerning the use of grant funds, requires a final written report and an accounting of how grant funds were used, and acknowledges your authority to withhold and/or recover grant funds in case such funds are, or appear to be, misused. **Yes** **No**
- g** Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.
-
- 14a** Do you or will you make grants, loans, or other distributions to foreign organizations? If "Yes," answer lines 14b through 14f. If "No," go to line 15. **Yes** **No**
- b** Provide the name of each foreign organization, the country and regions within a country in which each foreign organization operates, and describe any relationship you have with each foreign organization.
- c** Does any foreign organization listed in line 14b accept contributions earmarked for a specific country or specific organization? If "Yes," list all earmarked organizations or countries. **Yes** **No**
- d** Do your contributors know that you have ultimate authority to use contributions made to you at your discretion for purposes consistent with your exempt purposes? If "Yes," describe how you relay this information to contributors. **Yes** **No**
- e** Do you or will you make pre-grant inquiries about the recipient organization? If "Yes," describe these inquiries, including whether you inquire about the recipient's financial status, its tax-exempt status under the Internal Revenue Code, its ability to accomplish the purpose for which the resources are provided, and other relevant information. **Yes** **No**
- f** Do you or will you use any additional procedures to ensure that your distributions to foreign organizations are used in furtherance of your exempt purposes? If "Yes," describe these procedures, including site visits by your employees or compliance checks by impartial experts, to verify that grant funds are being used appropriately. **Yes** **No**

Part VIII Your Specific Activities (Continued)

- | | | | |
|-----------|--|---|--|
| 15 | Do you have a close connection with any organizations? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 16 | Are you applying for exemption as a cooperative hospital service organization under section 501(e)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 17 | Are you applying for exemption as a cooperative service organization of operating educational organizations under section 501(f)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 18 | Are you applying for exemption as a charitable risk pool under section 501(n)? If "Yes," explain. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 19 | Do you or will you operate a school ? If "Yes," complete Schedule B. Answer "Yes," whether you operate a school as your main function or as a secondary activity. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 20 | Is your main function to provide hospital or medical care ? If "Yes," complete Schedule C. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 21 | Do you or will you provide low-income housing or housing for the elderly or handicapped ? If "Yes," complete Schedule F. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 22 | Do you or will you provide scholarships, fellowships, educational loans, or other educational grants to individuals, including grants for travel, study, or other similar purposes? If "Yes," complete Schedule H. | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Note: Private foundations may use Schedule H to request advance approval of individual grant procedures.

Part IX Financial Data

For purposes of this schedule, years in existence refer to completed tax years. If in existence 4 or more years, complete the schedule for the most recent 4 tax years. If in existence more than 1 year but less than 4 years, complete the statements for each year in existence and provide projections of your likely revenues and expenses based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. If in existence less than 1 year, provide projections of your likely revenues and expenses for the current year and the 2 following years, based on a reasonable and good faith estimate of your future finances for a total of 3 years of financial information. (See instructions.)

A. Statement of Revenues and Expenses

	Type of revenue or expense	3 prior tax years or 2 succeeding tax years				(e) Provide Total for (a) through (d)
		Current tax year	(b) From 7/1/06 To 6/30/07	(c) From 7/1/05 To 6/30/06	(d) From 7/1/04 To 6/30/05	
		(a) From 7/1/07 To 12/31/07	(b) From 7/1/06 To 6/30/07	(c) From 7/1/05 To 6/30/06	(d) From 7/1/04 To 6/30/05	
Revenues	1 Gifts, grants, and contributions received (do not include unusual grants)					
	2 Membership fees received					
	3 Gross investment income	\$2,834.84	\$7,368.72	\$1,260.49	\$0.00	\$11,464.05
	4 Net unrelated business income					
	5 Taxes levied for your benefit					
	6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)					
	7 Any revenue not otherwise listed above or in lines 9-12 below (attach an itemized list)	\$52,500	\$150,000	\$210,000	\$50,000	\$462,500
	8 Total of lines 1 through 7	\$55,334.84	\$157,368.72	\$211,260.49	\$50,000	\$473,964.05
	9 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)					
	10 Total of lines 8 and 9	\$55,334.84	\$157,368.72	\$211,260.49	\$50,000	\$473,964.05
	11 Net gain or loss on sale of capital assets (attach schedule and see instructions)					
	12 Unusual grants					
	13 Total Revenue Add lines 10 through 12	\$55,334.84	\$157,368.72	\$211,260.49	\$50,000	\$473,964.05
Expenses	14 Fundraising expenses					
	15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)	\$80,416.78	\$14,430.83	\$222,603.91	\$592.64	
	16 Disbursements to or for the benefit of members (attach an itemized list)					
	17 Compensation of officers, directors, and trustees					
	18 Other salaries and wages					
	19 Interest expense					
	20 Occupancy (rent, utilities, etc.)					
	21 Depreciation and depletion					
	22 Professional fees					
	23 Any expense not otherwise classified, such as program services (attach itemized list)					
	24 Total Expenses Add lines 14 through 23	\$80,416.78	\$14,430.83	\$222,603.91	\$592.64	

Part IX Financial Data (Continued)

B. Balance Sheet (for your most recently completed tax year)

Year End: **6/30/07**

Assets		(Whole dollars)
1	Cash	\$1,782.36
2	Accounts receivable, net	
3	Inventories	
4	Bonds and notes receivable (attach an itemized list)	
5	Corporate stocks (attach an itemized list)	
6	Loans receivable (attach an itemized list)	
7	Other investments (attach an itemized list)	\$183,068.13
8	Depreciable and depletable assets (attach an itemized list)	
9	Land	
10	Other assets (attach an itemized list)	\$184,850.49
11	Total Assets (add lines 1 through 10)	
Liabilities		
12	Accounts payable	
13	Contributions, gifts, grants, etc. payable	
14	Mortgages and notes payable (attach an itemized list)	
15	Other liabilities (attach an itemized list)	
16	Total Liabilities (add lines 12 through 15)	\$172,919.77
Fund Balances or Net Assets		
17	Total fund balances or net assets	\$11,930.72
18	Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)	\$184,850.49
19	Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Part X Public Charity Status

Part X is designed to classify you as an organization that is either a **private foundation** or a **public charity**. Public charity status is a more favorable tax status than private foundation status. If you are a private foundation, Part X is designed to further determine whether you are a **private operating foundation**. (See instructions.)

- 1a Are you a private foundation? If "Yes," go to line 1b. If "No," go to line 5 and proceed as instructed. If you are unsure, see the instructions. Yes No
- b As a private foundation, section 508(e) requires special provisions in your organizing document in addition to those that apply to all organizations described in section 501(c)(3). Check the box to confirm that your organizing document meets this requirement, whether by express provision or by reliance on operation of state law. Attach a statement that describes specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document or by operation of state law. See the instructions, including Appendix B, for information about the special provisions that need to be contained in your organizing document. Go to line 2.
- 2 Are you a private operating foundation? To be a private operating foundation you must engage directly in the active conduct of charitable, religious, educational, and similar activities, as opposed to indirectly carrying out these activities by providing grants to individuals or other organizations. If "Yes," go to line 3. If "No," go to the signature section of Part XI. Yes No
- 3 Have you existed for one or more years? If "Yes," attach financial information showing that you are a private operating foundation; go to the signature section of Part XI. If "No," continue to line 4. Yes No
- 4 Have you attached either (1) an affidavit or opinion of counsel, (including a written affidavit or opinion from a certified public accountant or accounting firm with expertise regarding this tax law matter), that sets forth facts concerning your operations and support to demonstrate that you are likely to satisfy the requirements to be classified as a private operating foundation; or (2) a statement describing your proposed operations as a private operating foundation? Yes No
- 5 If you answered "No" to line 1a, indicate the type of public charity status you are requesting by checking one of the choices below. You may check only one box.
The organization is not a private foundation because it is:
 - a 509(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A.
 - b 509(a)(1) and 170(b)(1)(A)(ii)—a school. Complete and attach Schedule B.
 - c 509(a)(1) and 170(b)(1)(A)(iii)—a hospital, a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital. Complete and attach Schedule C.
 - d 509(a)(3)—an organization supporting either one or more organizations described in line 5a through c, f, g, or h or a publicly supported section 501(c)(4), (5), or (6) organization. Complete and attach Schedule D.

Part X Public Charity Status (Continued)

- e 509(a)(4)—an organization organized and operated exclusively for testing for public safety.
- f 509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.
- g 509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.
- h 509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross **investment income** and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).
- i A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status.

6 If you checked box g, h, or i in question 5 above, you must request either an **advance** or a **definitive ruling** by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

- a **Request for Advance Ruling:** By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, *Extending the Tax Assessment Period*, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at www.irs.gov or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling.

Consent Fixing Period of Limitations Upon Assessment of Tax Under Section 4940 of the Internal Revenue Code

For Organization

.....
 (Signature of Officer, Director, Trustee, or other authorized official)

.....
 (Type or print name of signer)

.....
 (Date)

.....
 (Type or print title or authority of signer)

For IRS Use Only

.....
 IRS Director, Exempt Organizations

.....
 (Date)

- b **Request for Definitive Ruling:** Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii).
- (i) (a) Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses. \$9,479.28
- (b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is "None," check this box.
- (ii) (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each **disqualified person**. If the answer is "None," check this box.
- (b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) \$5,000. If the answer is "None," check this box.

7 Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If "Yes," attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual. Yes No

Part XI User Fee Information

You must include a user fee payment with this application. It will not be processed without your paid user fee. If your average annual gross receipts have exceeded or will exceed \$10,000 annually over a 4-year period, you must submit payment of \$750. If your gross receipts have not exceeded or will not exceed \$10,000 annually over a 4-year period, the required user fee payment is \$300. See instructions for Part XI, for a definition of **gross receipts** over a 4-year period. Your check or money order must be made payable to the United States Treasury. *User fees are subject to change. Check our website at www.irs.gov and type "User Fee" in the keyword box, or call Customer Account Services at 1-877-829-5500 for current information.*

- 1 Have your annual gross receipts averaged or are they expected to average not more than \$10,000? Yes No
 If "Yes," check the box on line 2 and enclose a user fee payment of \$300 (Subject to change—see above).
 If "No," check the box on line 3 and enclose a user fee payment of \$750 (Subject to change—see above).
- 2 Check the box if you have enclosed the reduced user fee payment of \$300 (Subject to change).
- 3 Check the box if you have enclosed the user fee payment of \$750 (Subject to change).

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here

Nancy Tavernier
(Signature of Officer, Director, Trustee, or other authorized official)

Nancy Tavernier
(Type or print name of signer)

March 7, 2008
(Date)

Chairman
(Type or print title or authority of signer)

Reminder: Send the completed Form 1023 Checklist with your filled-in-application.

Schedule E. Organizations Not Filing Form 1023 Within 27 Months of Formation

Schedule E is intended to determine whether you are eligible for tax exemption under section 501(c)(3) from the postmark date of your application or from your date of incorporation or formation, whichever is earlier. If you are not eligible for tax exemption under section 501(c)(3) from your date of incorporation or formation, Schedule E is also intended to determine whether you are eligible for tax exemption under section 501(c)(4) for the period between your date of incorporation or formation and the postmark date of your application.

- 1** Are you a church, association of churches, or integrated auxiliary of a church? If "Yes," complete Schedule A and stop here. Do not complete the remainder of Schedule E. Yes No
-
- 2a** Are you a public charity with annual **gross receipts** that are normally \$5,000 or less? If "Yes," stop here. Answer "No" if you are a private foundation, regardless of your gross receipts. Yes No
- b** If your gross receipts were normally more than \$5,000, are you filing this application within 90 days from the end of the tax year in which your gross receipts were normally more than \$5,000? If "Yes," stop here. Yes No
-
- 3a** Were you included as a subordinate in a group exemption application or letter? If "No," go to line 4. Yes No
- b** If you were included as a subordinate in a group exemption letter, are you filing this application within 27 months from the date you were notified by the organization holding the group exemption letter or the Internal Revenue Service that you cease to be covered by the group exemption letter? If "Yes," stop here. Yes No
- c** If you were included as a subordinate in a timely filed group exemption request that was denied, are you filing this application within 27 months from the postmark date of the Internal Revenue Service final adverse ruling letter? If "Yes," stop here. Yes No
-
- 4** Were you created on or before October 9, 1969? If "Yes," stop here. Do not complete the remainder of this schedule. Yes No
-
- 5** If you answered "No" to lines 1 through 4, we cannot recognize you as tax exempt from your date of formation unless you qualify for an extension of time to apply for exemption. Do you wish to request an extension of time to apply to be recognized as exempt from the date you were formed? If "Yes," attach a statement explaining why you did not file this application within the 27-month period. Do not answer lines 6, 7, or 8. If "No," go to line 6a. Yes No
-
- 6a** If you answered "No" to line 5, you can only be exempt under section 501(c)(3) from the postmark date of this application. Therefore, do you want us to treat this application as a request for tax exemption from the postmark date? If "Yes," you are eligible for an advance ruling. Complete Part X, line 6a. If "No," you will be treated as a private foundation. Yes No
- Note.** Be sure your ruling eligibility agrees with your answer to Part X, line 6.
- b** Do you anticipate significant changes in your sources of support in the future? If "Yes," complete line 7 below. Yes No

Schedule E. Organizations Not Filing Form 1023 Within 27 Months of Formation (Continued)

7 Complete this item only if you answered "Yes" to line 6b. Include projected revenue for the first two full years following the current tax year.

Type of Revenue	Projected revenue for 2 years following current tax year		
	(a) From To	(b) From To	(c) Total
1 Gifts, grants, and contributions received (do not include unusual grants)			
2 Membership fees received			
3 Gross investment income			
4 Net unrelated business income			
5 Taxes levied for your benefit			
6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to the public without charge)			
7 Any revenue not otherwise listed above or in lines 9-12 below (attach an itemized list)			
8 Total of lines 1 through 7			
9 Gross receipts from admissions, merchandise sold, or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)			
10 Total of lines 8 and 9			
11 Net gain or loss on sale of capital assets (attach an itemized list)			
12 Unusual grants			
13 Total revenue. Add lines 10 through 12			

8 According to your answers, you are only eligible for tax exemption under section 501(c)(3) from the postmark date of your application. However, you may be eligible for tax exemption under section 501(c)(4) from your date of formation to the postmark date of the Form 1023. Tax exemption under section 501(c)(4) allows exemption from federal income tax, but generally not deductibility of contributions under Code section 170. Check the box at right if you want us to treat this as a request for exemption under 501(c)(4) from your date of formation to the postmark date. ▶

Attach a completed Page 1 of Form 1024, Application for Recognition of Exemption Under Section 501(a), to this application.

Schedule F. Homes for the Elderly or Handicapped and Low-Income Housing**Section I General Information About Your Housing**

1 Describe the type of housing you provide.

2 Provide copies of any application forms you use for admission.

3 Explain how the public is made aware of your facility.

4a Provide a description of each facility.

b What is the total number of residents each facility can accommodate?

c What is your current number of residents in each facility?

d Describe each facility in terms of whether residents rent or purchase housing from you.

5 Attach a sample copy of your residency or homeownership contract or agreement.

6 Do you participate in any joint ventures? If "Yes," state your ownership percentage in each joint venture, list your investment in each joint venture, describe the tax status of other participants in each joint venture (including whether they are section 501(c)(3) organizations), describe the activities of each joint venture, describe how you exercise control over the activities of each joint venture, and describe how each joint venture furthers your exempt purposes. Also, submit copies of all joint venture agreements. Yes No

Note. Make sure your answer is consistent with the information provided in Part VIII, line 8.

7 Do you or will you contract with another organization to develop, build, market, or finance your housing? If "Yes," explain how that entity is selected, explain how the terms of any contract(s) are negotiated at arm's length, and explain how you determine you will pay no more than fair market value for services. Yes No

Note. Make sure your answer is consistent with the information provided in Part VIII, line 7a.

8 Do you or will you manage your activities or facilities through your own employees or volunteers? If "No," attach a statement describing the activities that will be managed by others, the names of the persons or organizations that manage or will manage your activities or facilities, and how these managers were or will be selected. Also, submit copies of any contracts, proposed contracts, or other agreements regarding the provision of management services for your activities or facilities. Explain how the terms of any contracts or other agreements were or will be negotiated, and explain how you determine you will pay no more than fair market value for services. Yes No

Note. Answer "Yes" if you do manage or intend to manage your programs through your own employees or by using volunteers. Answer "No" if you engage or intend to engage a separate organization or independent contractor. Make sure your answer is consistent with the information provided in Part VIII, line 7b.

9 Do you participate in any government housing programs? If "Yes," describe these programs. Yes No

10a Do you own the facility? If "No," describe any enforceable rights you possess to purchase the facility in the future; go to line 10c. If "Yes," answer line 10b. Yes No

b How did you acquire the facility? For example, did you develop it yourself, purchase a project, etc. Attach all contracts, transfer agreements, or other documents connected with the acquisition of the facility.

c Do you lease the facility or the land on which it is located? If "Yes," describe the parties to the lease(s) and provide copies of all leases. Yes No

Schedule F. Homes for the Elderly or Handicapped and Low-Income Housing (Continued)**Section II Homes for the Elderly or Handicapped**

- 1a** Do you provide housing for the elderly? If "Yes," describe who qualifies for your housing in terms of age, infirmity, or other criteria and explain how you select persons for your housing. Yes No
- b** Do you provide housing for the handicapped? If "Yes," describe who qualifies for your housing in terms of disability, income levels, or other criteria and explain how you select persons for your housing. Yes No
-
- 2a** Do you charge an entrance or founder's fee? If "Yes," describe what this charge covers, whether it is a one-time fee, how the fee is determined, whether it is payable in a lump sum or on an installment basis, whether it is refundable, and the circumstances, if any, under which it may be waived. Yes No
- b** Do you charge periodic fees or maintenance charges? If "Yes," describe what these charges cover and how they are determined. Yes No
- c** Is your housing affordable to a significant segment of the elderly or handicapped persons in the community? Identify your **community**. Also, if "Yes," explain how you determine your housing is affordable. Yes No
-
- 3a** Do you have an established policy concerning residents who become unable to pay their regular charges? If "Yes," describe your established policy. Yes No
- b** Do you have any arrangements with government welfare agencies or others to absorb all or part of the cost of maintaining residents who become unable to pay their regular charges? If "Yes," describe these arrangements. Yes No
-
- 4** Do you have arrangements for the healthcare needs of your residents? If "Yes," describe these arrangements. Yes No
-
- 5** Are your facilities designed to meet the physical, emotional, recreational, social, religious, and/or other similar needs of the elderly or handicapped? If "Yes," describe these design features. Yes No

Section III Low-Income Housing

- 1** Do you provide low-income housing? If "Yes," describe who qualifies for your housing in terms of income levels or other criteria, and describe how you select persons for your housing. Yes No
-
- 2** In addition to rent or mortgage payments, do residents pay periodic fees or maintenance charges? If "Yes," describe what these charges cover and how they are determined. Yes No
-
- 3a** Is your housing affordable to low income residents? If "Yes," describe how your housing is made affordable to low-income residents. Yes No
- Note.** Revenue Procedure 96-32, 1996-1 C.B. 717, provides guidelines for providing low-income housing that will be treated as charitable. (At least 75% of the units are occupied by low-income tenants or 40% are occupied by tenants earning not more than 120% of the very low-income levels for the area.)
- b** Do you impose any restrictions to make sure that your housing remains affordable to low-income residents? If "Yes," describe these restrictions. Yes No
-
- 4** Do you provide social services to residents? If "Yes," describe these services. Yes No

Schedule G. Successors to Other Organizations

1a Are you a successor to a for-profit organization? If "Yes," explain the relationship with the predecessor organization that resulted in your creation and complete line 1b. Yes No

b Explain why you took over the activities or assets of a for-profit organization or converted from for-profit to nonprofit status.

2a Are you a successor to an organization other than a for-profit organization? Answer "Yes" if you have taken or will take over the activities of another organization; or you have taken or will take over 25% or more of the fair market value of the net assets of another organization. If "Yes," explain the relationship with the other organization that resulted in your creation. Yes No

b Provide the tax status of the predecessor organization.

c Did you or did an organization to which you are a successor previously apply for tax exemption under section 501(c)(3) or any other section of the Code? If "Yes," explain how the application was resolved. Yes No

d Was your prior tax exemption or the tax exemption of an organization to which you are a successor revoked or suspended? If "Yes," explain. Include a description of the corrections you made to re-establish tax exemption. Yes No

e Explain why you took over the activities or assets of another organization.

3 Provide the name, last address, and EIN of the predecessor organization and describe its activities.

Name: **Acton Community Housing Corporation**

EIN: **04 - 2983094**

Address: **P O Box 681, Acton MA**

4 List the owners, partners, principal stockholders, officers, and governing board members of the predecessor organization. Attach a separate sheet if additional space is needed.

Name	Address	Share/Interest (if a for-profit)
See narrative	
	
	
	
	

5 Do or will any of the persons listed in line 4, maintain a working relationship with you? If "Yes," describe the relationship in detail and include copies of any agreements with any of these persons or with any for-profit organizations in which these persons own more than a 35% interest. Yes No

6a Were any assets transferred, whether by gift or sale, from the predecessor organization to you? If "Yes," provide a list of assets, indicate the value of each asset, explain how the value was determined, and attach an appraisal, if available. For each asset listed, also explain if the transfer was by gift, sale, or combination thereof. Yes No

b Were any restrictions placed on the use or sale of the assets? If "Yes," explain the restrictions. Yes No

c Provide a copy of the agreement(s) of sale or transfer.

7 Were any debts or liabilities transferred from the predecessor for-profit organization to you? If "Yes," provide a list of the debts or liabilities that were transferred to you, indicating the amount of each, how the amount was determined, and the name of the person to whom the debt or liability is owed. Yes No

8 Will you lease or rent any property or equipment previously owned or used by the predecessor for-profit organization, or from persons listed in line 4, or from for-profit organizations in which these persons own more than a 35% interest? If "Yes," submit a copy of the lease or rental agreement(s). Indicate how the lease or rental value of the property or equipment was determined. Yes No

9 Will you lease or rent property or equipment to persons listed in line 4, or to for-profit organizations in which these persons own more than a 35% interest? If "Yes," attach a list of the property or equipment, provide a copy of the lease or rental agreement(s), and indicate how the lease or rental value of the property or equipment was determined. Yes No

Acton Community Housing Corporation
Application for Recognition of Exemption
Under Section 501(c)(3) of the Internal Revenue Code

(continued)

Part I

10 ACHC is claiming to be excused from filing Form 990 or Form 990-EZ by reason of being an affiliate of the Town of Acton, whose primary source of funds is from tax revenues of the Town. (See Rev Proc 95-48) The Town of Acton is a municipal government, one of Massachusetts' 351 cities and towns.

Part III

2b Bylaws Article 10, Section 10.1.3 require that the Town of Acton receive all assets of the Corporation on dissolution as set forth in Section 5 of Chapter 143 of the Acts of 1996, the special act of the Massachusetts legislature creating the corporation.

Part IV

Acton Community Housing Corporation (ACHC) was created by the Massachusetts General Court (the legislature) on application of the Town of Acton for the purpose of establishing an independent, nonprofit corporation that would engage in creation, maintenance and preservation of affordable housing within the Town subject to the supervision of the Board of Selectmen (the Town's chief executive board) to which the Town could appropriate Town funds, whether raised by taxation or otherwise, for carrying out its purposes as a nonprofit housing corporation. (See Sections 1 and 4 of Chapter 143 of the Acts of 1996)

The Board of Selectmen appoints the directors of ACHC who then operate ACHC autonomously as an entity separate from the Town, but with most of their material actions subject to approval by the Board of Selectmen. Referencing the enabling legislation, Chapter 143 of the Acts of 1996, a copy of which is attached:

Section 1 - ACHC is "*subject to the supervision of the board of selectmen of the Town of Acton*", with its directors "*appointed by the board of selectmen*" and with "any vacancy . . . [being] *filled by the board of selectmen . . .*"

Section 2(b) - ACHC's treasurer "*shall give bond . . . in such form and amount as approved and fixed by the board of selectmen.*"

Section 2(c) - ACHC can only "make and execute all contracts and all other

instruments necessary or convenient for the exercise of its powers and functions *subject to the approval of the town counsel of the town of Acton as to form*

Section 2(d) - ACHC can acquire property only “*with the approval of the board of selectmen*”.

Section 2(e) - ACHC can enter into agreements with government only only “*with the approval of the board of selectmen*”.

Section 2(f) - ACHC can enter into agreements with parties in the private sector only “*with the approval of the board of selectmen*”.

Section 2(g) - ACHC can receive funds, whether Town funds, other government funds or private gifted funds, only “*with the approval of the board of selectmen*” and can expend funds “*only with the approval of the board of selectmen*”.

Section 2(i) - While ACHC can acquire insurance on its own authority, it can only indemnify its members or agents only “*with the approval of the board of selectmen*”.

Section 2(j) - ACHC can carry out or monitor plans for acquisition of operation of housing facilities, its core function, only “*with the approval of the board of selectmen*”.

Section 2(k) - ACHC can fix and revise rates, fees, rentals and other charges only “*with the approval of the board of selectmen*”.

Section 2(l) - ACHC can “establish, impose, grant or amend” . . . “restrictions on the rental, sale, resale, use or occupancy of housing facilities” only “*with the approval of the board of selectmen*”.

Section 2(m) - ACHC can make and perform agreements with real estate professionals “relating to the provisions of affordable housing for persons of low and moderate income in the town [of Acton] only “*with the approval of the board of selectmen*”.

In short, the essential activities ACHC is authorized to engage in as a nonprofit housing corporation are subject to approval by the Acton Board of Selectmen.

This relationship with town government is further reflected in Section 3, addressing the non-taxable nature of ACHC’s activities, which provides that ACHC’s “income, assets and activities . . . shall be exempt from all taxes and assessments and said board shall not be subject to any provisions of chapter sixty three of the General Laws or to any taxes based up or measured by property or income, imposed by the commonwealth of by any political subdivision thereof”.

Under its enabling legislation, ACHC's authority does not extend beyond the scope of a non-profit charitable corporation engaged in affordable housing matters under the supervision of the Town of Acton's Board of Selectmen. This legal structure results in ACHC being a governmental instrumentality limited to charitable purposes regarding affordable housing, that is, an entity separate from the Town of Acton, wholly owned by and under the control of the Town, that is a clear counterpart of a charitable organization engaged in affordable housing activity.

ACHC will be responsible for overseeing administration of existing affordable housing in Town as well as for facilitating the development of new affordable housing, including recommending policies to the Town that will further the creation, maintenance and preservation of affordable housing in Acton.

Because a separate public agency, the Acton Housing Authority, created by the Commonwealth of Massachusetts, exists within Acton to develop, own and operate publicly-owned low income rental affordable housing, this application assumes that ACHC's activities will be directed to subsidizing affordable units for low and moderate income persons and households in private sector homeownership and rental housing.

ACHC will receive part of its funding from allocations by Town Meeting of so-called Community Preservation Act funds, a set-aside fund created under Massachusetts law that authorizes municipalities to raise funds by general taxation for the purposes of affordable housing, historic preservation, conservation and recreational purposes.

ACHC will also have authority to raise funds by private donation in the manner of a charitable organization exempt from federal income taxation, but has not done so to date and will refrain from doing so until its tax exempt status is established.

ACHC will receive staff support from Town staff, but ACHC's directors and officers will be citizens of Acton rendering community service without compensation. Activities such as development of new housing will be achieved by private sector providers.

Part V

2a Kevin McManus and Naomi McManus, both of whom volunteer their services, are married to one another.

3a The persons are those named in paragraph 1a above. All are volunteers rendering community service, having been appointed by the Acton Board of Selectmen based on their willingness to serve and such other qualifications as the Board of Selectmen determined. All serve for a stated term and can be re-appointed.

4 Not applicable absent compensation.

5a The conflict of interest policy is stated in Article 9, Section 9.1 of the Bylaws submitted with this Application.

5b Not applicable absent compensation

5c Not applicable

Part VI

1a Each unit of affordable housing that is created, as well as existing affordable housing units as they are resold, are sold to income-qualified persons or households who will be selected by lottery, or otherwise, all in conformance with standards established by applicable public authority (at the present, the Massachusetts Department of Housing and Community Development) that are consistent with assuring that this public benefit of government subsidized housing is allocated to qualified persons on a non-discriminatory basis and otherwise in accordance with applicable public policy. ACHC has instituted a Condominium Buydown program in which an existing unit is identified for purchase by an income eligible first time home buyer. ACHC subsidizes the selling price to bring it down to an affordable level. ACHC helps individuals purchase units by providing some Closing costs and down payment assistance with this program.

The organization buys down the purchase price as necessary to make the housing affordable and provides financial assistance with such items as closing costs and down payment, all to the goal of assuring the home is affordable to the income-qualified person or household.

A restriction on title, usually part of the deed, assures that the housing will remain affordable to subsequent purchasers.

1b ACHC uses Community Preservation Funds to finance new affordable housing initiatives. This fund is retained by the ACHC for appropriate affordable housing activities recommended by the ACHC or any other entity approved by the Acton Board of Selectmen. The ACHC has assisted the Acton Housing Authority in purchasing units for their low-income rental program by providing subsidy funds toward the purchase price.

2 Affordable housing is, by definition, limited to income qualified persons and households. The applicable income limits for owner-occupied housing and affordable rental units are no greater than 80% of area median income (AMI) (presently determined by the United States Department of Housing and Urban Development (HUD)). While units subsidized under Massachusetts' Community Preservation Act can be sold to persons or households having income up to 100% of AMI, ACHC limits its activities to

matters involving persons or households whose incomes range from 30% to 80% AMI when using Community Preservation funds. All or substantially all of ACHC's activities will be for the benefit of persons and households in those levels of income. Recipients are selected by lottery from among income-eligible persons.

Part VIII

4a As noted above, under the Massachusetts Community Preservation Act, the Town of Acton annually raises revenues through general property taxation, supplemented by matching funds from the Commonwealth of Massachusetts, which are dedicated to specified purposes of so-called community preservation, including affordable housing. Funding of specific activities is authorized by Town Meeting following application to and the recommendation of the appropriate Town committee by parties proposing eligible projects. A substantial portion of ACHC's funds for affordable housing development, administration and preservation will come from those authorizations, with other funds being donated.

As regards fundraising by donation from citizens, no specific program has yet been carried out or designed, although if conducted such program will resemble typical Town charitable fundraising programs operated on a volunteer basis by members of the community.

4b ACHC anticipates working in cooperation with such other citizen volunteer fundraising organizations supporting housing as may exist in Acton from time to time.

5 As noted above, while ACHC was separately incorporated by special act of the Massachusetts legislature (at the Town's request) and operates autonomously, its Directors are appointed by the Acton Board of Selectmen, their material actions are subject to approval by the Board of Selectmen and on dissolution its assets transfer to and vest in the Town automatically. This legal structure results in ACHC being a governmental instrumentality having charitable purposes, that is, an entity that, while separate from the Town of Acton, is under the ownership and control of the Town and is a clear counterpart of a charitable organization engaged in affordable housing activity. (see also Part IV first paragraph above)

6a To the extent ACHC assists low and moderate income persons and households to purchase or rent affordable housing, its activities tangentially support economic development. A few of its activities are more directly related to housing creation; for instance, ACHC will on occasion subsidize land purchases for development that includes low and moderate income housing. However, actual development of the housing units is done by parties unrelated to ACHC (typically private sector property developers).

6b The housing will be owned or rented and occupied by income eligible persons and households (that is, persons and households of low and moderate income), with the public benefits for Acton that flow from a community of people with diverse incomes.

7a See 6a above.

7b ACHC volunteers have primary responsibility to manage the activities of ACHC. Town of Acton staff will provide administrative support to the extent the volunteer capacity of ACHC is exceeded by the demands of the situation at hand.

11 While the corporation does not anticipate such gifts to occur frequently, it would accept any gift of real property that would facilitate development of affordable housing in Acton for individuals or households of low and moderate income. To date it has not solicited gifts, it has refused an unsolicited gift of money, and it will not solicit or accept gifts of money or any other type of property until its tax exempt status is confirmed.

13a Not generally. It is possible that the corporation will receive Community Preservation Act funds from the Town of Acton and redistribute those funds to others developing affordable housing for low and moderate individuals and households (for instance, the Acton Housing Authority). This would, if it occurs, be an exception rather than the rule.

Part IX A.

Line 7 FY 2005

CPA Funds for Administration	\$ 10,000.00
CPA Funds for Housing Fund	\$ 30,000.00
Franklin Place Audit Fund (Developer fee)	\$ 10,000.00
Total 2005	\$ 50,000.00

Line 7 FY 2006

Town Funds for Willow Central (see note)	\$ 50,000.00
CPA Funds for Willow Central land acquisition	\$160,000.00
Total 2006	\$210,000.00

Line 7 FY 2007

CPA Funds for Condo Buydown	\$150,000.00
Total 2007	\$150,000.00

Line 7 FY 2008

Willow Central Monitoring Fee (Developer fee)	\$ 500.00
CPA Funds for Condo Buydown	\$ 52,000.00
Total 2008	\$ 52,500.00

Line 15 FY 2005

CPA Housing Grant Expenses	\$ 457.42
CPA Admin Grant Expenses	\$ 135.22
Total 2005	\$ 592.64

Line 15 FY 2006

CPA Housing Grant Expenses	\$ 18,871.00
CPA Admin Grant Expenses	\$ 1,127.76
CPA Willow/Central Grant Expense	\$202,548.32
ACHC admin Expenses	\$ 56.83
Total 2006	\$222,603.91

Line 15 FY 2007

CPA Housing Grant Expenses	\$ 8,650.00
CPA Admin Grant Expenses	\$ 4,117.75
CPA Willow/Central Grant Expense	\$ 1,663.08
Total 2007	\$ 14,430.83

Line 15 FY 2008

CPA Admin Grant Expenses	\$ 4,043.28
CPA Willow/Central Grant Expense	\$ 5,001.00
CPA Condo Buydown Expense	\$ 71,372.50
Total 2008	\$ 80,416.78

Note: The Town funds referenced under Line 7 for FY 2006 were donated by a property developer to the Town of Acton and are held in a gift fund for affordable housing under the control of the Board of Selectmen. Funds are provided on application by the applicant for affordable housing use with the approval of the Board of Selectmen pursuant to Massachusetts General Laws, Chapter 44, Section 53A .

Part X

3 See Schedule E below.

6b(i)(b) All funding was from Community Preservation Act funds raised by the Town of Acton through taxation, supplemented by matching funds from the Commonwealth of Massachusetts, and then channeled through ACHC to the intended purpose of assisting in development of low and moderate income housing in Acton and the purchase of the homes by income qualified persons and households as noted above.

Schedule E

ACHC was incorporated by Special Act of the Massachusetts legislature on June 28, 1996. From the outset, and continuing to the present, all directors are required to be appointed by Acton's Board of Selectmen, who are the elected governing authority of the Town of Acton, and material decisions of ACHC are subject to approval by the Board of Selectmen. These matters are set out in the legislation creating ACHC as more fully set forth in Part IV above and result in ACHC being a governmental instrumentality having charitable purposes limited to affordable housing.

In an unfortunate piece of history, the applicant was created to replace an ordinary charitable corporation *of the same name* which had been envisioned for the same purpose ("old" ACHC), to establish Town ownership and control; the same individuals who had volunteered with "old" ACHC continued to volunteer their time to operate the applicant, "new" ACHC. Predictably, people lost sight to some extent of which ACHC they were operating. The previous charitable corporation ("old" ACHC) was dissolved by the Massachusetts Secretary of State on January 14, 2000, while the "new" ACHC commenced actual activity related to its charitable purpose later. Specifically, it opened its first bank account on October 9, 2003 (over seven years after incorporation) and first channeled funds in excess of \$5,000 in 2005. While there have been miscellaneous minor sources of funds (e.g., application fees of \$25, one time monitoring fees of \$500), the only funding in excess of \$5,000 annually has been from tax revenues the Town of Acton raised under the Community Preservation Act. The attached ACHC Balance Sheet as of 9/30/05 illustrates.

That inattention to legal formalities continued was exemplified by the fact that, until requested by Town counsel a few months back, the Massachusetts Secretary of State had not identified "new" ACHC in its records as an existing corporation. (So much for the benefits of having two organizations of the same name, one succeeding the other.)

This recent awareness of the need to see to legal formalities, triggered by the possibility of receiving a charitable donation from a private foundation, has resulted in filing of this Application, which in effect also becomes a request for ratification of prior activity as tax exempt notwithstanding failure to file previously. No charitable donations will be accepted unless and until tax exempt status has been established.

Throughout its entire existence, “new” ACHC has always been an entity affiliated with the Town of Acton and has been funded almost entirely with tax revenues and other municipal fees raised by the Town of Acton and provided to it for administration of the Town goals of promoting affordable housing, investment income being the exception.

While the late filing is unfortunate, it mirrors similarly inattention to legal formalism by others, is entirely explainable and must not result in causing municipal tax revenues applied solely to affordable housing to be in taxable status due solely to the oversights noted above.

The applicant requests a sufficient extension of time for the filing of this Application so that the activities it has conducted to date will be recognized as with the exemption granted pursuant to this Application.

Schedule F

Section 1

1 ACHC will provide owner-occupied or rental housing for income eligible persons and households, normatively with eligibility up to 80% of area median income (AMI) and in no event exceeding 100% AMI.

2 No specific forms exist, but all eligibility will be established based on standards (including such forms, if any) as are required by the Massachusetts Department of Housing and Community Development or other applicable governmental authority.

3 Each project will be advertised in the Greater Boston area as required by the Commonwealth of Massachusetts affirmative fair marketing policies, as well, of course, as being visible in Town from pre-development publicity, followed by construction.

4a Specific projects are designed to the capacity of the land in question. The common characteristic is that each project will include affordable housing units. Massachusetts law encourages private developers to create mixed housing consisting of market-rate and affordable units. As regards such projects, ACHC will be involved only with respect to the affordable units.

5 See attached. This is the form presently required by the Massachusetts Department of Housing and Community Development if the housing is to qualify for inclusion on the state’s inventory of affordable housing in a city or town, and is therefore the form most likely to be used for the foreseeable future.

6 ACHC does not anticipate participating in joint ventures.

7 ACHC anticipates obtaining necessary goods and services (other than those which are volunteered) by competitive bidding by qualified providers in the open market to the extent required by Massachusetts law.

8 ACHC's activities as regards the affordable units, including any tangential role ACHC may have in development and with regards to sale of units, will be managed by ACHC volunteers with the support of Town staff. Once the affordable housing is constructed and sold to income eligible persons or households, the primary continuing task is oversight of resale to assure that the housing continues to be owned and occupied by those who are income eligible. ACHC intends to participate in this task in cooperation with Town staff. It is possible that these functions will be contracted to the private sector, as has occurred elsewhere in Massachusetts, to the end of achieving efficient and successful long-term preservation of the affordable housing.

9 ACHC has and will continue to participate fully in available government programs that facilitate the development, maintenance and preservation of affordable housing as one source of the financial support and subsidy that is necessary for the creating of affordable housing. The locally controlled program is under Massachusetts' Community Preservation Act, in which the Town of Acton allocates a portion of tax revenues to a defined set of public purposes, one being affordable housing. The other available programs, which vary over time and in how they apply, are through the Department of Housing and Community Development of the Commonwealth of Massachusetts and two quasi-public entities, MassHousing and the Massachusetts Housing Partnership, whose missions focus on creation and preservation of housing for individuals and households of low and moderate income. Which programs will be available future funding will depend on circumstances at the time. Each of the programs requires that the housing in question be restricted to income eligible persons (that is, individuals and households of low and moderate income).

Section II

1a and 1b ACHC operates on an entirely non-discriminatory basis and therefore could be involved in affordable housing that is sold to the elderly or handicapped, but its purpose is not limited to housing specifically for elderly or handicapped, and encompasses low income housing for all income eligible persons and households on a non-discriminatory basis. ACHC does not plan to be involved in housing for persons requiring supportive services.

Based on this response, items 2 through 5 appear not to be relevant and have not been answered.

Section III

1 ACHC's central purpose is to make housing developed by others available for persons and families not exceeding 80% AMI, although eligibility under certain funding programs extends to 100% AMI. The housing is marketed on an open, public basis with persons or households who respond being qualified according to income and assets with purchasers being selected from among the qualified by a public lottery. These activities are all conducted according to regulations issued by the Commonwealth of Massachusetts Department of Housing and Community Development. Since 1993, "old ACHC", followed by "new ACHC" beginning in 1996 (see narrative under Schedule G for definitions of "old" and "new" ACHC), have assisted in creating 99 units of ownership or rental housing, in some cases by financial subsidy for development of those units and in others by administrative oversight of the Town's regulatory authority, of which 35 units are restricted to use and ownership by persons and households having income not exceeding 80% AMI, 1 unit is restricted to use and ownership by persons and households having income not exceeding at 60% AMI, 60 units are restricted to rental to persons and households having income not exceeding at 50% AMI and 3 units are restricted to rental to persons and households having income below 50% AMI. None are available to persons and households at income levels above 80% AMI.

2 If the housing is in condominium form, then all owners pay for certain elements of maintenance through the condominium association (and pay other elements directly to the provider like owners of detached single family homes). However, they would not pay any ongoing fees or charges to ACHC.

3a The housing is made affordable by setting prices at which persons or households of the targeted income level can obtain mortgage financing from the banks and other lending institutions that engage in private sector mortgage lending. Like other elements of the affordable housing program, these prices are established by the Commonwealth of Massachusetts Department of Housing and Community Development. While market rate units could be included as a source of project subsidy, normally all the units would be for low income purchasers and in any event ACHC would comply with then effective requirements of the IRS (now stated in Rev. Proc. 96-32) as regards the minimum number of low income or other qualifying affordable units.

3b Each housing unit will be sold subject to a restriction, typically appearing in the deed to the income eligible homebuyer, intended to maintain the unit as housing affordable at the intended level of AMI (for instance, 80% AMI) throughout its existence.

Schedule G

2a “Old ACHC” was a charitable corporation formed in 1987 under Massachusetts General Laws Chapter 180, governing charitable corporations generally, for the same affordable housing purposes “new ACHC” now performs. Ironically, in light of the subsequent objections noted below, “old ACHC” was formed under supervision of the Town’s Board of Selectmen and approved at annual Town Meeting and was staffed by volunteers performing community service. That history notwithstanding, at the 1994 Annual Town meeting, a proposal to transfer Town assets (e.g., Town-owned land) to “old ACHC” to carry out an affordable housing project was defeated primarily on the basis that the Town should not transfer assets to a “private” non-profit organization.

So “new ACHC” was formed in response to those objections for the purpose of establishing more clearly that ACHC was an instrumentality of the Town, albeit limited to performing charitable purposes with regard to affordable housing. To accomplish this, the 1995 Annual Town Meeting approved a Home Rule petition to be filed with the Massachusetts legislature to create “new ACHC” as an instrumentality of the Town under the control and ownership of the Town, and effective June 28, 1996 Chapter 143 of the Acts of 1996 was enacted into law by the legislature and signed by the governor.

2b and c In early 1989 “old ACHC” applied for 501(c)(3) status and, on appeal from an initial denial, was granted tax-exempt status on December 11, 1990. (see enclosed IRS determination letter). Effective January 14, 2000, the Massachusetts Supreme Judicial Court dissolved “old ACHC” at the request of its Board of Directors to end the confusion of two corporations of the same name formed for the same purpose.

2e See 2a second paragraph. The statement in Part IV above recounts the confusion that followed as a result of two entities of the same name having been created to perform the same charitable function with the same volunteer staff, the legal distinction between “old ACHC” and “new ACHC” understandably getting lost in the process. As explained in Section E above, this Application is the belated response to achieving for “new ACHC” the same tax exempt status as had been granted to “old ACHC”, at which point the extended period of confusion resulting from the 1994 Town Meeting will have finally ended.

4 While some turnover has occurred, “new ACHC” continues to be staffed largely by the same volunteers who staffed “old ACHC”.

Chapter 141. AN ACT RELATIVE TO TENANT MEMBERS OF HOUSING AUTHORITIES.

Be it enacted, etc., as follows:

The second paragraph of section 6 of chapter 121B of the General Laws, as appearing in the 1994 Official Edition, is hereby amended by inserting after the first sentence the following sentence:- A member of a housing authority appointed as a tenant, in accordance with the provisions of section five, who ceases to be a tenant in a building owned and operated by or on behalf of the local housing authority shall be removed upon the date of such change by operation of law.

Approved June 28, 1996.

Chapter 142. AN ACT RELATIVE TO THE MAXIMUM TERM OF CERTAIN SERIAL LOANS ISSUED BY CITIES, TOWNS, AND DISTRICTS.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to immediately increase the term of certain serial loans, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted, etc., as follows:

Section 7 of chapter 44 of the General Laws, as appearing in the 1994 Official Edition, is hereby amended by striking out clauses (21) and (22) and inserting in place thereof the following two clauses:-

(21) For the cost of architectural services for plans and specifications for any proposed building for which a city, town or district is authorized to borrow, or for the cost of architectural services for plans and specifications for additions to buildings owned by a city, town, or district where such additions increase the floor space of said buildings, five years if issued before any other debt relating to said buildings or additions is authorized, otherwise the period fixed by law for such other debt relating to said building or additions; provided, however, that at the time the loan is issued the city, town or district owns the land on which the proposed building or additions would be constructed.

(22) For the cost of engineering or architectural services for plans and specifications for any project not defined in clause (21) for which a city, town or district is authorized to borrow, five years if issued before any other debt relating to said project is authorized, otherwise the period fixed by law for such other debt relating to said project.

Approved June 28, 1996.

Chapter 143. AN ACT ESTABLISHING A COMMUNITY HOUSING CORPORATION IN THE TOWN OF ACTON.

Be it enacted, etc., as follows:

SECTION 1. There is hereby established a nonprofit housing corporation which shall be known as the Acton Community Housing Corporation and shall be subject to the supervision of the board of selectmen of the town of Acton. The board of directors of said corporation shall consist of not less than five members who shall be appointed by the board of selectmen for staggered three-year terms as designated by said board of selectmen, such appointments to be made annually by said board of selectmen on or before June thirtieth. Members of said board of directors shall serve until their successors are appointed and qualified. Continuing members may act despite a vacancy in said board of directors and, for this purpose, shall be deemed to constitute a full board of directors. Any vacancy in said board of directors, however occurring, may be filled by the board of selectmen for the unexpired portion of the term.

Said board of directors shall exercise its powers and perform its duties for the purpose of investigating and implementing alternatives for the provision of and to provide for affordable housing for persons of low, moderate and middle income and other persons whose needs may be identified from time to time in said town. The powers and duties of said board as set forth herein are intended to be alternative and supplemental to and not in limitation of, the powers and duties of the Acton Housing Authority established pursuant to chapter one hundred and twenty-one B of the General Laws. The liability of said board and its members shall be limited to the same extent as the liability of a public employer and public employees as are limited by law.

SECTION 2. The board of directors of the Acton Community Housing Corporation shall have the powers and privileges conferred by the provisions of clauses (a) to (i), inclusive, and clause (k) of section nine of chapter one hundred and fifty-six B of the General Laws, and the following powers; provided, however, that no such power shall be exercised either in a manner inconsistent with this act or with any general or special law or to carry on any activity which is not in furtherance of the purposes set forth in this act:

(a) to adopt, amend and repeal rules for the regulation and conduct of its business including, but not limited to, the call and conduct of its meetings, the number of members which shall constitute a quorum and the mode of voting by proxy;

(b) to elect a chairman and vice-chairman, each of whom shall be members of said board, and a secretary and a treasurer, who need not be members of said board and who may be the same person. The treasurer shall give bond for the faithful performance of his duties in such form and such amount as approved and fixed by the board of selectmen. The cost of such bond shall be paid from funds of said board of directors. The chairman and, in his absence, the vice-chairman shall chair meetings of said board. The secretary shall be the custodian of all books, documents and papers filed with said board and of the minute book or journal of said board;

(c) with the approval of the board of selectmen, to make and execute all contracts and all other instruments necessary or convenient for the exercise of its powers and func-

tions, subject to the approval of the town counsel of the town of Acton as to form;

(d) with the approval of the board of selectmen, to acquire or lease, by purchase or otherwise, and to own, hold and use on such terms and conditions and in such a manner as it may deem proper and to exchange, grant options on, sell, transfer, convey, assign, lease, pledge, mortgage, encumber, grant liens on and security interests in or to otherwise dispose of, on such terms and conditions as it may deem proper, real, personal or mixed real and personal property or any interest, easement or rights therein and any assets or revenues of the board of directors, as may be necessary or appropriate to carry out its purposes;

(e) with the approval of the board of selectmen, to enter into agreements or other transactions with the commonwealth or any political subdivision or public instrumentality thereof, the United States government or any federal, state or other governmental agency;

(f) with the approval of the board of selectmen, to enter into contracts or agreements with, and to employ from time to time, contractors, architects, engineers, consultants, attorneys, accountants, construction, financial and other experts, superintendents, managers and such other agents and employees as may be necessary in its judgment and to fix their compensation;

(g) with the approval of the board of selectmen, to receive and hold funds appropriated by the town and other funds, property, labor and other things of value from any source, public or private, by gift, grant, bequest, loan or otherwise, either absolutely or in trust, and to expend or utilize the same on behalf of the corporation for any of its purposes or to act as an agent or conduit in administering or disbursing funds or financial or other aid from any source; provided, however, that all revenues collected or received by the board of directors in connection with its activities, investments or transactions shall be expended only with approval of the board of selectmen of the town of Acton;

(h) to appear in its own behalf before boards, commissions, departments or other agencies of municipal, state or federal government;

(i) to procure insurance against any loss in connection with the property or activities of said board, in such amounts and from such insurers as it may deem necessary or desirable and, with the approval of the board of selectmen, to indemnify its members or agents if and to the extent specified from time to time in the by-laws of the corporation and subject to and in the manner provided by section six of chapter one hundred and eighty of the General Laws;

(j) to formulate and, with the approval of the board of selectmen, to carry out or monitor plans for projects involving the acquisition or operation of housing facilities of any kind or nature, and to construct, reconstruct, renovate, expand, extend, improve, repair, remodel, equip, furnish, maintain, manage and operate such facilities;

(k) with the approval of the board of selectmen, to fix and revise from time to time and to charge and collect rates, fees, rentals and other charges and sales prices for or in connection with the use, occupancy or other disposition of any housing facility or other property or portion thereof under its ownership or control;

(l) with the approval of the board of selectmen, to establish, impose, grant or amend, by deed, lease or any other means or method and to hold the benefit of, monitor, exercise and

enforce lawful restrictions on the rental, sale, resale, use or occupancy of housing facilities or other property under its ownership or control, or other facilities or property designated by the selectmen of the town or restrictions with respect to the income of owners, tenants or occupants of such housing facilities or other property, or options and rights of first refusal with respect to such facilities or property and to waive, release or discharge any such options, rights or restrictions;

(m) with the approval of the board of selectmen, to enter into, perform or monitor agreements or other transactions with contractors, developers, brokers or other real estate professionals or any other person relating to the provisions of affordable housing for persons of low and moderate income in the town;

(n) to do any and all things necessary or convenient to carry out its purposes and exercise the powers conferred by this act; provided, however, that said board of directors may delegate to any committee or member of said board any action which said board is empowered to do or make or which said board shall have power to conduct by itself;

(o) no contract or agreement to purchase or accept as a gift, any right, interest or title to real property, shall be entered into until a site inspection has been made and a report received from a qualified person regarding the presence of hazardous materials or substances, as defined in chapter twenty-one E of the General Laws on or at the property.

SECTION 3. Notwithstanding the provisions of any general or special law to the contrary, the income, assets and activities of Acton Community Housing Corporation shall be exempt from all taxes and assessments and said board shall not be subject to any provisions of chapter sixty-three of the General Laws or to any taxes based upon or measured by property or income, imposed by the commonwealth or by any political subdivision thereof. Said board is hereby authorized and empowered to enter into agreements with the assessor of the town of Acton and with the approval of the board of selectmen, wherein said board shall undertake to make to the town annual payments in lieu of taxes in connection with any real property acquired and owned by said corporation, the amounts of such payments to be reasonable sums stipulated in such agreement or agreements or determined in accordance with a reasonable formula so stipulated.

SECTION 4. The town of Acton may appropriate funds for carrying out, by said board, of the purposes as set forth herein. Any appropriation therefor may be raised by said town by taxation or otherwise. At least annually, the board of directors shall cause independent audits to be made of the books and records of said board, which annual audits shall be filed with the board of selectmen of said town.

SECTION 5. In the event that said board shall be dissolved in accordance with law at any time, all property and interests therein, and all assets and rights of said board existing at such time shall be transferred to the town of Acton by authority of this act, and title to all such property and all such rights shall vest in said town of Acton automatically without the need for further action or instrument and the town of Acton shall, to the maximum extent permitted by law and acting by and through its board of selectmen, assume, hold and exercise the powers and duties of the board of selectmen as set forth herein with respect to such property and rights so transferred to said town.

SECTION 6. This act shall take effect upon its passage.

Approved June 28, 1996.

Chapter 144. AN ACT REQUIRING SCHOOL BUS HEADLIGHTS TO BE ILLUMINATED WHILE SUCH BUS IS IN OPERATION.

Be it enacted, etc., as follows:

Clause (7) of section 7B of chapter 90 of the General Laws, as appearing in the 1994 Official Edition, is hereby amended by inserting after the sixth sentence the following sentence:- The operator of a school bus shall cause its headlamps to be illuminated while such bus is in operation.

Approved June 28, 1996.

Chapter 145. AN ACT RELATIVE TO THE APPOINTMENT DATE OF TOWN COUNCIL EMPLOYEES OF THE CITY KNOWN AS THE TOWN OF METHUEN.

Be it enacted, etc., as follows:

SECTION 1. Section 2-8(a) of Article 2 of the charter of the city known as the town of Methuen which is on file in the office in the archivist of the commonwealth, as provided in section twelve of chapter forty-three B of the General Laws, is hereby amended by striking out the first sentence and inserting in place thereof the following sentence:- City Accountant - the town council shall, on or before January fifteenth in odd numbered years, elect, by ballot or otherwise, a city accountant to hold office for a term of two years and until his successor is qualified.

SECTION 2. Section 2-8(b) of said Article 2 of said charter is hereby amended by striking out the first sentence and inserting in place thereof the following sentence:- Clerk of the Council - the town council shall, on or before January fifteenth in odd numbered years, elect, by ballot or otherwise, a clerk of the council to hold office for a term of two years or until his successor is qualified.

SECTION 3. Section 2-8(c) of said Article 2 of said charter is hereby amended by striking out the first sentence and inserting in place thereof the following sentence:- City Solicitor - the town council shall, on or before January fifteenth in odd numbered years, elect, by ballot or otherwise, a city solicitor to hold office for a term of two years and until his successor is qualified.

SECTION 4. The terms of office of the current incumbents in the offices referred to in sections one, two and three shall be extended until January fifteenth, nineteen hundred and ninety-nine.

SECTION 5. This act shall take effect upon its passage.

Approved June 28, 1996.

Chapter 146. AN ACT RELATIVE TO A CERTAIN LIQUOR LICENSE IN THE TOWN OF BOLTON.

Be it enacted, etc., as follows:

SECTION 1. Chapter 386 of the acts of 1986 is hereby amended by striking out section 2 and inserting in place thereof the following section:-

Section 2. Notwithstanding the vote of the town of Bolton cast at a previous biennial state election on the questions to have been placed on the ballot for the town for such election under the authority of section eleven of said chapter one hundred and thirty-eight or the additional subdivisions thereof provided by chapter seven hundred and six of the acts of nineteen hundred and sixty-seven and chapter eight hundred and fifty of the acts of nineteen hundred and sixty-nine, the state secretary shall cause the following question to be placed on the ballot for the town of Bolton at the state election to be held on November fourth, nineteen hundred and eighty-six and each subsequent biennial state election thereafter; provided, however, that if a majority of the votes cast in said town in answer to said question is in the affirmative in three successive biennial state elections, the state secretary shall no longer place the following question on said ballot:-

(G) Shall a restaurant license be granted in the town of Bolton to Rich House, Inc., for the sale of all alcoholic beverages, to be consumed on the premises?

If a majority of the votes cast in said town in answer to the above subdivision (G) is in the affirmative, said town shall, irrespective of the results of votes taken in answer to any other subdivision, be taken to authorize for each of the two calendar years next succeeding, the issuance of said restaurant license as defined and limited in section twelve of said chapter one hundred and thirty-eight, for the sale in said town of all alcoholic beverages to be consumed on the premises of Rich House, Inc. subject to all provisions of said chapter one hundred and thirty-eight except as herein otherwise provided.

Notwithstanding the foregoing, if a majority of the votes cast in said town is in the affirmative in three successive biennial state elections then said license shall be considered to be a permanent license; provided, however, that the licensing authority shall not approve the transfer of said license to any other person, organization or corporation; and, provided further, that the granting of said license shall reduce by one any increase in licenses granted due to census reapportionment under section seventeen of said chapter one hundred and thirty-eight.

SECTION 2. This act shall take effect as of September tenth, nineteen hundred and eighty-six.

Approved June 28, 1996.

ACTON COMMUNITY HOUSING CORPORATION

BYLAWS

ARTICLE 1

Name and Area

Section 1.1

The name of this organization shall be the Acton Community Housing Corporation, a nonprofit housing corporation subject to the supervision of the Acton Board of Selectmen established under Chapter 143 of the Acts of 1996, henceforth referred to as the "Acton Community Housing Corporation."

Section 1.2

The Acton Community Housing Corporation area is defined as follows: The Town of Acton.

Section 1.3

The place of business shall be the Acton Town Hall, 472 Main Street, Acton, Massachusetts, 01720.

Section 1.4

These Bylaws are in furtherance of the purposes, powers and duties conferred by Chapter 143 of the Acts of 1996. Nothing in these Bylaws that contravenes Chapter 143 shall be of force or effect

ARTICLE 2

Function and Purpose

Section 2.1

The corporation is organized pursuant to Chapter 143 of the Acts of 1996 of the General Court of the Commonwealth of Massachusetts (the "Act") exclusively for the nonprofit purpose of providing affordable housing for persons of low and moderate income in Acton, Massachusetts and in furtherance of that purpose to act as a nonprofit, charitable corporation exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. In no event shall the corporation exercise its powers of providing affordable housing for

persons other than of low or moderate income in any manner or to any extent that would disqualify it from exemption from federal income taxation.

ARTICLE 3

Non-Profit Status

Section 3.1

No Private Benefit. The corporation is organized as a non-profit corporation, and no part of the net earnings of the corporation shall inure to the benefit of or be distributable to any member, individual, person, firm or corporation, except that the corporation shall be authorized to pay reasonable compensation for services rendered and to make payments in furtherance of the purposes set forth in Article 2 above.

Section 3.2

Dissolution. Upon the dissolution of the corporation, all of the remaining assets of the corporation shall vest automatically without the need for further action or instrument, and each person having authority shall take such acts as may further such transfer to the Town of Acton as stated in the Act.

ARTICLE 4

Membership

Section 4.1.

No Members. The corporation shall operate in the manner of a nonprofit corporation without members organized under General Laws, Chapter 180, and otherwise as stated in the Act and these bylaws. (The word “members” appearing in these Bylaws has the same meaning as in the Act, that is, members of the Board of Directors.)

ARTICLE 5

Board of Directors

Section 5.1

There shall be a Board of Directors consisting of not less than five members who shall be appointed by the Board of Selectmen for staggered three-year terms as designated by said Board

of Selectmen, such appointments to be made annually by said Board of Selectmen on or before June thirtieth. The Board shall have the general authority to conduct the affairs of the Corporation, which shall always be consistent with the Corporation's educational and charitable purposes. ACHC's board of directors shall have the powers and privileges conferred by the provisions of Chapter 143 of the Acts of 1996, and also the power and privileges stated in clauses (a) to (i), inclusive, and clause (k) of section nine of chapter one hundred and fifty-six B of the General Laws (§ 2) as follows;

- (a) Corporate Name: to have perpetual succession in its corporate name, unless a period for its duration is limited by special law or in its articles of organization;
- (b) Lawsuits: to sue and be sued;
- (c) Corporate Seal: to have a corporate seal, which it may alter at pleasure;
- (d) Employees and Agents: to elect or appoint directors, officers, employees and other agents, to fix their compensation and define their duties and obligations, and to indemnify such corporate personnel;
- (e) Acquisition of Property Interests: to purchase, receive, take by grant, gift, devise, bequest or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with, real or personal property, or any interest therein, wherever situated;
- (f) Disposition of Property Interests: to sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage, pledge, encumber or create a security interest in, all or any of its property, or any interest therein, wherever situated;
- (g) Securities: to purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, employ, sell, lend, lease, exchange, transfer, or otherwise dispose of, mortgage, pledge, use and otherwise deal in and with, bonds and other obligations, shares, or other securities or interests issued by others, whether engaged in similar or different business, governmental, or other activities;
- (h) Borrowing, Etc.: to make contracts, give guarantees and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds and other obligations, and secure any of its obligations by mortgage, pledge or encumbrance of, or security interest in, all or any of its property or any interest therein, wherever situated;
- (i) Lending, Etc.: to lend money, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested;
- (j) Donations: to make donations, irrespective of corporate benefit, for the public welfare or for community fund, hospital, charitable, religious, educational, scientific, civic or similar purposes, and in time of war or other national emergency in aid thereof.

subject to any restrictions on those powers imposed by ACHC's more specific legislation.

Section 5.2

Members of the Board:

5.2.1. The members of the Board shall be appointed by the Board of Selectmen.

5.2.2. Members of the Board shall serve until their successors are appointed and qualified. Continuing members may act despite a vacancy in said Board and, for this purpose, shall be deemed to constitute a full board of directors. Any vacancy in said Board of Directors, however occurring, may be filled by the Board of Selectmen for the unexpired portion of the term.

Section 5.3

At any meeting of the Board of Directors, a majority of the Directors currently serving on the Board of Directors shall constitute a quorum for the transaction of business at any meeting. There shall be no voting by proxy at any of the meetings at which a quorum is present.

Section 5.4

Absence from three (3) consecutive meetings of the Board of Directors without previous notification or a valid reason shall be considered a resignation. The Board of Directors shall be vested with the authority to recommend to the Board of Selectmen the removal of any Officer or Director from office, for cause.

Section 5.6

The fiscal year of the Corporation shall extend from July 1st to the ensuing June 30th, except as the same may be otherwise determined by resolution of the Directors.

ARTICLE 6

Officers

Section 6.1

The Officers of the Acton Community Housing Corporation shall be a Chairman, Vice Chairman, Clerk, and Treasurer. The Chairman and Vice Chairman shall be members of the Board, the Clerk and Treasurer need not be members of the Board and may be the same person.

Section 6.2

The duties of each Officer shall be:

6.2.1. The Chairman, as chief Officer and spokesperson for the Corporation, shall, in addition to fulfilling normal duties of the position, appoint such committees as may be needed. All such appointment shall be approved by a majority vote of the Board of Directors. In addition, the Chairperson shall sign, on behalf of the Corporation, all deeds, contracts, and other formal instruments.

6.2.2. The Vice Chairman shall fulfill the responsibilities of the Chairperson during the Chairperson's absence or incapacitation, assist the Chairperson in discharging responsibilities as the Chairperson may see fit, and fulfill any duties that may be determined by the Board of Directors.

6.2.3. The Clerk shall be responsible for the taking and safekeeping of the official minutes of the Corporation, its records, and any other responsibilities as may be required under the Statutes of the Commonwealth of Massachusetts. The Clerk of the Corporation shall be responsible for providing Minutes of the prior meeting and the Notice of Meeting prior to any Directors' meeting. The Clerk shall be the custodian of all books, documents and papers filed with said Board and of the minutes.

6.2.4. The Treasurer of the Corporation shall have charge of all papers and records of the Corporation and shall have the responsibility for the funds of the Corporation and for keeping full and accurate accounts and records of all receipts and disbursements of the Corporation. All such papers, records, and accounts shall be kept at the principal place of business of the Corporation and be open to inspection by any Director, at intervals of not more than twelve (12) months and prior to the annual meeting. (No funds shall be expended by the Corporation except in furtherance of its educational and charitable purposes.) The Treasurer shall give bond for the faithful performance of his duties in such form and such amount as approved and fixed by the Board of Selectmen.

Section 6.3

The term of office for all Officers shall be one (1) year and Officers are eligible for reelection to successive terms. Officers shall be elected at the first meeting of the Board following the Annual Town Meeting.

Section 6.4

The Board of Directors may make interim appointments to fill Officer vacancies. These appointments will be effective until the first meeting of the Board following the Annual Town Meeting.

Section 6.5

The liability of said board and its members shall be limited to the same extent as the liability of a public employer and public employees as are limited by law.

Except as may be provided otherwise under General Laws Chapter 258, Section 2, no indemnification shall be provided for any officer, employee or other agent of the corporation with respect to any matter as to which he shall have been adjudged in any proceeding not to have acted in good faith in the reasonable belief that his action was in the best interests of the corporation. If he has not been so adjudged he shall be entitled to indemnification unless the Board of Directors decides that he did not act in good faith in the reasonable belief that his action was in the best interests of the corporation. Expenses described in the proceeding paragraph may, with the approval of the Board of Directors, be advanced by the corporation prior to the final disposition of the proceedings involved, upon receipt of an undertaking by the recipient to repay all such advances if he is adjudged not to have acted in good faith in the reasonable belief that his action was in the best interests of the corporation or if the Board of Directors decides that he is not entitled to indemnification.

Section 6.6

All committees shall be composed of members of the Board or and shall report to the Board of Directors for the action on their reports. The reports of all committees shall be read into the minutes of the meeting at which they are presented.

ARTICLE 7

Amendments

Section 7.1

These Bylaws may be amended by a two-thirds (2/3) vote of the Board of Directors at any meeting of the Board of Directors of the Acton Community Housing Corporation. A copy of the proposed amendment shall be furnished to each Director at least seven (7) days prior to such meetings.

ARTICLE 8

Specific Operating Procedures

Section 8.1

All meetings of the Acton Community Housing Corporation shall be posted in accordance with Chapter 303, Acts of 1975, Open Meeting Law, and the Board of Directors shall be notified at least five (5) days in advance.

Section 8.2

There shall be an Annual Meeting of the corporation to be held on the first meeting after the Annual Town Meeting in April for the purpose of electing Officers for the next fiscal year.

Section 8.3

All meetings shall be open to the public and held in a public place. Records and minutes of said meetings shall be available for public inspection at all times in the Acton Community Housing Corporation's normal place of business, Acton Town Hall.

Section 8.4

The Board of Directors shall meet at least eight (8) times per year. Duration between meetings shall not exceed forty-five (45) days.

Section 8.5

No Officer or Director shall receive any compensation or remuneration from the Corporation, provided, however, the Board of Directors may see fit to reimburse its Directors and Officers for any reasonable and necessary expense incurred. Members of the Board of Directors are prohibited from accepting gifts, monies, or gratuities from the following:

8.5.1. from persons receiving benefits or services under any program financed by local, state, or Federal funds;

8.5.2. from any person or agency performing services under contract;

8.5.3. from persons who are otherwise in a position to benefit from the actions of a Board member.

ARTICLE 9

Conflict of Interest

Section 9.1

Conflict of Interest. No director shall participate in the consideration of or vote on any matter in which such director (or in which any member of such director's immediate family) has a particular financial or other benefit, including (without limitation) any contract or employment relationship. In the event of any disagreement over whether such a conflict exists, a final and binding determination shall be made by a majority of the disinterested directors present and voting at the meeting.

ARTICLE 10

Liquidation of the Corporation

Section 10.1

If, in the opinion of two-thirds (2/3) of the Board of Directors, it becomes necessary or desirable to dissolve this Corporation, the assets of the Corporation shall be applied and distributed as follows:

10.1.1. All liabilities and obligations of the Corporation shall be paid, satisfied, and discharged, or adequate provision shall be made thereof.

10.1.2. Assets held by the Corporation under conditions requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution shall be returned, transferred, or conveyed in accordance with such requirements.

10.1.3. All assets and rights of said Board existing at such time shall be transferred to the Town of Acton by authority of Chapter 143 of Acts of 1996. Title to all such property and all such rights shall vest in the said Town of Acton automatically without the need for further action or instrument and the Town of Acton shall, to the maximum extent permitted by law and acting by and through its Board of Selectmen, assume, hold and exercise the powers and duties of the Board of Selectmen as set forth in Chapter 143 of the Acts of 1996 with respect to such property and rights so transferred to said Town.

ACHC Balance as of 9/30/05

Assets		
Checking		\$10,950.84
Middlesex CD exp 11/6/05		\$25,000.00
Camb Sav CD exp 3/6/06		\$15,000.00
Total Assets		\$50,950.84
 Liabilities & Fund Balance		
CPA Housing		\$42,500.00
Fund Balance		\$8,450.84
Total Liabilities & Fund Balance		\$50,950.84

ACHC - Income & Expense

1/1/05 to 9/30/05

Income		
Interest		\$37.66
Dunham Appl Fees		\$150.00
Franklin PI Appl Fees		\$750.00
FPB Monitor Fees		\$500.00
Franklin PI Monitor Fees		\$500.00
FTHB Course Tuition		\$250.00
CPA Admin		\$10,000.00
Total Income		\$12,187.66
 Expenses		
FTHB Course		\$2,780.00
COG Inc Jt Policy Consultant		\$1,755.00
Conference Attendance		\$25.00
Supplies & Postage		\$157.64
Total Expenses		\$4,717.64
Net Surplus		\$7,470.02

AFFORDABLE HOUSING DEED RIDER

***For Projects in Which
Affordability Restrictions Survive Foreclosure***

made part of that certain deed (the "Deed") of certain property (the "Property") from _____ ("Grantor") to _____ ("Owner") dated _____, 200__. The Property is located in the City/Town of _____ (the "Municipality").

RECITALS

WHEREAS, the Grantor is conveying that certain real property more particularly described in the Deed to the Owner at a consideration which is less than the fair market value of the Property; and

WHEREAS, the Property is part of a project which was: [check all that are applicable]

- (i) granted a Comprehensive Permit under Massachusetts General Laws Chapter 40B, Sections 20-23, from the Board of Appeals of the Municipality or the Housing Appeals Committee and recorded/filed with the _____ County Registry of Deeds/Registry District of Land Court (the "Registry") in Book _____, Page _____/Document No. _____ (the "Comprehensive Permit");
- (ii) subject to a Regulatory Agreement among _____ (the "Developer"), [] Massachusetts Housing Finance Agency ("MassHousing"), [] the Massachusetts Department of Housing and Community Development ("DHCD") [] the Municipality; and [] _____, dated _____ and recorded/filed with the Registry in Book _____, Page _____/as Document No. _____ (the "Regulatory Agreement"); and
- (iii) subsidized by the federal or state government under _____, a program to assist construction of low or moderate income housing the "Program"; and

WHEREAS, pursuant to the Program, eligible purchasers such as the Owner are given the opportunity to purchase residential property at less than its fair market value if the purchaser agrees to certain use and transfer restrictions, including an agreement to occupy the property as a principal residence and to convey the property for an amount not greater than a maximum resale price, all as more fully provided herein; and

WHEREAS, _____ (singly, or if more than one entity is listed, collectively, the “Monitoring Agent”) is obligated by the Program or has been retained to monitor compliance with and to enforce the terms of this Deed Rider, and eligible purchasers such as the Owner may be required to pay to the Monitoring Agent, or its successor, a small percentage of the resale price upon the Owner’s conveyance of the Property, as set out in the Regulatory Agreement and as more fully provided herein; and

WHEREAS, the rights and restrictions granted herein to the Monitoring Agent and the Municipality serve the public’s interest in the creation and retention of affordable housing for persons and households of low and moderate income and in the restricting of the resale price of property in order to assure its affordability by future low and moderate income purchasers.

NOW, THEREFORE, as further consideration for the conveyance of the Property at less than fair market value, the Grantor and the Owner, including his/her/their heirs, successors and assigns, hereby agree that the Property shall be subject to the following rights and restrictions which are imposed for the benefit of, and shall be enforceable by, the Municipality and the Monitoring Agent, and, if DHCD is a party to the Regulatory Agreement and is not the Monitoring Agent, by DHCD.

1. Definitions. In this Deed Rider, in addition to the terms defined above, the following words and phrases shall have the following meanings:

Affordable Housing Fund means a fund established by the Municipality for the purpose of reducing the cost of housing for Eligible Purchasers or for the purpose of encouraging, creating, or subsidizing the construction or rehabilitation of housing for Eligible Purchasers or, if no such fund exists, a fund established by the Municipality pursuant to Massachusetts General Laws Chapter 44 Section 53.

Appropriate Size Household means a household containing a number of members equal to the number of bedrooms in the Property plus one.

Approved Capital Improvements means the documented commercially reasonable cost of extraordinary capital improvements made to the Property by the Owner; provided that the Monitoring Agent shall have given written authorization for incurring such cost prior to the cost being incurred and that the original cost of such improvements shall be discounted over the course of their useful life.

Area means the Primary Metropolitan Statistical Area or non-metropolitan area that includes the Municipality, as determined by HUD, which in this case is _____.

Area Median Income means the most recently published median income for the Area adjusted for household size as determined by HUD. If HUD discontinues publication of Area Median Income, the income statistics used by MassHousing for its low and moderate income housing programs shall apply.

Base Income Number means the Area Median Income for a four (4)-person household.

Chief Executive Officer shall mean the Mayor in a city or the Board of Selectmen in a town unless some other municipal office is designated to be the chief executive officer under the provisions of a local charter.

Closing shall have the meaning set forth in Section 5(b) hereof.

Compliance Certificate shall have the meaning set forth in Section 6(a) hereof.

Conveyance Notice shall have the meaning set forth in Section 4(a) hereof.

Eligible Purchaser means an individual or household earning no more than eighty percent (80%) of Area Median Income and owning assets not in excess of the limit set forth in the Program Guidelines. To be considered an Eligible Purchaser, the individual or household must intend to occupy and thereafter must occupy the Property as his, her or their principal residence and must provide to the Monitoring Agent such certifications as to income, assets and residency as the Monitoring Agent may require to determine eligibility as an Eligible Purchaser. An Eligible Purchaser shall be a First-Time Homebuyer if required by the Program and as specified in the Regulatory Agreement.

First-Time Homebuyer means an individual or household, of which no household member has had an ownership interest in a principal residence at any time during the three (3)-year period prior to the date of qualification as an Eligible Purchaser, except that (i) any individual who is a displaced homemaker (as may be defined by DHCD) (ii) and any individual age 55 or over (applying for age 55 or over housing) shall not be excluded from consideration as a First-Time Homebuyer under this definition on the basis that the individual, owned a home or had an ownership interest in a principal residence at any time during the three (3)-year period.

Foreclosure Notice shall have the meaning set forth in Section 7(a) hereof.

HUD means the United States Department of Housing and Urban Development.

Ineligible Purchaser means an individual or household not meeting the requirements to be eligible as an Eligible Purchaser.

Maximum Resale Price means the sum of (i) the Base Income Number (at the time of resale) multiplied by the Resale Price Multiplier, plus (ii) the Resale Fee and any necessary marketing expenses (including broker's fees) as may have been approved by the Monitoring Agent, plus (iii) Approved Capital Improvements, if any (the original cost of which shall have been discounted over time, as calculated by the Monitoring Agent); provided that in no event shall the Maximum Resale Price be greater than the purchase price for which a credit-worthy Eligible Purchaser earning seventy percent (70%) of the Area Median Income for an Appropriate Size Household could obtain mortgage financing (as such purchase price is determined by the Monitoring Agent using the same methodology then used by DHCD for its Local Initiative

Program or similar comprehensive permit program); and further provided that the Maximum Resale Price shall not be less than the purchase price paid for the Property by the Owner unless the Owner agrees to accept a lesser price.

Monitoring Services Agreement means any Monitoring Services Agreement for monitoring and enforcement of this Deed Rider among some or all of the Developer, the Monitoring Agent, the Municipality, MassHousing and DHCD.

Mortgage Satisfaction Amount shall have the meaning set forth in Section 7(b) hereof.

Mortgagee shall have the meaning set forth in Section 7(a) hereof.

Program Guidelines means the regulations and/or guidelines issued for the applicable Program and controlling its operations, as amended from time to time.

Resale Fee means a fee of _____% [no more than two and one-half percent (2.5%)] of the Base Income Number (at the time of resale) multiplied by the Resale Price Multiplier, to be paid to the Monitoring Agent as compensation for monitoring and enforcing compliance with the terms of this Deed Rider, including the supervision of the resale process.

Resale Price Certificate means the certificate issued as may be specified in the Regulatory Agreement and recorded with the first deed of the Property from the Developer, or the subsequent certificate (if any) issued as may be specified in the Regulatory Agreement, which sets forth the Resale Price Multiplier to be applied on the Owner's sale of the Property, as provided herein, for so long as the restrictions set forth herein continue. In the absence of contrary specification in the Regulatory Agreement the Monitoring Agent shall issue the certificate.

Resale Price Multiplier means the number calculated by dividing the Property's initial sale price by the Base Income Number at the time of the initial sale from the Developer to the first Eligible Purchaser. The Resale Price Multiplier will be multiplied by the Base Income Number at the time of the Owner's resale of the Property to determine the Maximum Resale Price on such conveyance subject to adjustment for the Resale Fee, marketing expenses and Approved Capital Improvements. In the event that the purchase price paid for the Property by the Owner includes such an adjustment a new Resale Price Multiplier will be recalculated by the Monitoring Agent by dividing the purchase price so paid by the Base Income Number at the time of such purchase, and a new Resale Price Certificate will be issued and recorded reflecting the new Resale Price Multiplier. A Resale Price Multiplier of _____ is hereby assigned to the Property.

Term means in perpetuity, unless earlier terminated by (i) the termination of the term of affordability set forth in the Regulatory Agreement or Comprehensive Permit, whichever is longer; or (ii) the recording of a Compliance Certificate and a new Deed Rider executed by the purchaser in form and substance substantially identical to this Deed Rider establishing a new term.

2. Owner-Occupancy/Principal Residence. The Property shall be occupied and used by the Owner's household exclusively as his, her or their principal residence. Any use of the Property or activity thereon which is inconsistent with such exclusive residential use is expressly prohibited.

3. Restrictions Against Leasing, Refinancing and Junior Encumbrances. The Property shall not be leased, rented, refinanced, encumbered (voluntarily or otherwise) or mortgaged without the prior written consent of the Monitoring Agent; provided that this provision shall not apply to a first mortgage granted on the date hereof in connection with this conveyance from Grantor to Owner securing indebtedness not greater than one hundred percent (100%) of the purchase price. Any rents, profits, or proceeds from any transaction described in the preceding sentence which transaction has not received the requisite written consent of the Monitoring Agent shall be paid upon demand by Owner to the Municipality for deposit to its Affordable Housing Fund. The Monitoring Agent or Municipality may institute proceedings to recover such rents, profits or proceeds, and costs of collection, including attorneys' fees. Upon recovery, after payment of costs, the balance shall be paid to the Municipality for deposit to its Affordable Housing Fund. In the event that the Monitoring Agent consents for good cause to any such 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 actual carrying costs of the Property as determined by the Monitoring Agent, shall be paid to the Municipality for deposit to its Affordable Housing Fund.

4. Options to Purchase. (a) When the Owner or any successor in title to the Owner shall desire to sell, dispose of or otherwise convey the Property, or any portion thereof, the Owner shall notify the Monitoring Agent and the Municipality in writing of the Owner's intention to so convey the Property (the "Conveyance Notice"). Upon receipt of the Conveyance Notice, the Monitoring Agent shall (i) calculate the Maximum Resale Price which the Owner may receive on the sale of the Property based upon the Base Income Number in effect as of the date of the Conveyance Notice and the Resale Price Multiplier set forth in the most recently recorded Resale Price Certificate together with permissible adjustments for the Resale Fee, marketing expenses and Approved Capital Improvements (as discounted), and (ii) promptly begin marketing efforts. The Owner shall fully cooperate with the Monitoring Agent's efforts to locate an Eligible Purchaser and, if so requested by the Monitoring Agent, shall hire a broker selected by the Monitoring Agent to assist in locating an Eligible Purchaser ready, willing and able to purchase the Property at the Maximum Resale Price after entering a purchase and sale agreement. Pursuant to such agreement, sale to the Eligible Purchaser at the Maximum Resale Price shall occur within ninety (90) days after the Monitoring Agent receives the Conveyance Notice or such further time as reasonably requested to arrange for details of closing. Any lack of cooperation by Owner in resale efforts including failure to agree to reasonable terms in the purchase and sale agreement, shall extend the 90-day period by the time the lack of cooperation continues; the Monitoring Agent shall give Owner written notice of the lack of cooperation and the length of the extension added to the 90-day period.

(b) The Monitoring Agent shall ensure that diligent marketing efforts are made to locate an Eligible Purchaser ready, willing and able to purchase the Property at the Maximum Resale

Price within the time period provided in subsection (a) above and to enter the requisite purchase and sale agreement. If more than one Eligible Purchaser is located, the Monitoring Agent shall conduct a lottery or other like procedure to determine which Eligible Purchaser shall be entitled to enter a purchase and sale agreement with Owner and to purchase the Property. Preference shall be given to Appropriate Size Households. The procedure for marketing and selecting an Eligible Purchaser shall be approved as provided in the Regulatory Agreement and any applicable Program Guidelines. If an Eligible Purchaser is located within ninety (90) days after receipt of the Conveyance Notice, but such Eligible Purchaser proves unable to secure mortgage financing so as to be able to complete the purchase of the Property pursuant to the purchase and sale agreement, following written notice to Owner within the 90-day period the Monitoring Agent shall have an additional sixty (60) days to locate another Eligible Purchaser who will enter a purchase and sale agreement and purchase the Property by the end of such sixty (60)-day period or such further time as reasonably requested to carry out the purchase and sale agreement.

(c) In lieu of sale to an Eligible Purchaser, the Monitoring Agent or the Municipality or designee shall also have the right to purchase the Property at the Maximum Resale Price, in which event the purchase and sale agreement shall be entered, and the purchase shall occur within ninety (90) days after receipt of the Conveyance Notice or, within the additional sixty (60)-day period specified in subsection (b) above, or such further time as reasonably requested to carry out the purchase and sale agreement. Any lack of cooperation by Owner in measures reasonably necessary to effect the sale shall extend the 90-day period by the length of the delay caused by such lack of cooperation. The Monitoring Agent shall promptly give Owner written notice of the lack of cooperation and the length of the extension added to the 90-day period. In the event of such a sale to the Monitoring Agent or Municipality or designee, the Property shall remain subject to this Deed Rider and shall thereafter be sold or rented to an Eligible Purchaser as may be more particularly set forth in the Regulatory Agreement.

(d) If an Eligible Purchaser fails to purchase the Property within the 90-day period (or such further time determined as provided herein) after receipt of the Conveyance Notice, and the Monitoring Agent or Municipality or designee does not purchase the Property during said period, then the Owner may convey the Property to an Ineligible Purchaser no earlier than thirty (30) days after the end of said period at the Maximum Resale Price, but subject to all rights and restrictions contained herein; provided that the Property shall be conveyed subject to a Deed Rider identical in form and substance to this Deed Rider which the Owner agrees to execute, to secure execution by the Ineligible Purchaser and to record with the Deed; and further provided that, if more than one Ineligible Purchaser is ready, willing and able to purchase the Property the Owner will give preference and enter a purchase and sale agreement with any individuals or households identified by the Monitoring Agent as an Appropriate Size Household earning more than eighty percent (80%) but less than one hundred twenty percent (120%) of the Area Median Income.

(e) The priority for exercising the options to purchase contained in this Section 4 shall be as follows: (i) an Eligible Purchaser located and selected by the Monitoring Agent, as provided in subsection (b) above, (ii) the Municipality, as provided in subsection (c) above, and (iii) an Ineligible Purchaser, as provided in subsection (d) above.

(f) Nothing in this Deed Rider or the Regulatory Agreement constitutes a promise, commitment or guarantee by DHCD, MassHousing, the Municipality or the Monitoring Agent that upon resale the Owner shall actually receive the Maximum Resale Price for the Property or any other price for the Property.

(g) The holder of a mortgage on the Property is not obligated to forbear from exercising the rights and remedies under its mortgage, at law or in equity, after delivery of the Conveyance Notice.

5. Delivery of Deed. (a) The Property shall be conveyed by the Owner to the selected purchaser by a good and sufficient quitclaim deed conveying a good and clear record and marketable title to the Property free from all encumbrances except (i) such taxes for the then current year as are not due and payable on the date of delivery of the deed, (ii) any lien for municipal betterments assessed after the date of the Conveyance Notice, (iii) provisions of local building and zoning laws, (iv) all easements, restrictions, covenants and agreements of record specified in the deed from the Owner to the selected purchaser, (v) such additional easements, restrictions, covenants and agreements of record as the selected purchaser consents to, such consent not to be unreasonably withheld or delayed, (vi) the Regulatory Agreement, and (vii), except as otherwise provided in the Compliance Certificate, a Deed Rider identical in form and substance to this Deed Rider which the Owner hereby agrees to execute, to secure execution by the selected purchaser, and to record with the deed. **Said deed shall clearly state that it is made subject to the Deed Rider which is made part of the deed.** Failure to comply with the preceding sentence shall not affect the validity of the conveyance from the Owner to the selected purchaser or the enforceability of the restrictions herein.

(b) Said deed, including the approved Deed Rider, shall be delivered and the purchase price paid (the "Closing") at the Registry, or at the option of the selected purchaser, exercised by written notice to the Owner at least five (5) days prior to the delivery of the deed, at such other place as the selected purchaser may designate in said notice. The Closing shall occur at such time and on such date as shall be specified in a written notice from the selected purchaser to the Owner, which date shall be at least five (5) days after the date on which such notice is given, and no later than the end of the time period specified in Section 4(a) above.

(c) To enable Owner to make conveyance as herein provided, Owner may, if Owner so desires at the time of delivery of the deed, use the purchase money or any portion thereof to clear the title of any or all encumbrances or interests, all instruments with respect thereto to be recorded simultaneously with the delivery of said deed. Nothing contained herein as to the Owner's obligation to remove defects in title or to make conveyance or to deliver possession of the Property in accordance with the terms hereof, as to use of proceeds to clear title or as to the election of the selected purchaser to take title, nor anything else in this Deed Rider shall be deemed to waive, impair or otherwise affect the priority of the rights herein over matters appearing of record, or occurring, at any time after the recording of this Deed Rider, all such matters so appearing or occurring being subject and subordinate in all events to the rights herein.

(d) Water and sewer charges and taxes for the then current tax period shall be apportioned and fuel value shall be adjusted as of the date of Closing and the net amount thereof shall be added to or deducted from, as the case may be, the purchase price payable by the selected purchaser.

(e) Full possession of the Property free from all occupants is to be delivered at the time of the Closing, the Property to be then in the same condition as it is in on the date of the execution of the purchase and sale agreement, reasonable wear and tear only excepted.

(f) If Owner shall be unable to give title or to make conveyance as above required, or if any change of condition in the Property not included in the above exception shall occur, then Owner shall be given a reasonable time not to exceed thirty (30) days after the date on which the Closing was to have occurred in which to remove any defect in title or to restore the Property to the condition herein required. The Owner shall use best efforts to remove any such defects in the title, whether voluntary or involuntary, and to restore the Property to the extent permitted by insurance proceeds or condemnation award. The Closing shall occur fifteen (15) days after notice by Owner that such defect has been cured or that the Property has been so restored. The selected purchaser shall have the election, at either the original or any extended time for performance, to accept such title as the Owner can deliver to the Property in its then condition and to pay therefor the purchase price without deduction, in which case the Owner shall convey such title, except that in the event of such conveyance in accordance with the provisions of this clause, if the Property shall have been damaged by fire or casualty insured against or if a portion of the Property shall have been taken by a public authority, then the Owner shall, unless the Owner has previously restored the Property to its former condition, either:

(A) pay over or assign to the selected purchaser, on delivery of the deed, all amounts recovered or recoverable on account of such insurance or condemnation award less any amounts reasonable expended by the Owner for any partial restoration, or

(B) if a holder of a mortgage on the Property shall not permit the insurance proceeds or the condemnation award or part thereof to be used to restore the Property to its former condition or to be so paid over or assigned, give to the selected purchaser a credit against the purchase price, on delivery of the deed, equal to said amounts so retained by the holder of the said mortgage less any amounts reasonably expended by the Owner for any partial restoration.

6. Resale and Transfer Restrictions. (a) Except as otherwise provided herein, the Property or any interest therein shall not at any time be sold by the Owner, or the Owner's successors and assigns, and no attempted sale shall be valid, unless the aggregate value of all consideration and payments of every kind given or paid by the selected purchaser of the Property for and in connection with the transfer of such Property, is equal to or less than the Maximum Resale Price for the Property, and unless a certificate (the "Compliance Certificate") is obtained and recorded, signed and acknowledged by the Monitoring Agent which Compliance Certificate refers to the Property, the Owner, the selected purchaser thereof, and the Maximum Resale Price

therefor, and states that the proposed conveyance, sale or transfer of the Property to the selected purchaser is in compliance with the rights, restrictions, covenants and agreements contained in this Deed Rider, and unless there is also recorded a new Deed Rider executed by the Purchaser, which new Deed Rider is identical in form and substance to this Deed Rider.

(b) The Owner, any good faith purchaser of the Property, any lender or other party taking a security interest in such Property and any other third party may rely upon a Compliance Certificate as conclusive evidence that the proposed conveyance, sale or transfer of the Property to the selected purchaser is in compliance with the rights, restrictions, covenants and agreements contained in this Deed Rider, and may record such Compliance Certificate in connection with the conveyance of the Property.

(c) Within ten (10) days of the closing of the conveyance of the Property from the Owner to the selected purchaser, the Owner shall deliver to the Monitoring Agent a copy of the Deed of the Property, including the deed rider, together with recording information. Failure of the Owner, or Owner's successors or assigns to comply with the preceding sentence shall not affect the validity of such conveyance or the enforceability of the restrictions herein.

7. Survival of Restrictions Upon Exercise of Remedies by Mortgagees. (a) The holder of record of a first mortgage on the Property (the "Mortgagee") shall notify the Monitoring Agent and the Municipality in the event of any default for which such Mortgagee intends to commence foreclosure proceedings or similar remedial action pursuant to its mortgage (the "Foreclosure Notice"), which notice shall be sent to the Monitoring Agent and the Municipality as set forth in this Deed Rider not less than one hundred twenty (120) days prior to the foreclosure sale or the acceptance of a deed in lieu of foreclosure. The Owner expressly agrees to the delivery of the Foreclosure Notice and any other communications and disclosures made by the Mortgagee pursuant to this Deed Rider.

(b) The Owner grants to the Municipality or its designee the right and option to purchase the Property upon receipt by the Municipality of the Foreclosure Notice. In the event that the Municipality intends to exercise its option, the Municipality or its designee shall purchase the Property within one hundred twenty (120) days of receipt of such notice, at a price equal to the greater of (i) the sum of the outstanding principal balance of the note secured by such mortgage (but not greater than one hundred percent (100%) of the Maximum Resale Price calculated at the time of the granting of the mortgage) plus all future advances, accrued interest and all reasonable costs and expenses which the Mortgagee is entitled to recover pursuant to the terms of the mortgage (the "Mortgage Satisfaction Amount"), and (ii) the Maximum Resale Price (which for this purpose may be less than the purchase price paid for the Property by the Owner). The Property shall be conveyed subject to a Deed Rider identical in form and substance to this Deed Rider which the Owner hereby agrees to execute, to secure execution by the Municipality or its designee, and to record with the deed, except that (i) during the term of ownership of the Property by the Municipality or its designee the owner-occupancy requirements of Section 2 hereof shall not apply (unless the designee is an Eligible Purchaser), and (ii) the Maximum Resale Price shall be recalculated based on the price paid for the Property by the Municipality or its designee, but not greater than the Mortgage Satisfaction Amount. **Said deed shall clearly state that it is made subject to the Deed Rider which is made part of the deed.** Failure to

comply with the preceding sentence shall not affect the validity of the conveyance from the Owner to the Municipality or its designee or the enforceability of the restrictions herein.

(c) Not earlier than one hundred twenty (120) days following the delivery of the Foreclosure Notice to the Monitoring Agent pursuant to subsection (a) above, the Mortgagee may conduct the foreclosure sale or accept a deed in lieu of foreclosure.

(d) In the event that the Mortgagee conducts a foreclosure sale or other proceeding enforcing its rights under its mortgage and the Property is sold for a price in excess of the greater of the Maximum Resale Price and the Mortgage Satisfaction Amount, such excess shall be paid to the Municipality for its Affordable Housing Fund after a final judicial determination that the Municipality is entitled to such excess, the costs of such determination to be deducted from the excess prior to payment to the Municipality. To the extent that the Owner possesses any interest in any amount which would otherwise be payable to the Municipality under this paragraph, to the fullest extent permissible by law, the Owner hereby assigns its interest in such amount to the Mortgagee for payment to the Municipality.

(e) If the Mortgagee shall acquire the Property by reason of foreclosure or upon conveyance of the Property in lieu of foreclosure, then the rights and restrictions contained herein shall apply to such Mortgagee upon such acquisition of the Property and to any purchaser of the Property from such Mortgagee, and the Property shall be conveyed subject to a Deed Rider identical in form and substance to this Deed Rider which the Mortgagee agrees to annex to the deed and to record with the deed, except that (i) during the term of ownership of the Property by the Mortgagee the owner-occupancy requirements of Section 2 hereof shall not apply, and (ii) the Maximum Resale Price shall be recalculated based on the price paid for the Property by the Mortgagee at the foreclosure sale, but not greater than the Mortgage Satisfaction Amount. **Said deed shall clearly state that it is made subject to the Deed Rider which is made part of the deed.** Failure to comply with the preceding sentence shall not affect the validity of the conveyance to the Mortgagee or the enforceability of the restrictions herein.

(f) Upon satisfaction of the requirements contained in this Section 7, the Monitoring Agent shall issue a Compliance Certificate to the Mortgagee which, upon recording in the Registry, may be relied upon as provided in Section 6(b) hereof as conclusive evidence that the conveyance of the Property pursuant to this Section 7 is in compliance with the rights, restrictions, covenants and agreements contained in this Deed Rider.

(g) The Owner understands and agrees that nothing in this Deed Rider or the Regulatory Agreement (i) in any way constitutes a promise or guarantee by MassHousing, DHCD, the Municipality or the Monitoring Agent that the Mortgagee shall actually receive the Mortgage Satisfaction Amount, the Maximum Resale Price for the Property or any other price for the Property, or (ii) impairs the rights and remedies of the Mortgagee in the event of a deficiency.

(h) If a Foreclosure Notice is delivered after the delivery of a Conveyance Notice as provided in Section 4(a) hereof, the procedures set forth in this Section 7 shall supersede the provisions of Section 4 hereof.

8. Covenants to Run With the Property. (a) This Deed Rider, including all restrictions, rights and covenants contained herein, is an affordable housing restriction as that term is defined in Section 31 of Chapter 184 of the Massachusetts General Laws, having the benefit of Section 32 of such Chapter 184, and is enforceable as such. This Deed Rider has been approved by the Director of DHCD.

(b) In confirmation thereof the Grantor and the Owner intend, declare and covenant (i) that this Deed Rider, including all restrictions, rights and covenants contained herein, shall be and are covenants running with the land, encumbering the Property for the Term, and are binding upon the Owner and the Owner's successors in title and assigns, (ii) are not merely personal covenants of the Owner, and (iii) shall enure to the benefit of and be enforceable by the Municipality, the Monitoring Agent and DHCD and their successors and assigns, for the Term. Owner hereby agrees that any and all requirements of the laws of the Commonwealth of Massachusetts have been satisfied in order for the provisions of this Deed Rider to constitute restrictions and covenants running with the land and that any requirements of privity of estate have been satisfied in full.

9. Notice. Any notices, demands or requests that may be given under this Deed Rider shall be sufficiently served if given in writing and delivered by hand or mailed by certified or registered mail, postage prepaid, return receipt requested, to the following entities and parties in interest at the addresses set forth below, or such other addresses as may be specified by any party (or its successor) by such notice.

Municipality:

Grantor:

Owner:

Monitoring Agent[s]

(1)

(2)

Others:

Any such notice, demand or request shall be deemed to have been given on the day it is hand delivered or mailed.

10. Further Assurances. The Owner agrees from time to time, as may be reasonably required by the Monitoring Agent, to furnish the Monitoring Agent upon its request with a written statement, signed and, if requested, acknowledged, setting forth the condition and occupancy of the Property, information concerning the resale of the Property and other material information pertaining to the Property and the Owner's conformance with the requirements of the Comprehensive Permit, Program and Program Guidelines, as applicable.

11. Enforcement. (a) The rights hereby granted shall include the right of the Municipality and the Monitoring Agent to enforce this Deed Rider independently by appropriate legal proceedings and to obtain injunctive and other appropriate relief on account of any violations including without limitation relief requiring restoration of the Property to the condition, affordability or occupancy which existed prior to the violation impacting such condition, affordability or occupancy (it being agreed that there shall be no adequate remedy at law for such violation), and shall be in addition to, and not in limitation of, any other rights and remedies available to the Municipality and the Monitoring Agent.

(b) Without limitation of any other rights or remedies of the Municipality and the Monitoring Agent, or their successors and assigns, in the event of any sale, conveyance or other transfer or occupancy of the Property in violation of the provisions of this Deed Rider, the Municipality and Monitoring Agent shall be entitled to the following remedies, which shall be cumulative and not mutually exclusive:

- (i) specific performance of the provisions of this Deed Rider;
- (ii) money damages for charges in excess of the Maximum Resale Price, if applicable;
- (iii) if the violation is a sale of the Property to an Ineligible Purchaser except as permitted herein, the Monitoring Agent and the Municipality shall have the option to locate an Eligible Purchaser to purchase or itself purchase the Property from the Ineligible Purchaser on the terms and conditions provided herein; the purchase price shall be a price which complies with the provisions of this Deed Rider; specific performance of the requirement that an Ineligible Purchaser shall sell, as herein provided, may be judicially ordered.
- (iv) the right to void any contract for sale or any sale, conveyance or other transfer of the Property in violation of the provisions of this Deed Rider in the absence of a Compliance Certificate, by an action in equity to enforce this Deed Rider; and

(v) money damages for the cost of creating or obtaining a comparable dwelling unit for an Eligible Purchaser.

(c) In addition to the foregoing, the Owner hereby agrees and shall be obligated to pay all fees and expenses (including legal fees) of the Monitoring Agent and/or the Municipality in the event successful enforcement action is taken against the Owner or Owner's successors or assigns. The Owner hereby grants to the Monitoring Agent and the Municipality a lien on the Property, junior to the lien of any institutional holder of a first mortgage on the Property, to secure payment of such fees and expenses in any successful enforcement action. The Monitoring Agent and the Municipality shall be entitled to seek recovery of fees and expenses incurred in a successful enforcement action of this Deed Rider against the Owner and to assert such a lien on the Property to secure payment by the Owner of such fees and expenses. Notwithstanding anything herein to the contrary, in the event that the Monitoring Agent and/or Municipality fails to enforce this Deed Rider as provided in this Section, DHCD, if it is not named as Monitoring Agent, shall have the same rights and standing to enforce this Deed Rider as the Municipality and Monitoring Agent.

(d) The Owner for himself, herself or themselves and his, her or their successors and assigns, hereby grants to the Monitoring Agent and the Municipality the right to take all actions with respect to the Property which the Monitoring Agent or Municipality may determine to be necessary or appropriate pursuant to applicable law, court order, or the consent of the Owner to prevent, remedy or abate any violation of this Deed Rider.

12. Monitoring Agent Services; Fees. The Monitoring Agent shall monitor compliance of the Project and enforce the requirements of this Deed Rider. As partial compensation for providing these services, a Resale Fee [] shall [] shall not be payable to the Monitoring Agent on the sale of the Property to an Eligible Purchaser or any other purchaser in accordance with the terms of this Deed Rider. This fee, if imposed, shall be paid by the Owner herein as a closing cost at the time of Closing, and payment of the fee to the Monitoring Agent shall be a condition to delivery and recording of its certificate, failing which the Monitoring Agent shall have a claim against the new purchaser, his, her or their successors or assigns, for which the Monitoring Agent may bring an action and may seek an attachment against the Property.

13. Actions by Municipality. Any action required or allowed to be taken by the Municipality hereunder shall be taken by the Municipality's Chief Executive Officer or designee.

14. Severability. If any provisions hereof or the application thereof to any person or circumstance are judicially determined, to any extent, to be invalid or unenforceable, the remainder hereof, or the application of such provision to the persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

15. Independent Counsel. THE OWNER ACKNOWLEDGES THAT HE, SHE, OR IT HAS READ THIS DOCUMENT IN ITS ENTIRETY AND HAS HAD THE OPPORTUNITY TO CONSULT LEGAL AND FINANCIAL ADVISORS OF HIS, HER OR

THEIR CHOOSING REGARDING THE EXECUTION, DELIVERY AND PERFORMANCE OF THE OBLIGATIONS HEREUNDER.

16. Binding Agreement. This Deed Rider shall bind and inure to the benefit of the persons, entities and parties named herein and their successors or assigns as are permitted by this Deed Rider.

17. Amendment. This Deed Rider may not be rescinded, modified or amended, in whole or in part, without the written consent of the Monitoring Agent, the Municipality and the holder of any mortgage or other security instrument encumbering all or any portion of the Property, which written consent shall be recorded with the Registry.

Executed as a sealed instrument this _____ day of _____, 200_.

Grantor:

Owner:

By _____

By _____

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss.

On this ____ day of _____, 200__, before me, the undersigned notary public, personally appeared _____, the _____ of _____ in its capacity as the _____ of _____, proved to me through satisfactory evidence of identification, which was [a current driver's license] [a current U.S. passport] [my personal knowledge], to be the person whose name is signed on the preceding instrument and acknowledged the foregoing instrument to be his or her free act and deed and the free act and deed of _____ as _____ of _____.

Notary Public
My commission expires:

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss.

On this ____ day of _____, 200__, before me, the undersigned notary public, personally appeared _____, the _____ of _____ in its capacity as the _____ of _____, proved to me through satisfactory evidence of identification, which was [a current driver's license] [a current U.S. passport] [my personal knowledge], to be the person whose name is signed on the preceding instrument and acknowledged the foregoing instrument to be his or her free act and deed and the free act and deed of _____ as _____ of _____.

Notary Public
My commission expires:



AFFORDABLE HOUSING RESTRICTION

DATE: As of October ____, 2007

GRANTOR:	Essex Street Management, Inc.
PROPERTY NAME:	Lopez Avenue
TOTAL NUMBER OF UNITS:	8
TOTAL NUMBER OF RESTRICTED UNITS:	7
NUMBER OF HIGH MODERATE INCOME UNITS (110% AMI): ¹	0
NUMBER OF MODERATE INCOME UNITS (80% AMI):	0
NUMBER OF LOW INCOME UNITS (60% AMI):	0
NUMBER OF VERY LOW INCOME UNITS (50% AMI):	0
NUMBER OF EXTREMELY LOW INCOME UNITS (30% AMI):	7
NUMBER OF HOME ASSISTED UNITS:	0
PROPERTY ADDRESS:	22 Lopez Avenue Cambridge, Massachusetts

AFFORDABILITY TERM: 51 years (subject to extension for any extension of the construction period and/or extension of one or more of the Loans to which this Restriction relates, as set forth below)

This Affordable Housing Restriction (this "Restriction") is granted by the undersigned Grantor, a Massachusetts corporation having a mailing address of c/o Cambridge Housing Authority, 675 Massachusetts Avenue, Cambridge, Massachusetts 02139, for the benefit of The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development having

¹ Numbers in parentheses are the percentage of median income for the Area (AMI, as defined below), adjusted for family size, as determined from time to time by HUD (as defined below) pursuant to Section 8 of the United States Housing Act, as amended.

a mailing address of 100 Cambridge Street, Suite 300, Boston, Massachusetts 02114-2524 ("DHCD"); Massachusetts Housing Partnership Fund Board, a Massachusetts public instrumentality and body politic and corporate, with an office at 160 Federal Street, 2nd Floor, Boston, Massachusetts 02110 ("MHP"); and Community Economic Development Assistance Corporation, a body politic and corporate, duly organized and existing in accordance with Chapter 40H of the Massachusetts General Laws with an office at One Center Plaza, Suite 350, Boston, Massachusetts 02108 ("CEDAC").

BACKGROUND

- A. The Grantor holds or will acquire legal title to the Property and intends to rehabilitate a 8-unit rental housing development, consisting of one (1) residential building, at the Property (the "Project").
- B. As a condition of the Loan, the Grantor has agreed that this Restriction be imposed upon the Property as a covenant running with the land and binding upon any successor to the Grantor, as owner thereof.

RESTRICTIONS

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor hereby covenants as follows:

1. **Definitions.** Capitalized terms used herein are defined herein and in Exhibit D attached hereto.
2. **Use Restrictions.** The Property shall be reserved and used for the Permitted Uses and for no other purpose. The Restricted Units shall include at least 7 one-bedroom Units. Each Unit shall contain complete facilities for living, sleeping, eating, cooking and sanitation which are to be used on other than a transient basis. Each Unit shall meet the housing quality standards set forth in the regulations of HUD at 24 C.F.R. §982.401 or any successor thereto, the accessibility requirements at 24 C.F.R. Part 8 or any successor thereto (which implement Section 504 of the Rehabilitation Act of 1973) and, if applicable, the design and construction requirements of 24 C.F.R. §100.205 or any successor thereto (which implement the Fair Housing Act). The Restricted Units shall be of comparable quality to the other Units at the Property. Throughout the term hereof, the Grantor shall maintain the Property and the Improvements in good, safe and habitable condition in all respects and in full compliance with all applicable laws, by-laws, rules and regulations of any governmental (or quasi-governmental) body with jurisdiction over matters concerning the condition of the Property.
3. **Occupancy Restrictions.** The following restrictions shall apply during the period commencing with the first date on which any Units are occupied and continuing for the balance of the Affordability Term.
 - A. **Extremely Low Income Units.** At least 7 of the Units of the types shown on Exhibit C attached hereto shall be leased exclusively to Extremely Low Income Families ("Extremely

Low Income Units"). The monthly rent charged to a Family occupying an Extremely Low Income Unit shall not exceed the lesser of Fair Market Rent or (x) one-twelfth of thirty-five percent (35%) of thirty percent (30%) of the Bedroom Adjusted AMI, minus (y) if applicable, an allowance established by the Holders for any utilities and services (excluding telephone) to be paid by the occupying Family. A Family who resides in a Restricted Unit, who qualified as an Extremely Low Income Family at the time of such Family's initial occupancy at the Property and whose Household Income exceeds thirty percent (30%), but does not exceed fifty percent (50%) of the Family-size Adjusted AMI, shall continue to be treated as an Extremely Low Income Family but, from and after the expiration of the then-current term of such Family's lease, must pay as monthly rent the Over-income Rent. A Family who resides in a Restricted Unit, who qualified as an Extremely Low Income Family at the time of such Family's initial occupancy at the Property and whose Household Income exceeds fifty percent (50%), but does not exceed eighty percent (80%), of the Family-size Adjusted AMI, shall, from and after the expiration of the then-current term of such Family's lease, be treated as a Low Income Family and must pay as monthly rent the lesser of (x) the maximum amount payable by the Family under the laws of the municipality in which the Property is located or of The Commonwealth of Massachusetts, (y) one-twelfth of thirty percent (30%) of sixty-five percent (65%) of the Bedroom Adjusted AMI (minus, if applicable, an allowance established by the Holders for any utilities and services [excluding telephone] to be paid by the occupying Family) or (z) the comparable market rent for the Family's Unit. A Family who resides in a Restricted Unit, who qualified as an Extremely Low Income Family at the time of such Family's initial occupancy at the Property and whose Household Income exceeds eighty percent (80%) of the Family-size Adjusted AMI, shall, from and after the expiration of the then-current term of such Family's lease, no longer be treated as an income-qualified Family and (i) until such time as the Property again has the required number of income-qualified Families at all income levels hereunder must pay as monthly rent the Over-income Rent and (ii) once the Property again has the required number of income-qualified Families at all income levels hereunder, such Family's Unit shall, from and after the expiration of the then-current term of such Family's lease, no longer be deemed a Restricted Unit hereunder.

- B. Applicable Lease Term, Change of Status.** References in the foregoing provisions of the "then-current term of such Family's lease" shall refer to the term of the lease or occupancy agreement in effect on the date of the required delivery of the income certification that reflects (or that, if duly delivered, would have reflected) the applicable increase in such Family's income or, as applicable, the term of the lease or occupancy agreement in effect at the time the Property regains the required number of income-qualified Families. If, with the Holders' consent, the Grantor does not require that a lease be signed for a Restricted Unit (e.g., a property providing short-term transitional housing), the provisions set forth above shall apply, except that the applicable date on which a Family's income-qualified status and/or applicable rent restriction is modified shall be the first day of the month that is at least thirty (30) days following the date of the required delivery of the income certification that reflects (or that, if duly delivered, would have

reflected) the applicable increase in such Family's income and the applicable date on which a Restricted Unit's status is modified shall be the first day of the month that is at least thirty (30) days following the date on which the Property regains the required number of income-qualified Families.

C. Federal or State Rental Subsidy. If a Restricted Unit or the Family occupying such Unit receives federal or state rental subsidy, then the Family's contribution towards rent shall be the contribution allowable under the federal or state rental subsidy program and the maximum rent (i.e., tenant contribution plus rental subsidy) shall be the rent allowable under the federal or state rental subsidy program.

D. Next Available Unit Rule. If at any time fewer than the required number of Units are leased, rented or occupied by Extremely Low Income Families, the next available Units shall all be leased, rented or otherwise made available to Extremely Low Income Families until the required number of Units occupied by Extremely Low Income Families is again obtained. The foregoing provisions shall be applied so as to maintain a mix of Restricted Units that is comparable in size, features and number of bedrooms to the originally designated Restricted Units (i.e., a Unit will not be considered an available Unit for purposes of this Paragraph if classification of such Unit as a Restricted Unit would cause the then current mix of Restricted Units to no longer be comparable to the original mix of Restricted Units described in Section 2 above and as shown on Exhibit C).

4. Rent Schedule. Projected initial monthly maximum rents and monthly allowances for utilities and services for all Restricted Units shall be as set forth in Exhibit B attached hereto. Notwithstanding the rent restrictions set forth in Section 3 above, the maximum monthly rent permitted to be charged for a Restricted Unit at any particular income level is not required to be lower than the maximum rent applicable at such income level pursuant to Exhibit B, regardless of changes in fair market rents or in median income over time (subject only to the restrictions applicable in the event of any federal or state subsidy, as set forth in Section 3 above). Rents for Restricted Units shall not be increased above applicable maximums without all Holders' prior written approval of a specific request by the Grantor for a rent increase, except for increases implemented in accordance with an annual schedule of maximum rents and allowances issued by DHCD. Notwithstanding the foregoing, rent increases shall be subject to the provisions of outstanding leases and shall not be implemented without at least thirty (30) days' prior written notice by the Grantor to all affected Residents and notwithstanding any provision in a lease or occupancy agreement to the contrary, in the event of any increase in the rent payable by such Residents in connection with an increase in the income of such Residents, consistent with the terms hereof, the Residents shall have the right to terminate their lease or occupancy agreement by written notice to the Grantor delivered within such thirty-day period.

5. Resident Selection.

A. Nondiscrimination. The Grantor shall not discriminate on the basis of race, creed, color, sex, age, handicap, marital status, sexual preference, national origin or any other basis prohibited by law in the lease, use and occupancy of the Units or in connection with the employment or application for employment of persons for the operation and management

of the Units. The Grantor shall not discriminate against, or refuse to lease, rent or otherwise make available the Units to, a holder of a certificate or voucher under the Federal Rental Certificate Program or the Federal Rental Voucher Program because of the status of the prospective tenant as a holder of such certificate, voucher.

B. Selection Policies. The Grantor shall adopt and submit to the Holders for approval resident selection policies and criteria for the Restricted Units that:

- (i) Are consistent with the purpose of providing housing for an Extremely Low Income Family, as defined below and required herein;
- (ii) Are reasonably related to eligibility of prospective tenants under the Programs and to the prospective tenants' ability to perform the obligations of the Grantor's form lease;
- (iii) Give reasonable consideration to the housing needs of Families that would have preference under Section 6(c)(4)(A) of the United States Housing Act of 1937 (42 U.S.C. §1437 et seq.); and
- (iv) Provide for (x) the selection of Residents from a written waiting list in the chronological order of their application, insofar as practicable, and (y) the prompt written notification to any rejected applicant of the grounds for any rejection.

The Grantor shall also provide the Holders with an affirmative marketing plan acceptable to all Holders. The affirmative marketing plan must comply with all applicable statutes, regulations and executive orders, with all Holders' affirmative marketing requirements and with DHCD's directives reflecting the agreement between DHCD and HUD in the case of NAACP, Boston Chapter v. Kemp. The approved marketing plan and the approved resident selection policies and criteria shall be adhered to in every respect and any changes thereto shall be subject to the prior written approval of the Holders.

6. Lease Form. The Grantor shall not include in any lease for a Restricted Unit any of the following provisions:

- A.** Agreement by the tenant to be sued, to admit guilt or to a judgment in favor of the Grantor in a lawsuit brought in connection with the lease.
- B.** Agreement by the tenant that the Grantor may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the Unit after the tenant has moved out of the Unit. The Grantor may dispose of such personal property in accordance with state law.
- C.** Agreement by the tenant not to hold the Grantor or the Grantor's agents legally responsible for any action or failure to act, whether intentional or negligent.
- D.** Agreement of the tenant that the Grantor may institute a lawsuit without notice to the tenant.

- E. Agreement by the tenant that the Grantor may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.
- F. Agreement by the tenant to waive any right to a trial by jury.
- G. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease.
- H. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the Grantor against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

All leases for Restricted Units shall be consistent with the requirements set forth herein, shall be on a form reasonably approved by the Holders, shall be for terms of not less than one (1) year (unless a shorter term is specified by mutual agreement between the Resident and the Grantor, subject to the Holders' program requirements) and shall require tenants to provide information required for the Grantor to meet its reporting requirements hereunder. The Grantor may not terminate the tenancy except (i) for serious or repeated violation of the terms and conditions of the lease; (ii) for violations of applicable federal, state or local law; (iii) for completion of the tenancy period for transitional housing; or (iv) for other good cause. Any termination or refusal to renew must be preceded by not less than thirty (30) days by the Grantor's service on the tenant of a written notice specifying the grounds for the action.

7. Transfer Restrictions. The Grantor shall not sell, transfer, convey, rent (except for leases or occupancy agreements made in connection with the Permitted Uses that are substantially in the form approved by the Holders), encumber as security for financing, or in any other way exchange all or any portion of the Property nor shall the Grantor permit the sale, transfer or pledge of any direct or indirect interests in the Grantor, without the express written permission of the Holders. Without limiting the generality of the foregoing, the Permitted Encumbrances are hereby approved by the Holders. Any sale, transfer or other disposition (each, a "transfer") of all or any part of the Property shall further be subject to the Purchase Option and First Refusal Right, as described below, and to such further terms and conditions with respect thereto as may be set forth in the HIF Statute, the HIF Regulations, the HIF Guidelines, the HSF Statute, the HSF Regulations, and the HSF Guidelines. Upon request by the Grantor, DHCD shall sign a certificate, in form and substance reasonably acceptable to DHCD, stating whether, as of a specified date, any Purchase Option or First Refusal Right in favor of DHCD remains in effect, or has been exercised, terminated, waived or assigned, and otherwise conforming with the certification requirements described below. No transfer of all or any part of the Property to any party other than DHCD or its assignee shall be consummated unless and until (i) the period for the exercise of all Purchase Options and/or First Refusal Rights, as applicable, shall have expired without DHCD's exercise of rights thereunder or (ii) DHCD shall have unconditionally waived its rights thereunder in writing. Any sale, transfer or other disposition (each, a "transfer") of all or any part of the Property shall further be subject to the First Refusal Right, as described below, and to such further terms and conditions with respect thereto as may be set forth in the HSF Statute, the HSF Regulations, and the HSF Guidelines. Upon request by the Grantor, DHCD shall

sign a certificate, in form and substance reasonably acceptable to DHCD, stating whether, as of a specified date, any First Refusal Right in favor of DHCD remains in effect, or has been exercised, terminated, waived or assigned, and otherwise conforming with the certification requirements described below. No transfer of all or any part of the Property to any party other than DHCD or its assignee shall be consummated unless and until (i) the period for the exercise of the First Refusal Right shall have expired without DHCD's exercise of rights thereunder or (ii) DHCD shall have unconditionally waived its rights thereunder in writing.

8. HSF/HIF Purchase Option.

- A.** Upon the expiration of the Affordability Term (as defined in Section 11 below), DHCD shall have the right to purchase the Grantor's interest in the Property from the Grantor, at a price equal to the then-current appraised value of the Property, less the total outstanding balance, at the time of such purchase, of all principal, interest and any other charges payable under the HSF Loan and HIF Loan, and any and all other outstanding obligations of the Grantor with respect thereto (the "Purchase Option"), by delivering written notice to the Grantor of its election to exercise the Purchase Option by or before the date that is one hundred twenty (120) days after the expiration of the Affordability Term (the "Option Exercise Deadline"). If DHCD shall have failed to deliver such written notice of its election to exercise the Purchase Option to the Grantor by the Option Exercise Deadline, DHCD shall be deemed to have unconditionally waived the Purchase Option, and the Purchase Option shall automatically terminate, and shall have no further force or effect.
- B.** DHCD shall have the right at any time to assign its rights under this Purchase Option to a qualified developer selected by DHCD in accordance with the HSF Statute and HSF Regulations and the HIF Statute and HIF Regulations, and effective as of any such assignment, all rights and obligations of DHCD with respect to such Purchase Option shall automatically be deemed to apply to such assignee, and all references to "DHCD" in this Section shall automatically be deemed to refer to such assignee (except to the extent a provision explicitly provides otherwise). So long as the Grantor is not in default under the HSF Loan, HIF Loan or hereunder, Cambridge Housing Authority (the "Sponsor") shall have the right to match the best offer received by DHCD from a qualified developer to become DHCD's assignee.
- C.** Promptly upon request by DHCD at any time or from time to time, either before the Option Exercise Deadline or after DHCD's exercise of the Purchase Option, the Grantor shall provide DHCD with a copy of, or otherwise make available for DHCD's review at a mutually convenient time and location, any and all material owned by or readily available to the Grantor that an unrelated third-party potential buyer would reasonably request in connection with its due diligence for the acquisition of the Property, including, by way of example but not of limitation, deeds, title insurance policies, appraisals, studies, reports, and other materials relating to the Property and/or any encumbrance(s) subject to which the Property is to be conveyed, or otherwise reasonably necessary or appropriate for DHCD to review in connection with its exercise of the Purchase Option.

- D.** The appraised value of the Property shall be determined at DHCD's request by the method specified in the HSF Statute and HIF Statute (as may be more fully described in the HSF Regulations and HIF Regulations) and in accordance with DHCD policies, and the costs of the appraisers shall be shared equally by DHCD and the Grantor (unless the HSF Regulations or HIF Regulations provide otherwise). Notwithstanding anything to the contrary contained in this Restriction, the Grantor shall not be required to use its own funds to repay any debt secured by the Property in the event the appraised value of the Property is less than the aggregate of all permitted debt secured by the Property.
- E.** The closing for the sale of the Property to DHCD shall take place in accordance with applicable provisions of the HSF Regulations or HIF Regulations, by or before the date that is one hundred twenty (120) days after the Option Exercise Deadline (i.e., on or before the date that is two hundred forty (240) days after the expiration of the Affordability Term), by the close of the business day, at the Registry of Deeds; provided, however, that if DHCD reasonably determines additional time is necessary to effect the closing due to delays of the Grantor in providing DHCD with the due diligence material described above or any other failure by the Grantor fully to cooperate with preparations for the sale, the closing date may be extended to a date reasonably determined by DHCD as necessary to redress the delays caused by the Grantor, which shall be specified in a written notice from DHCD setting forth the reasons for such extension, delivered to the Grantor by or before the date originally scheduled for the closing. The parties may also mutually agree to extend the date of the closing by written instrument.
- F.** The transfer to DHCD pursuant to the Purchase Option shall be subject to such other requirements as may be more fully described in the HSF Regulations or HIF Regulations consistent with the HSF Statute and HIF Statute. Adjustments in the purchase price for recording fees, deed stamps and other charges shall be made, and any other issues associated with the transfer shall be resolved, in accordance with standard conveyancing practice in The Commonwealth of Massachusetts. If either party so desires, the parties shall enter into a purchase and sale agreement memorializing the terms of the sale, consistent with the terms hereof and of the HSF Statute and HIF Statute; provided, however, that the Purchase Option shall be binding regardless of whether the parties execute a purchase and sale agreement. Notwithstanding any other provision hereof to the contrary, if, after delivering notice of its intention to exercise the Purchase Option, DHCD determines, in its sole discretion, that it is not in the best interests of DHCD to effect the purchase, DHCD may terminate the Purchase Option at any time, upon written notice to the Grantor recorded with the Registry of Deeds; provided, however, that such termination right shall apply to DHCD only and not to any assignee.
- G.** Concurrently with its acquisition of the Property, DHCD shall cause to be recorded with the Registry of Deeds an affordable housing restriction, in compliance with the HSF Statute, HIF Statute and any other applicable statutory requirements for the same (and, in the case of an assignee, in form acceptable to DHCD, in its discretion), which shall require that the Property shall be used only for the purposes of preserving or providing affordable

housing thereon, which housing shall remain affordable for a period of not less than fifty (50) years.

9. HSF/HIF First Refusal Right.

- A.** If the Grantor intends at any time or from time to time prior to DHCD's exercise (or unconditional waiver) of the Purchase Option, as described above, to transfer all or any part of its interest in the Property, and the Grantor receives a bona fide offer for such transfer that the Grantor desires to accept (each, an "Offer"), the Grantor shall promptly deliver to DHCD written notice of the same (which shall not be deemed to have been duly delivered to DHCD unless it contains a copy of clause C. below), together with a copy of such Offer (the "Offer Notice"). The Grantor shall provide DHCD with such reasonable evidence as DHCD may require to satisfy DHCD as to the bona fide nature of the Offer.
- B.** DHCD shall have the right to purchase the Grantor's interest in the Property (or the portion(s) thereof to which the Offer relates), at the same price and on the same terms set forth in such Offer (the "First Refusal Right"), by delivering to the Grantor and recording with the Registry of Deeds written notice of its election to exercise such First Refusal Right, in accordance with the terms set forth below (the "Exercise Notice"), by or before the date that is one hundred twenty (120) days after DHCD's receipt of such Offer Notice (such 120-day period, the "First Refusal Period"). If DHCD does not intend to exercise the First Refusal Right, DHCD may, but shall have no obligation to, notify the Grantor in writing that the First Refusal Right will not be exercised (a "Waiver Notice").
- C.** If, by the expiration of the First Refusal Period with respect to an Offer, DHCD shall have failed to deliver to the Grantor an Exercise Notice or a Waiver Notice, DHCD shall be deemed to have waived its First Refusal Right with respect to such Offer, subject to any revived First Refusal Right with respect to a modified Offer, as described below. However, DHCD shall retain a First Refusal Right for subsequent Offers and the Purchase Option as described above, notwithstanding any prior actual or deemed waiver of the First Refusal Right, or any intervening transfer of the Property or any portion(s) thereof. The First Refusal Right shall automatically expire upon the waiver, expiration or exercise of the Purchase Option.
- D.** If any of the terms of an Offer shall be revised from the terms reflected in the Offer Notice in such a manner as to be materially more favorable to the buyer or if a closing pursuant to the Offer has not occurred on or before the date six months after the date of the Offer Notice but the Grantor desires to continue pursuing a sale pursuant to such Offer, the Grantor shall promptly deliver to DHCD an Offer Notice with respect to such revised or continued Offer (which shall not be deemed to have been duly delivered to DHCD unless it contains a copy of clause C. above), and DHCD shall have a new First Refusal Right with respect to such modified or continued Offer. The First Refusal Period for such new First Refusal Right shall run for a period of one hundred twenty (120) days from the date of DHCD's receipt of the Offer Notice with respect to such revised or continued Offer.
- E.** DHCD shall have the right at any time to assign its rights under the First Refusal Right to a qualified developer selected by DHCD in accordance with the HSF Statute and HSF

Regulations and the HIF Statute and HIF Regulations and, effective as of any such assignment, the rights and obligations of DHCD with respect to such First Refusal Right shall automatically be deemed to apply to such assignee, and all references to "DHCD" in this Section shall automatically be deemed to refer to such assignee (except to the extent a provision explicitly provides otherwise). DHCD shall provide written notice of any such assignment to the Grantor.

F. In accordance with the provisions of the HSF Statute and HIF Statute:

- (i) An Offer Notice containing the required language as described above shall be deemed to have been duly delivered if sent by regular and certified mail, return receipt requested (or by such other method as may be authorized under the HSF Statute and HSF Regulations and the HIF Statute and HIF Regulations), addressed to DHCD (or to any assignee of DHCD, if DHCD has previously given the Grantor notice of such assignment, including the name and notice address of such assignee, in accordance with the notice provisions set forth herein) in the care of the keeper of records for DHCD, which for purposes hereof shall be deemed to be the General or Chief Counsel of DHCD (or in care of the keeper of records for such assignee of DHCD, as applicable).
- (ii) The Exercise Notice or Waiver Notice shall be duly signed by a designated representative of DHCD or of the assignee of DHCD, as the case may be, and (x) mailed to the Grantor by certified mail (or such other method as may be authorized under the HSF Statute or HIF Statute) at the notice address set forth in the Offer Notice and (y) recorded with the Registry of Deeds by the expiration of the First Refusal Period. If DHCD shall have assigned the First Refusal Right to a qualified developer prior to delivery of the Exercise Notice, the Exercise Notice shall include the name and address of such assignee and the terms and conditions of such assignment.
- (iii) An affidavit acknowledged by a notary public that DHCD or its designated representative has mailed an Exercise Notice or a Waiver Notice (the "Affidavit") shall conclusively establish the manner and time of the giving of such notice. Any Affidavit may be recorded with the Registry of Deeds by either party. Each Affidavit shall have attached to it a copy of the Offer Notice to which it relates.
- (iv) Each Offer Notice, Exercise Notice and Waiver Notice shall contain the name of the record owner of the Property and a description of the premises to be transferred, in form adequate to identify the same.

G. The closing for the sale of the Property (or, if applicable, the part thereof that is the subject of the Offer) to DHCD shall take place in accordance with applicable provisions of the HSF Regulations and HIF Regulations, by or before the date that is one hundred twenty (120) days after the expiration of the First Refusal Period (i.e., on or before the date that is two hundred forty (240) days after DHCD's receipt of the relevant Offer Notice), by the close of the business day, at the Registry of Deeds (such date, the "Closing Deadline"); provided, however, that if DHCD reasonably determines additional time is necessary to effect the closing, due to delays of the Grantor in providing DHCD with the

due diligence material described below or any other failure by the Grantor fully to cooperate with preparations for the sale, the Closing Deadline may be extended to a date reasonably determined by DHCD as necessary to redress the delays caused by the Grantor, which shall be specified in a written notice from DHCD setting forth the reasons for such extension, delivered to the Grantor and recorded with the Registry of Deeds, by or before the date originally scheduled for the closing. The parties may also mutually agree to extend the Closing Deadline, by written instrument; provided, however, that in such event, the parties shall execute an instrument reflecting such extension, which shall be recorded with the Registry of Deeds by or before the date originally scheduled for the closing.

- H.** Concurrently with the delivery of the Offer Notice, the Grantor shall provide DHCD with a copy of, or otherwise make available for DHCD's review at a mutually convenient time and location, all material relating to the Property (or the part thereof that is the subject of the Offer) and/or the proposed sale, transfer, or other disposition thereof that has been made available to the party making the Offer, and shall thereafter promptly make available to DHCD any additional material made available to such party. Promptly upon any request therefor by DHCD, the Grantor shall provide DHCD with a copy of, or otherwise make available for DHCD's review at a mutually convenient time and location, any and all other material owned by or readily available to the Grantor that an unrelated third-party buyer would reasonably request in connection with its due diligence for an acquisition of such Property, including, by way of example but not of limitation, deeds, title insurance policies, appraisals, studies, reports, or other materials relating to such Property and/or any encumbrance(s) subject to which the Property is to be conveyed, or otherwise reasonably necessary or appropriate for DHCD to review in connection with its exercise of the First Refusal Right.
- I.** The transfer to DHCD pursuant to the First Refusal Right shall be subject to such other requirements as may be more fully described in the HSF Regulations or HIF Regulations consistent with the HSF Statute and HIF Statute. Adjustments in the purchase price for recording fees, deed excise stamp taxes and other charges shall be made, and any other issues associated with the transfer shall be resolved, in accordance with standard conveyancing practice in The Commonwealth of Massachusetts. If either party so desires, the parties shall enter into a purchase and sale agreement memorializing the terms of the sale, consistent with the terms hereof and of the HSF Statute and HIF Statute; provided, however, that the First Refusal Right shall be binding regardless of whether the parties execute a purchase and sale agreement. Notwithstanding any other provision hereof to the contrary, if, after delivering notice of its intention to exercise the First Refusal Right, DHCD determines, in its sole discretion, that it is not in the best interests of DHCD to effect the purchase, DHCD may terminate the First Refusal Right at any time, upon written notice delivered to the Grantor and recorded with the Registry of Deeds; provided, however, that such termination right shall apply to DHCD only, and not to any assignee. If DHCD exercises such termination right or if either DHCD or its assignee (other than the Sponsor) fails to perform hereunder on or before the Closing Deadline through no fault of the Grantor, then the First Refusal Right shall lapse and be of no further force or effect.

- J. Concurrently with its acquisition of the Property, DHCD shall cause to be recorded with the Registry of Deeds an affordable housing restriction, in compliance with the HSF Statute, HIF Statute and any other applicable statutory requirements for the same (and, in the case of an assignee, in form acceptable to DHCD, in its discretion), which shall require that such Property shall be used only for the purposes of preserving or providing affordable housing thereon, which housing shall remain affordable for a period of not less than fifty (50) years.

10. HSF First Refusal Right.

- A. If the Grantor intends at any time or from time to time, to transfer all or any part of its interest in the Property, and the Grantor receives a bona fide offer for such transfer that the Grantor desires to accept (each, an "Offer"), the Grantor shall promptly deliver to DHCD written notice of the same (which shall not be deemed to have been duly delivered to DHCD unless it contains a copy of clause C. below), together with a copy of such Offer (the "Offer Notice"). The Grantor shall provide DHCD with such reasonable evidence as DHCD may require to satisfy DHCD as to the bona fide nature of the Offer.
- B. DHCD shall have the right to purchase the Grantor's interest in the Property (or the portion(s) thereof to which the Offer relates), at the same price and on the same terms set forth in such Offer (the "First Refusal Right"), by delivering to the Grantor and recording with the Registry of Deeds written notice of its election to exercise such First Refusal Right, in accordance with the terms set forth below (the "Exercise Notice"), by or before the date that is one hundred twenty (120) days after DHCD's receipt of such Offer Notice (such 120-day period, the "First Refusal Period"). If DHCD does not intend to exercise the First Refusal Right, DHCD may, but shall have no obligation to, notify the Grantor in writing that the First Refusal Right will not be exercised (a "Waiver Notice").
- C. If, by the expiration of the First Refusal Period with respect to an Offer, DHCD shall have failed to deliver to the Grantor an Exercise Notice or a Waiver Notice, DHCD shall be deemed to have waived its First Refusal Right with respect to such Offer, subject to any revived First Refusal Right with respect to a modified Offer, as described below. However, DHCD shall retain a First Refusal Right for subsequent Offers, notwithstanding any prior actual or deemed waiver of the First Refusal Right, or any intervening transfer of the Property or any portion(s) thereof.
- D. If any of the terms of an Offer shall be revised from the terms reflected in the Offer Notice in such a manner as to be materially more favorable to the buyer or if a closing pursuant to the Offer has not occurred on or before the date six months after the date of the Offer Notice but the Grantor desires to continue pursuing a sale pursuant to such Offer, the Grantor shall promptly deliver to DHCD an Offer Notice with respect to such revised or continued Offer (which shall not be deemed to have been duly delivered to DHCD unless it contains a copy of clause C. above), and DHCD shall have a new First Refusal Right with respect to such modified or continued Offer. The First Refusal Period for such new First Refusal Right shall run for a period of one hundred twenty (120) days from the date of DHCD's receipt of the Offer Notice with respect to such revised or continued Offer.

- E.** DHCD shall have the right at any time to assign its rights under the First Refusal Right to a qualified developer selected by DHCD in accordance with the HSF Statute and the HSF Regulations and, effective as of any such assignment, the rights and obligations of DHCD with respect to such First Refusal Right shall automatically be deemed to apply to such assignee, and all references to "DHCD" in this Section shall automatically be deemed to refer to such assignee (except to the extent a provision explicitly provides otherwise). DHCD shall provide written notice of any such assignment to the Grantor.
- F.** In accordance with the provisions of the HSF Statute:
- (i) An Offer Notice containing the required language as described above shall be deemed to have been duly delivered if sent by regular and certified mail, return receipt requested (or by such other method as may be authorized under the HSF Statute and the HSF Regulations), addressed to DHCD (or to any assignee of DHCD, if DHCD has previously given the Grantor notice of such assignment, including the name and notice address of such assignee, in accordance with the notice provisions set forth herein) in the care of the keeper of records for DHCD, which for purposes hereof shall be deemed to be the General or Chief Counsel of DHCD (or in care of the keeper of records for such assignee of DHCD, as applicable).
 - (ii) The Exercise Notice or Waiver Notice shall be duly signed by a designated representative of DHCD or of the assignee of DHCD, as the case may be, and (x) mailed to the Grantor by certified mail (or such other method as may be authorized under the HSF Statute) at the notice address set forth in the Offer Notice and (y) recorded with the Registry of Deeds by the expiration of the First Refusal Period. If DHCD shall have assigned the First Refusal Right to a qualified developer prior to delivery of the Exercise Notice, the Exercise Notice shall include the name and address of such assignee and the terms and conditions of such assignment.
 - (iii) An affidavit acknowledged by a notary public that DHCD or its designated representative has mailed an Exercise Notice or a Waiver Notice (the "Affidavit") shall conclusively establish the manner and time of the giving of such notice. Any Affidavit may be recorded with the Registry of Deeds by either party. Each Affidavit shall have attached to it a copy of the Offer Notice to which it relates.
 - (iv) Each Offer Notice, Exercise Notice and Waiver Notice shall contain the name of the record owner of the Property and a description of the premises to be transferred, in form adequate to identify the same. Each Affidavit shall have attached to it a copy of the Offer Notice to which it relates.
- G.** The closing for the sale of the Property (or, if applicable, the part thereof that is the subject of the Offer) to DHCD shall take place in accordance with applicable provisions of the HSF Regulations, by or before the date that is one hundred twenty (120) days after the expiration of the First Refusal Period (i.e., on or before the date that is two hundred forty (240) days after DHCD's receipt of the relevant Offer Notice), by the close of the business day, at the Registry of Deeds (such date, the "Closing Deadline"); provided, however, that if DHCD reasonably determines additional time is necessary to effect the

closing, due to delays of the Grantor in providing DHCD with the due diligence material described below or any other failure by the Grantor fully to cooperate with preparations for the sale, the Closing Deadline may be extended to a date reasonably determined by DHCD as necessary to redress the delays caused by the Grantor, which shall be specified in a written notice from DHCD setting forth the reasons for such extension, delivered to the Grantor and recorded with the Registry of Deeds, by or before the date originally scheduled for the closing. The parties may also mutually agree to extend the Closing Deadline, by written instrument; provided, however, that in such event, the parties shall execute an instrument reflecting such extension, which shall be recorded with the Registry of Deeds by or before the date originally scheduled for the closing.

- H.** Concurrently with the delivery of the Offer Notice, the Grantor shall provide DHCD with a copy of, or otherwise make available for DHCD's review at a mutually convenient time and location, all material relating to the Property (or the part thereof that is the subject of the Offer) and/or the proposed sale, transfer, or other disposition thereof that has been made available to the party making the Offer, and shall thereafter promptly make available to DHCD any additional material made available to such party. Promptly upon any request therefor by DHCD, the Grantor shall provide DHCD with a copy of, or otherwise make available for DHCD's review at a mutually convenient time and location, any and all other material owned by or readily available to the Grantor that an unrelated third-party buyer would reasonably request in connection with its due diligence for an acquisition of such Property, including, by way of example but not of limitation, deeds, title insurance policies, appraisals, studies, reports, or other materials relating to such Property and/or any encumbrance(s) subject to which the Property is to be conveyed, or otherwise reasonably necessary or appropriate for DHCD to review in connection with its exercise of the First Refusal Right.
- I.** The transfer to DHCD pursuant to the First Refusal Right shall be subject to such other requirements as may be more fully described in the HSF Regulations consistent with the HSF Statute. Adjustments in the purchase price for recording fees, deed excise stamp taxes and other charges shall be made, and any other issues associated with the transfer shall be resolved, in accordance with standard conveyancing practice in The Commonwealth of Massachusetts. If either party so desires, the parties shall enter into a purchase and sale agreement memorializing the terms of the sale, consistent with the terms hereof and of the HSF Statute; provided, however, that the First Refusal Right shall be binding regardless of whether the parties execute a purchase and sale agreement. Notwithstanding any other provision hereof to the contrary, if, after delivering notice of its intention to exercise the First Refusal Right, DHCD determines, in its sole discretion, that it is not in the best interests of DHCD to effect the purchase, DHCD may terminate the First Refusal Right at any time, upon written notice delivered to the Grantor and recorded with the Registry of Deeds; provided, however, that such termination right shall apply to DHCD only, and not to any assignee. If DHCD exercises such termination right or if either DHCD or its assignee (other than the Sponsor) fails to perform hereunder on or before the Closing Deadline through no fault of the Grantor, then the First Refusal Right shall lapse and be of no further force or effect.

- J. Concurrently with its acquisition of the Property, DHCD shall cause to be recorded with the Registry of Deeds an affordable housing restriction, in compliance with the HSF Statute and any other applicable statutory requirements for the same (and, in the case of an assignee, in form acceptable to DHCD, in its discretion), which shall require that such Property shall be used only for the purposes of preserving or providing affordable housing thereon, which housing shall remain affordable for a period of not less than fifty (50) years.

11. Term of Restrictions; Covenants to Run with Land. The term of this Restriction shall be the sum of the Affordability Term plus the Option Term. The "Affordability Term" shall be 51 years from the date hereof, provided that if the Project is not completed within 12 months after the date of this Restriction for any reason, any Holder shall have the right to extend the Affordability Term by recording in the Registry of Deeds a certificate of extension certifying the length of the delay in completing the Project, whereupon the Affordability Term shall automatically be extended by an amount of time equal to the length of such delay and provided further that the term hereof shall automatically be extended for the period of the extension of any of the Loans to which this Restriction relates. The "Option Term" shall be the period from the expiration of the Affordability Term through the Option Exercise Deadline (as defined in Section 8 above) plus any additional period necessary for the consummation of a purchase of the Property under either the Purchase Option or the First Refusal Right, if applicable, under Section 8 or 9 above. Notwithstanding any provision to the contrary herein or in any of the other Loan Documents, this Restriction shall remain in full force for the full term set forth herein including any extension, notwithstanding any prepayment of the Loan. The restrictions contained herein shall run with the land, shall bind the successors and assigns of the Grantor, and shall inure to the benefit of the Holders and their successors and assigns as permitted herein. Notwithstanding the foregoing, upon satisfaction in full at the originally stated maturity date, as it may have been extended, of all obligations under a particular Loan, as determined by the appropriate Holder, the Grantor may request that the Holders modify this Restriction to eliminate the requirements imposed by or otherwise relating to such Loan set forth in this Restriction. The parties shall cooperate to prepare an appropriate amendment to this Restriction, which amendment shall be duly recorded with the Registry of Deeds by the Grantor at its cost and expense.

12. Subsequent Conveyances. Each and every contract, deed or other instrument hereafter executed conveying the Property or portion thereof shall expressly provide that such conveyance is subject to this Restriction, provided, however, that the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Property or portion thereof provides that such conveyance is subject to this Restriction.

13. Income Verification. The Grantor represents, warrants and covenants that the determination of whether a Family occupying a Restricted Unit meets the income requirements set forth herein shall be made by the Grantor at the time of leasing of a Restricted Unit and thereafter at least annually on the basis of the current income of such Family. In initially verifying a Family's income, the Grantor shall examine the source documents evidencing annual income (e.g., wage statements, interest statements, unemployment compensation statements) for the Family.

14. Reporting Requirements.

- A. Annual Report.** Annually, no later than March 31, Grantor shall submit to DHCD, via the web-based annual reporting system, an annual report consisting of the following in a form approved by DHCD and containing such supporting documentation as DHCD shall reasonably require:
- (i) Annual adjusted income of each Family occupying a Restricted Unit.
 - (ii) Monthly gross rents (rents plus utility allowances, if applicable) for all Restricted Units, such rents to be consistent with the schedule of maximum rents published annually by DHCD. The rent schedule shall include the maximum rents applicable to Restricted Units under Section 3 as well as the actual rents to be charged to over-income Families under Section 3.
 - (iii) Data on the extent to which each racial and ethnic group and single-headed household occupied a Restricted Unit.
 - (iv) Data with regard to household size on all existing Residents of Restricted Units.
 - (v) Rental assistance data on all existing Residents of Restricted Units.
 - (vi) The Grantor's certification, made to the best knowledge and belief of the officer or individual signing such certification, that:
 - (a) The Property continues to be used for the Permitted Uses.
 - (b) The Property continues to contain the required number of Extremely Low Income Units and to comply with the rent and other restrictions applicable to such Restricted Units.
 - (c) Grantor has not transferred, pledged or encumbered any interest in the Property, except as specifically provided in, and in accordance and compliance with the terms of, this Restriction.
 - (d) Grantor has caused the Property to be maintained in a manner consistent with the Statutes, Regulations and Guidelines and no children under six years old reside in or occupy the Property within the meaning of the Lead Paint Law or, if such children do reside in or occupy the Property, that the Property is in compliance with the Lead Paint Law.
 - (e) The information submitted pursuant to this Paragraph A. is true and accurate
- B. Confidentiality.** The Holders and the Grantor shall treat as confidential any of the foregoing information relating to a specific Resident or Unit and shall implement adequate systems and procedures for maintaining the confidentiality of such information (but the Holders and the Grantor may release general statistical and other information about the Property, so long as the privacy rights and interests of the individual Residents are protected).

- C. Additional Reports. Grantor shall prepare and submit to the Holders such additional reports as any Holder may deem necessary to ensure compliance with the requirements of this Restriction and of the Programs.
- D. Records. The Grantor shall maintain as part of its records (i) copies of all leases of Restricted Units; (ii) all initial and annual income certifications by Residents of Restricted Units and (iii) such additional records as any Holder may deem necessary to ensure compliance with the requirements of this Restriction and of the Programs.
- E. Additional Reporting Requirements. Additional reporting requirements are stipulated in the Loan Agreement.

15. No Demolition. The Grantor shall not demolish any part of the Improvements or substantially subtract from any real or personal property included within the Property except in conjunction with renovation or rehabilitation of the Units or construction of a new project on the Property, in either case subject to the prior written consent of all Holders, which consent may be granted or withheld in a Holder's sole judgment.

16. Casualty. The Grantor represents, warrants and agrees that if the Property, or any part thereof, shall be damaged or destroyed, the Grantor (subject to the approval of the lender(s) providing financing) will use its best efforts to repair and restore the Units to substantially the same condition as existed prior to the event causing such damage or destruction, and the Grantor represents, warrants and agrees that the Units shall thereafter continue to operate in accordance with the terms of this Restriction.

17. Inspection. The Grantor hereby grants to each Holder and its duly authorized representatives the right to enter the Property (a) at reasonable times and in a reasonable manner for the purpose of inspecting the Property to determine compliance with this Restriction or any other agreement between the Grantor and such Holder and (b) after thirty (30) days' prior written notice, to take any reasonable and appropriate action under the circumstances to cure any violation of the provisions of this Restriction. The notice referred to in clause (b) shall include a clear description of the course and approximate cost of the proposed cure.

18. Enforcement. Upon violation by the Grantor of any of the provisions of this Restriction that remains uncured for more than thirty (30) days after notice thereof from any Holder (or for such longer period not to exceed thirty (30) days as shall be reasonably required under the circumstances to cure such violation, provided that the Grantor has commenced the cure of such violation within the initial thirty (30) day period and is thereafter diligently pursuing the cure to completion), any Holder, at its option (without liability to any party for failure to do so), may apply to any court, state or federal, for specific performance of this Restriction or an injunction against any violation of this Restriction, or for such other relief as may be appropriate, since the injury arising from the default under any of the terms of this Restriction would be irreparable and the amount of damage would be difficult to ascertain and may not be compensable by money alone. In each such default notice, the Holder giving such notice shall specify the violation in question and the actions such Holder believes are necessary and feasible to remedy such violation. No waiver by a Holder of any breach of this Restriction shall be deemed a waiver of such breach by any other Holder or a waiver of any other or subsequent breach. No act or

omission by any Holder, other than a writing signed by it waiving a breach by the Grantor in accordance with the next Section hereof, shall constitute a waiver thereof. Any Holder shall be entitled to recover from the Grantor all of such Holder's reasonable costs of an action for enforcement of this Restriction, including reasonable attorneys' fees (including the time of any in-house counsel of a Holder charged at the same rate as comparable outside attorneys). By its acceptance of this Restriction, no Holder undertakes any liability or obligation relating to the condition of the Property. Without limiting any other rights or remedies available to a Holder, any transfer of all or any other portion of the Property in violation of the provisions hereof, in the absence of a certification from all Holders approving, or waiving any restrictions with respect to, the same, all as set forth above, shall, to the maximum extent permitted by law, be voidable by any Holder, by suit in equity to enforce the restrictions hereof.

19. Compliance Certification. Upon written request therefor, a Holder shall provide a statement in form acceptable for recording certifying that the Grantor is in full compliance with the provisions hereof as relate to that Holder, provided such Holder believes that the Grantor is so in compliance. Upon receipt of a written request therefor, if a Holder shall believe that the Grantor is not so in compliance, such Holder shall provide such a recordable certification specifying in detail the section or sections hereof with which such Holder believes the Grantor not to be in compliance. Any third party dealing with the Grantor may rely for all purposes on the truth and completeness of such a certification of a Holder.

20. Senior Lender Foreclosure.

- A.** Notwithstanding anything herein to the contrary, but subject to the provisions of this Section, if the holder of record of a first mortgage granted to a state or national bank, state or federal savings and loan association, cooperative bank, mortgage company, trust company, insurance company or other institutional or governmental lender shall acquire the Property by reason of foreclosure or similar remedial action under the provisions of such mortgage or upon conveyance of the Property in lieu of foreclosure, and provided that the holder of such mortgage has given the Holders not less than sixty (60) days' prior written notice of its intention to foreclose upon its mortgage or to accept a conveyance of the Property in lieu of foreclosure to attempt to structure a workout or other arrangement to avoid such foreclosure, conveyance in lieu of foreclosure, or similar remedial action, then except as provided below, the rights and restrictions herein contained shall not apply to such mortgage holder upon such acquisition of the Property or to any purchaser of the Property from such mortgage holder, and such Property shall, subject to Paragraph B. below, thereafter be free from all such rights and restrictions.
- B.** The rights and restrictions contained herein shall not lapse if the Property is acquired through foreclosure or deed in lieu of foreclosure by (i) the Grantor, (ii) any person with a direct or indirect financial interest in the Grantor, (iii) any person related to a person described in clause (ii) by blood, adoption or marriage, (iv) any person who is or at any time was a business associate of a person described in clause (ii), and (v) any entity in which any of the foregoing have a direct or indirect financial interest (each a "Related Party"). Furthermore, if the Property is subsequently acquired by a Related Party during the period in which this Restriction would have remained in effect but for the provisions of

this Section, this Restriction shall be revived and shall apply to the Property as though it had never lapsed. Notwithstanding the foregoing, the rights and restrictions contained herein shall terminate only to the extent it is financially infeasible to maintain the level of affordability required by this Restriction or some lesser level of affordability (i.e., fewer Restricted Units or Restricted Units affordable to Families with higher Household Incomes than those required by this Restriction). "Financially infeasible" shall mean (i) with respect to the operation of the Property, that the rent and other income from the Property is, or is reasonably projected to be, less than the reasonable expenses required (or reasonably projected to be required) to maintain and operate the Property and (ii) with respect to a sale of the Property, that the restrictions would prevent (or be reasonably projected to prevent) the senior mortgage holder from recovering all amounts due and owing with respect to its financing of the Property, including without limitation, principal, interest, charges, costs, expenses, late fees and prepayment premiums. Financial infeasibility shall be determined by the senior mortgage holder in its reasonable discretion after consultation with the Holders. The senior mortgage holder shall notify the Holders of the extent to which the rights and restrictions contained herein shall be terminated and the Grantor agrees to execute any documents required to modify this Restriction to conform to the senior mortgage holder's determination. The Grantor hereby irrevocably appoints any senior mortgage holder and each of the Holders, its true and lawful attorney-in-fact, with full power of substitution, to execute, acknowledge and deliver any such documents on behalf of the Grantor should the Grantor fail or refuse to do so.

- C. In the event such mortgage holder conducts a foreclosure or other proceeding enforcing its rights under such mortgage and the Property is sold for a price in excess of the sum of the outstanding principal balances of all notes secured by mortgages of the Property plus all future advances, accrued interest and all reasonable costs and expenses which the holders thereof are entitled to recover pursuant to the terms of such mortgages, such excess shall be paid to the Holders in consideration of the loss of the value and benefit of the rights and restrictions herein contained and released by the Holders pursuant to this Section in connection with such proceeding, provided that in the event that such excess shall be so paid to the Holders by such mortgage holder, the Holders shall thereafter indemnify such mortgage holder against loss or damage to such mortgage holder resulting from any claim made by the mortgagor of such mortgage to the extent that such claim is based upon payment of such excess by such mortgage holder to the Holders in accordance herewith, provided that such mortgage holder shall give the prompt notice of any such claim and shall not object to intervention by the Holders in any proceeding relating thereto. The Holders shall share any such excess pro rata in proportion to the respective amounts of principal and interest (if any) then outstanding on their portions of the Loan and the liability of a Holder under the foregoing indemnity shall be limited to the amount of such excess received by it. To the extent the Grantor possesses any interest in any amount which would otherwise be payable to the Holders under this Paragraph, to the full extent permissible by law, the Grantor hereby assigns its interest in such amount to said mortgage holder for payment to the Holders.

21. Notices. Any notice, request or other communication which any party hereto may be required or may desire to give hereunder shall be made in writing, and shall be deemed to have been properly given if hand delivered, if sent by recognized national overnight courier, receipt confirmed, or if mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed, in the case of the Grantor, to the Grantor's address set forth above and, in the case of one or more Holders, to the address(es) of such Holder(s) as set forth above. Any party may change its notice address by furnishing in writing to all other parties hereto a notice of such new notice address. A notice sent by certified or registered mail shall be deemed given three days after mailing; a notice sent by overnight courier shall be deemed given one day after deposit with such courier; and a notice delivered by hand shall be deemed given upon receipt.

22. Successors and Assigns; No Third-Party Beneficiaries. This Restriction shall be binding upon the Grantor and its successors and assigns, and shall burden the Property as specified herein. This Restriction shall also be binding upon the Holders, and shall inure to the benefit of their successors and assigns, provided that a Holder shall not voluntarily assign its rights hereunder unless (a) such Holder believes in good faith that it is no longer reasonably capable of performing its duties hereunder, and (b) such assignment shall be to a governmental body or an entity of a similar character and purposes to such Holder which is reasonably capable of performing such duties hereunder (except that DHCD's rights with respect to the Purchase Option and First Refusal Right are assignable, as set forth herein). Notwithstanding the delegation of authority by DHCD to CEDAC for CEDAC to act as a Holder hereunder, DHCD shall also be a Holder hereunder and may act at any time in its own name to pursue any rights and remedies of a Holder hereunder; provided that as to the Grantor or any third party, any recorded instrument granting any approval or consent or otherwise affecting the Property, which instrument is duly executed by either CEDAC or DHCD, shall be binding on the other for all purposes. Notwithstanding the delegation of authority by DHCD to MHP for MHP to act as a Holder hereunder, DHCD shall also be a Holder hereunder and may act at any time in its own name to pursue any rights and remedies of a Holder hereunder; provided that as to the Grantor or any third party, any recorded instrument granting any approval or consent or otherwise affecting the Property, which instrument is duly executed by either MHP or DHCD, shall be binding on the other for all purposes.

23. Severability; Construction. All rights, powers and remedies provided herein may be exercised only to the extent that exercise thereof does not violate any applicable law, and are intended to be limited to the extent necessary so that they will not render this Restriction invalid, unenforceable or not entitled to be recorded, registered or filed under applicable law. If any provision or part hereof shall be affected by such holding, the validity of other provisions of this Restriction and of the balance of any provision held to be invalid, illegal or unenforceable, in part only, shall in no way be affected thereby, and this Restriction shall be construed as if such invalid, illegal, or unenforceable provision or part hereof had not been contained herein. In the event of any actual or potential inconsistency between the terms of this Restriction and any of the Statutes and/or the Regulations, such terms shall be interpreted, to the extent reasonably possible, so as to reconcile any such inconsistencies. If such provisions cannot reasonably be reconciled, the provisions of the Statutes, the Regulations and this Restriction, in the foregoing order of priority, shall control.

24. Governing Law. This Restriction shall be governed by the laws of The Commonwealth of Massachusetts. Inasmuch as the restrictions contained herein have been imposed upon the Property in part to satisfy requirements of various governmental bodies referred to herein, including, without limitation, DHCD, the restrictions contained herein are intended to be construed as a restriction held by a governmental body with the benefit of Section 26 of Chapter 184 of the Massachusetts General Laws as existing as of the date hereof, such that the restrictions contained herein shall not be limited in duration by any rule or operation of law, but rather shall run for the full term thereof.

25. Recording. The Grantor, at its cost and expense, shall cause this Restriction and any amendment hereto to be duly recorded with the Registry of Deeds (and if necessary or appropriate, re-recorded), shall pay or cause to be paid all recording, filing, or other taxes, fees and charges and shall comply with all such statutes and regulations as may be required by law in order to establish, preserve and protect the ability of the Holders and their successors and assigns to enforce this Restriction.

26. Further Assurances. Each Holder is authorized to record or file any notices or instruments appropriate to assuring the enforceability of this Restriction; and the Grantor on behalf of itself and its successors and assigns appoints each Holder its attorney-in-fact to execute, acknowledge and deliver any such instruments on its behalf. Without limiting the foregoing, the Grantor and its successors and assigns agrees to execute any such instruments upon request. The benefits of this Restriction shall be in gross and shall be assignable by any Holder. The Grantor and the Holders intend that the restrictions arising hereunder take effect upon the date hereof, and to the extent enforceability by any person ever depends upon the approval of governmental officials, such approval when given shall relate back to the date hereof regardless of the date of actual approval or the date of filing or recording of any instrument evidencing such approval.

27. Counterparts. This Restriction may be executed in several counterparts, each of which when executed and delivered shall be an original, but all of which together shall constitute one instrument. In making proof of this Restriction, it shall not be necessary to produce or account for more than one such counterpart executed by the party against whom enforcement of this Restriction is sought.

28. Incorporation of Exhibits and Riders. Any and all exhibits and riders attached hereto or otherwise referenced herein are hereby incorporated by reference, the same as if each were fully set forth herein.

29. Amendment; Waiver. This Restriction may not be amended, nor may any obligation hereunder be waived or released, without first obtaining the written consent of all Holders.

No documentary stamps are required as this Restriction is not being purchased by the Holders.

Executed under seal as of the date set forth above.

ESSEX STREET MANAGEMENT, INC.

By: _____

Its: President

- EXHIBIT A Property Description
- EXHIBIT B Projected Initial Rent Schedule
- EXHIBIT C Initial Affordability Matrix
- EXHIBIT D Additional Definitions

COMMONWEALTH OF MASSACHUSETTS

_____ County, ss.

On this _____ day of October, 2007, before me, the undersigned notary public, personally appeared _____, the President of Essex Street Management, Inc., proved to me through satisfactory evidence of identification, which was (a current driver's license) (a current U.S. passport) (my personal knowledge of the identity of the principal), to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily, in such capacity, for its stated purpose.

Notary Public

My commission expires:

EXHIBIT A : PROPERTY DESCRIPTION

EXHIBIT B : PROJECTED INITIAL RENT SCHEDULE

(Rents include utility allowance)

UNIT TYPE	INCOME LEVEL				
	EXTREMELY LOW INCOME	VERY LOW INCOME	LOW INCOME	MODERATE INCOME	HIGH MODERATE INCOME
SRO	N/A	N/A	N/A	N/A	N/A
STUDIOS	N/A	N/A	N/A	N/A	N/A
1-BR	\$1,128.00	N/A	N/A	N/A	N/A
2-BR	N/A	N/A	N/A	N/A	N/A
3-BR	N/A	N/A	N/A	N/A	N/A
4-BR	N/A	N/A	N/A	N/A	N/A

EXHIBIT C : INITIAL AFFORDABILITY MATRIX

NUMBER/SIZE OF UNITS REQUIRED BY	INCOME CATEGORY				
	HIGH MODERATE INCOME	MODERATE INCOME	LOW INCOME	VERY LOW INCOME	EXTREMELY LOW INCOME
HSF	___ SRO ___ STUDIO ___ 1-BR ___ 2-BR ___ 3-BR ___ 4-BR	___ SRO ___ STUDIO 7 1-BR ___ 2-BR ___ 3-BR ___ 4-BR			
HIF	___ SRO ___ STUDIO ___ 1-BR ___ 2-BR ___ 3-BR ___ 4-BR	___ SRO ___ STUDIO 7 1-BR ___ 2-BR ___ 3-BR ___ 4-BR			
COMPOSITE	___ SRO ___ STUDIO ___ 1-BR ___ 2-BR ___ 3-BR ___ 4-BR	___ SRO ___ STUDIO 7 1-BR ___ 2-BR ___ 3-BR ___ 4-BR			

EXHIBIT D : ADDITIONAL DEFINITIONS

Following are additional definitions used in this Affordable Housing Restriction:

"Alternative Form of Housing" shall mean housing that involves an unusual or specialized level of management or social services, an innovative financing or ownership structure or other innovative features, including, without limitation, any of the various types of housing defined and described in 760 CMR 23.02 of the HIF Regulations (as defined below) or as otherwise described in the HIF Statute.

"Area" shall mean Boston-Cambridge-Quincy, MA-NH HMFA.

"Bedroom Adjusted AMI" applicable to a Unit shall mean the median income for the Area, with adjustments for the number of bedrooms in such Unit, as determined from time to time by HUD pursuant to Section 8 of the United States Housing Act of 1937, as amended. For purposes of adjustments for the number of bedrooms in a Unit, a Unit that does not have a separate bedroom is assumed to be occupied by one individual and a Unit with one or more separate bedrooms is deemed assumed to be occupied by 1.5 individuals for each bedroom (with the total number of individuals rounded up).

"Extremely Low Income Family" shall mean a Family whose Household Income is less than or equal to thirty percent (30%) of the Family-size Adjusted AMI.

"Fair Market Rent" shall mean the fair market rent in the Area for a comparably-sized dwelling as established by HUD under regulations promulgated at 24 C.F.R. §888.11 (or successor regulations), minus a monthly allowance established by the Holders for any utilities and services (excluding telephone) to be paid by the occupying Family.

"Family" shall have the meaning set forth in 24 C.F.R. §5.403 (or any successor regulation). Notwithstanding the foregoing, a household comprised of a full-time student or students shall not qualify as a Family except as permitted under the federal low-income housing tax credit program pursuant to Section 42(i)(3)(D) of the Internal Revenue Code of 1986, as amended.

"Family-size Adjusted AMI" shall mean the median income for the Area, adjusted for family size, as determined from time to time by HUD pursuant to Section 8 of the United States Housing Act of 1937, as amended.

"Grantor" shall mean the Grantor named on the first page hereof or any successor or assign thereof permitted under Section 8 of this Restriction, including any party holding ownership interests in or with respect to the Property.

"Guidelines" shall mean the HSF Guidelines and the HIF Guidelines.

"HIF Guidelines" shall mean the guidelines issued by DHCD regarding the HIF Program, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"HIF Program" shall mean the phase of the Housing Innovations Fund loan program established under the HIF Statute for the purpose of facilitating the creation and retention of alternative forms of housing, under which DHCD contracts to make funds available through CEDAC and other financial intermediaries, for such financial intermediaries to loan to sponsors of Alternative Forms

of Housing for Low Income Families, subject to and in accordance with the provisions of the HIF Statute.

"HIF Regulations" shall mean the regulations relating to the HIF Program promulgated by DHCD at 760 Code of Massachusetts Regulations, Section 23.00 et seq., as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"HIF Statute" shall mean Section 5 of Chapter 244 of the Acts of 2002 (budget line item 7004-7013), as continued by Chapter 290 of the Acts of 2004 (budget line item 7004-7013).

"High Moderate Income Family" shall mean a Family whose Household Income is less than or equal to one-hundred-ten percent (110%) of the Family-size Adjusted AMI.

"Holder" shall mean each of DHCD, MHP, and CEDAC, or, as applicable, each successor or assign of the foregoing and "Holders" shall mean all of the foregoing parties, collectively.

"Household Income" shall mean a Family's adjusted annual income determined in the manner set forth in 24 C.F.R. §5.609 (or any successor regulations).

"HSF Guidelines" shall mean the guidelines issued by DHCD regarding the HSF Program, as the same may be amended, supplemented, replaced, or otherwise modified from time to time.

"HSF Program" shall mean Housing Stabilization Fund loan program, established for the purpose of facilitating the creation and preservation of affordable housing, under which DHCD contracts to make funds available through MHP and other financial intermediaries, for such financial intermediaries to loan to sponsors of affordable housing for Low Income and Extremely Low Income Families, subject to and in accordance with the provisions of the HSF Statute.

"HSF Regulations" shall mean the regulations relating to the HSF Program promulgated by DHCD at 760 Code of Massachusetts Regulations, Section 24.00 et. seq., as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"HSF Statute" shall mean Chapter 494 of the Acts of 1993 (budget line item 3722-8900) and continued by Chapter 257 of the Acts of 1998 (budget line item 7004-8987), by Chapter 244 of the Acts of 2002 (budget line item 7004-7014) and by Chapter 53 of the Acts of 2005 (budget line item 7004-0022).

"HUD" shall mean the United States Department of Housing and Urban Development.

"Improvements" shall mean the building or buildings on the Property presently containing, or after completion of the planned construction to contain, the number of Units indicated on the first page hereof, and all other authorized buildings, structures and improvements located on the Property from time to time, all equipment and fixtures therein, and any authorized repair, improvement, reconstruction, restoration, renovation, or replacement of a capital nature thereto or otherwise on the Property.

"Loan" shall mean collectively, the loans for the Project being provided to the Grantor under the Programs.

"Low Income Family" shall mean a Family whose Household Income is less than or equal to sixty percent (60%) of the Family-size Adjusted AMI.

"Moderate Income Family" shall mean a Family whose Household Income is less than or equal to eighty percent (80%) of the Family-size Adjusted AMI.

"Over-income Rent" shall mean, for a particular over-income Family, a monthly rent equal to the lesser of (x) the maximum amount payable by the Family under the laws of the municipality in which the Property is located or of The Commonwealth of Massachusetts, (y) one-twelfth of thirty percent (30%) of the Family's Household Income as recertified annually or (z) the comparable market rent for the Family's Unit.

"Permitted Encumbrances" shall mean those encumbrances on the Property identified in the mortgage granted to the Holders of even or near date herewith.

"Permitted Uses" shall mean use of the Improvements for the number of rental Units indicated on the first page hereof comprising an Alternative Form of Housing, consistent with the HIF Statute, HIF Regulations and HIF Guidelines, including the number of Restricted Units indicated on the first page hereof. Such Permitted Uses shall include activities and/or services of a nature to benefit the Residents of the Restricted Units and/or to benefit the use of the Improvements as an Alternative Form of Housing.

"Programs" shall mean the HSF Program and the HIF Program.

"Property" shall mean that certain parcel or parcels of land located at the Property Address indicated on the first page hereof and more particularly described in Exhibit A attached hereto, together with all Improvements thereon.

"Registry of Deeds" shall mean the Middlesex South Registry of Deeds.

"Regulations" shall mean the HSF Regulations and the HIF Regulations.

"Residents" shall mean the lawful occupants of the Units.

"Restricted Unit" shall mean a Unit required by the terms hereof to be rented to an Extremely Low Income Family.

"Sponsor" shall mean Cambridge Housing Authority.

"SRO Unit" shall mean a single-room (zero bedroom) Unit intended for occupancy by a single eligible Resident and that contains neither food preparation nor sanitary facilities.

"Statutes" shall mean the HSF Statute and the HIF Statute.

"Studio Unit" shall mean a single-room (zero bedroom) Unit intended for occupancy by a single eligible Resident that contains food preparation and/or sanitary facilities.

"Unit" shall mean any residential unit located on the Property.

"Very Low Income Family" shall mean a Family whose Household Income is less than or equal to fifty percent (50%) of the Family-size Adjusted AMI.

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
G.P.O. BOX 1680
BROOKLYN, NY 11202

DEPARTMENT OF THE TREASURY

Acton Community Housing Corporation - 20-0341286

Date: **DEC 11 1980**

ACTON COMMUNITY HOUSING CORPORATION
BOX 681
ACTON, MA 01720

Employer Identification Number:
04-2083094

Contact Person:
KEVIN T WILLIAMS

Contact Telephone Number:
(718) 780-4535

Accounting Period Ending:
June 30

Form 990 Required:
Yes

Addendum Applies:
Yes

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 509(a)(2).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(2) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(2) organization.

Letter 947(D8/CG)

ACTON COMMUNITY HOUSING CORPORATION

Donors may deduct contributions to you as provided in section 170 of the Code. Requests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 513 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

In accordance with section 508(a) of the Code, the effective date of this determination letter is August 28, 1987.

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your

ACTION COMMUNITY HOUSING CORPORATION

continued exemption, you should maintain records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Revenue Ruling 56-304, C.B. 1956-2, page 306.)

Evidence submitted with your application indicates that you may engage in lobbying activities. Section 501(c)(3) of the Code specifically prohibits lobbying as a substantial part of your activities. If you do not wish to be subject to the test of substantiality under section 501(c)(3), you may elect to be covered under the provisions of 501(h) of the Code by filing Form 5768, Election/Revocation of Election by an Eligible Section 501(c)(3) Organization to Make Expenditures to Influence Legislation. This section establishes ceiling amounts for lobbying expenditures.

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Eugene D. Alexander
District Director

Addendum

ACTON COMMUNITY HOUSING CORPORATION

This letter supercedes our letter dated January 5, 1989.

PETER B. FARROW
Attorney
69 Pleasant Street
Concord, Massachusetts 01742
(978) 369-5450 (phone) (978) 369-7624 (fax)
pfarrow@peterbfarrow.com



08-08-08A11:33 RCVD

August 7, 2008

By mail

Ms. Nancy Tavernier
35 Mohawk Drive
Acton MA 01760

Re: Acton Community Housing Corporation

Dear Nancy:

I enclose the IRS's determination, just received, that ACHC is a public charity exempt from Federal income taxation under IRC 501(c)(3). You should file this as the important (although not irreplaceable) document it is.

I will send my bill for services shortly.

I very much enjoyed working with you and Kevin and wish ACHC the best as it continues to pursue its mission.

Sincerely yours,

Peter B. Farrow

Copy to Kevin McManus by mail with enclosure
Stephen L. Ledoux, Town Manager by mail with enclosure
Stephen Anderson, Esq. Town Counsel by mail with enclosure

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **AUG 4 2008**

ACTON COMMUNITY HOUSING CORPORATION
C/O PETER B FARROW
69 PLEASANT ST
CONCORD, MA 01742

Employer Identification Number:
20-0341286
DLN:
17053071344028
Contact Person:
COLLEEN E. PROCTOR ID# 52418
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
No
Effective Date of Exemption:
June 28, 1996
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

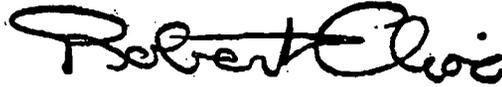
Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

ACTON COMMUNITY HOUSING CORPORATION

Sincerely,

A handwritten signature in black ink that reads "Robert Choi". The signature is written in a cursive style with a large, prominent initial "R".

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Publication 4221-PC