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MONITORING SERVICES AGREEMENT

This Monitoring Services Agreement (this "Agreement") is made as of the _____ day of _____, 2005, by and between 68 River Street, LLC a Massachusetts limited liability company having an address at 14 Newtown Road, Acton, MA 01720 ("Developer"), the Acton Community Housing Corporation, having an address at 472 Main Street, Acton, Massachusetts 01720 ("Monitoring Agent"), and the Town of Acton, having an address at 472 Main Street, Acton, Massachusetts 01720 (the "Municipality").

RECITALS

WHEREAS, the Developer intends to construct a housing development known as Fort Pond Brook Place at a .7426-acre site located at 68 River Street in the Municipality, more particularly described in Exhibit A attached hereto and made a part hereof (the "Project"), under Chapter 40B of the Massachusetts General Laws (the "Act"); and

WHEREAS, the Board of Selectmen of the Municipality and the Developer have made application to Department of Housing and Community Development ("DHCD") to certify that the Project is a valid Comprehensive Permit Project within the Local Initiative Program of DHCD (the "LIP Program") and therefore that the Developer is qualified to apply to the Municipality's Board of Appeals for a comprehensive permit pursuant to the Act; and

WHEREAS, the Board of Appeals has issued a comprehensive permit for the Project (the "Comprehensive Permit"), and DHCD has issued or will issue its final approval of the Project within the LIP Program and has given and will give technical and other assistance to the Project; and

WHEREAS, pursuant to the Comprehensive Permit and the Regulatory Agreement among DHCD, the Municipality and the Developer of even date herewith (the "Regulatory Agreement"), the Project is to consist of a total of eight (8) condominium units, of which two (2) units (the "Affordable Units") will be sold at prices specified in the Regulatory Agreement to Eligible Purchasers (as defined herein); and

WHEREAS, the Affordable Units will be subject to deed riders governing the resale of the units in perpetuity (the "Affordability Requirement"); and

WHEREAS, pursuant to the Comprehensive Permit and the Regulatory Agreement, the Developer may not receive profit in excess of twenty percent (20%) of total development costs of the Project (the "Limited Dividend Requirement"); and

WHEREAS, pursuant to requirements of the Regulatory Agreement and the Comprehensive Permit, the Developer has agreed to retain the Monitoring Agent to perform monitoring and enforcement services regarding compliance of the Project with the Affordability Requirement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Monitoring Services. Monitoring Agent shall monitor the compliance of the Project with the Affordability Requirement as more fully described herein. The parties agree that DHCD will monitor compliance with the Limited Dividend Requirement.

(a) Affordability Requirement. (i) Initial Sales. The Developer agrees to deliver to the Monitoring Agent a proposed Marketing Plan (as defined in the Regulatory Agreement) for the Monitoring Agent's approval. Prior to the sale of the Affordable Units, the Developer agrees to deliver to the Monitoring Agent the income and asset certifications of the proposed Eligible Purchasers, and the proposed deeds and deed riders with respect to initial sales of Affordable Units as required under the Regulatory Agreement (the "Initial Sales Data"). The Monitoring Agent agrees to forthwith review the Initial Sales Data and determine the substantive compliance of the Project with the Affordability Requirement. The Monitoring Agent shall also ensure substantive compliance with the approved Marketing Plan and lottery process. Upon completion of its review of Initial Sales Data, the Monitoring Agent will deliver to DHCD and the Municipality a copy of such data together with the Monitoring Agent's determination of whether the Affordability Requirement has been met.

(ii) Resales. The Monitoring Agent also agrees to monitor resales of Affordable Units (including review of income and asset certifications, deeds and deed riders) for compliance with the terms of the Deed Rider, and issuance of certifications, as appropriate, approval of resales and the payment of recapture amounts to the Municipality. The Monitoring Agent shall also locate and select, or provide assistance to the Municipality in locating and selecting, Eligible Purchasers, including without limitation, ensuring compliance with the approved Marketing Plan and lottery process.

(c) Supplemental Monitoring Services. The Monitoring Agent shall provide reasonable supplemental monitoring on its own initiative in order to ensure to the extent practicable (i) the compliance by the Developer with the Affordability Requirement, and (ii) the compliance by the owners of the Affordable Units with the requirements of the Deed Rider, including without limitation the owner-occupancy requirement and the Resale Restrictions. The services hereunder shall not include any construction monitoring. The services hereunder shall include follow-up discussions with the Developer and/or owners of the Affordable Units, if appropriate, after an event of noncompliance.

2. Monitoring Services Fee. (a) The Monitoring Agent shall receive a fee of \$500.00 from the Developer at the time of execution of this Agreement. Such fee shall constitute payment for the services of the Monitoring Agent with respect to compliance by the Developer with the Affordability Requirement. As provided

in the Deed Rider with each Affordable Unit, the Monitoring Agent shall receive a Resale Fee of two and one-half percent (2.5%) of the Maximum Re-sale Price, to be paid by the buyer of the Affordable Unit at each closing as a condition precedent to closing for the services with respect to monitoring each subsequent sales transaction for compliance with the Resale Restrictions and the other terms of the Deed Rider. Such fee shall be payable for all transfers of Affordable Units, including those to an Eligible Purchaser or any other purchaser. If the Monitoring Agent's fee is not paid at the time of closing, the Monitoring Agent shall be entitled to payment from the purchaser of the Affordable Unit and to bring an action and seek an attachment of the interest of the purchaser in the Affordable Unit. Neither DHCD nor the Municipality shall have any responsibility for payment of any fee to Monitoring Agent hereunder.

3. Enforcement Services. In the event of any violation of the substantive or reporting requirements of the Regulatory Agreement or a failure by the Developer to take appropriate actions to cure a default under the Regulatory Agreement, the Monitoring Agent shall have the right, with the prior consent of the Municipality, to take appropriate enforcement action against the Developer, including, without limitation, legal action to compel the Developer to comply with the requirements of the Regulatory Agreement. The Regulatory Agreement provides for payment by the Developer of fees and expenses (including legal fees) of the Monitoring Agent in the event enforcement action is taken against the Developer there under and grants to the Monitoring Agent a lien on the Project to secure payment of such fees and expenses. The Monitoring Agent shall be entitled to seek recovery of its fees and expenses incurred in enforcing the Regulatory Agreement against the Developer and to assert a lien on the Project to secure payment by the Developer of such fees and expenses.

In the event of a violation of the provisions of a Deed Rider, the Monitoring Agent shall have the right, with the prior consent of the Municipality, to take appropriate enforcement action against the unit owner or the unit owner's successors in title, including, without limitation, legal action to compel the unit owner to comply with the requirements of the Deed Rider. The Deed Rider will provide for payment by the unit owner of fees and expenses (including legal fees) of the Monitoring Agent in the event enforcement action is taken against the unit owner thereunder and will grant to the Monitoring Agent a lien on the unit, junior to the lien of any institutional holder of a first mortgage on the unit to secure payment of such fees and expenses. The Monitoring Agent shall be entitled to seek recovery of its fees and expenses incurred in enforcing a deed rider against the unit owner and to assert a lien on the relevant unit to secure payment by the unit owner of such fees and expenses.

The Monitoring Agent shall not be entitled to seek any compensation or reimbursement from DHCD or the Municipality in connection with the enforcement services under this Section, it being understood that the Monitoring Agent shall look solely to the reimbursement rights described above for payment of the Monitoring Agent's costs and expenses. Nothing in this Agreement shall be construed to require the Monitoring Agent to expend more than \$20,000, which amount shall be indexed to fluctuations in the Consumer Price Index for Urban Wage Earners and Clerical Workers

maintained by the United States Department of Labor (the "CPI"), in enforcing the provisions of the Regulatory Agreement or to take any particular enforcement action against the Developer.

4. Term. The monitoring services are to be provided for so long as there is any Affordable Unit subject to a Deed Rider containing the Resale Restrictions, or there is any Affordable Unit which is owned by the Municipality. The term of this Agreement shall end on the date six (6) months after the latter to occur of the latest expiration date of the term of the Deed Rider attached to any of the Affordable Units or the date the Municipality no longer owns any Affordable Unit.

5. Responsibility of Monitoring Agent. The Monitoring Agent shall not be held liable for any action taken or omitted under this Agreement so long as it shall have acted in good faith and without gross negligence.

6. Successor Monitoring Agent. Should the Monitoring Agent be dissolved or become incapable of fulfilling its obligations during the term of this Agreement, or if the Monitoring Agent consistently fails to exercise reasonable care and diligence in carrying out its responsibilities under this Agreement (any of the foregoing a "Termination Event"), the Municipality shall have the right to appoint a successor to serve as Monitoring Agent for the remaining term of this Agreement.

7. Indemnity. The Developer agrees to indemnify and hold harmless the Monitoring Agent, DHCD and the Municipality against all damages, costs and liabilities, including reasonable attorney's fees, asserted against the Monitoring Agent, DHCD or the Municipality by reason of its relationship with the Project under this Agreement and not involving the Monitoring Agent, DHCD or the Municipality acting in bad faith and with gross negligence.

8. Applicable Law. This Agreement, and the application or interpretation hereof, shall be governed by the laws of The Commonwealth of Massachusetts.

9. Binding Agreement. This Agreement shall be binding on the parties hereto, their heirs, executors, personal representatives, successors and assigns.

10. Headings. All paragraph headings in this Agreement are for the convenience of reference only and are not intended to qualify the meaning of the paragraph.

11. Entire Agreement. This Agreement supersedes all prior agreements between the parties with respect to monitoring of the Project with the Affordability Requirement, whether oral or written, including without limitation, all correspondence between the parties and between counsel for their respective parties. This Agreement constitutes the sole and entire agreement between the parties hereto with respect to the subject transaction, and the rights, duties, and obligations of the parties with respect thereto.

12. Definitions. Any capitalized term used and not defined herein shall have the same meaning as set forth in the Regulatory Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written above.

DEVELOPER:

68 River Street, LLC

By: Paul Gaboury, Manager
Paul Gaboury, Manager

Glen Kaufmann, Manager
Glen Kaufmann, Manager

MONITORING AGENT:

Acton Community Housing Corp.

By: Nancy E. Tavernier
Nancy Tavernier

Title: Chair

TOWN OF ACTON:

By its Board of Selectmen

F. Dore' Hunter, Chairman

Peter K. Ashton

William H. Shupert, III

Walter M. Foster

Robert A. Johnson

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Exhibit A

A certain parcel of land located on River Street in Acton, Middlesex County, Massachusetts, shown as Lot 1 on a plan entitled "Plan of Land in Acton, Massachusetts" prepared for 111-113 School Street, LLC, Scale 1" = 20'," by Stamski and McNary, Inc. dated March 29, 2004, containing 32,346 square feet, more or less, according to said plan recorded with Middlesex South District Registry as Plan # _____ of 2005.

For Grantors' title see deed dated January 12, 2004 recorded at Book 41766, Page 472 at the Middlesex South Registry of Deeds.