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LOCAL INITIATIVE PROGRAM  
REGULATORY AGREEMENT  
AND  
DECLARATION OF RESTRICTIVE COVENANTS  
FOR OWNERSHIP PROJECT

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_ 2005 by and among the Commonwealth of Massachusetts, acting by and through the Department of Housing and Community Development ("DHCD"), pursuant to Chapter 204 of the Acts of 1996, the Town of Acton ("the Municipality"), and 68 River Street, LLC, a Massachusetts limited liability company, having an address at 14 Newtown Road, Acton, Massachusetts, and its successors and assigns ("Project Sponsor").

WITNESSETH:

WHEREAS, pursuant to G.L. c. 40B, §§ 20-23 (the "Act") and the final report of the Special Legislative Commission Relative to Low and Moderate Income Housing Provisions issued in April 1989, regulations have been promulgated at 760 CMR 45.00 (the "Regulations") which establish the Local Initiative Program ("LIP");

WHEREAS, the Project Sponsor intends to construct a housing development known as Fort Pond Brook Place at a .7426 acre site on River Street in the Municipality, more particularly described in Exhibit A attached hereto and made a part hereof (the "Project");

WHEREAS, such Project is to consist of a total number of eight (8) condominium units (the "Units") and two (2) of the Units will be sold at prices specified in this Agreement to persons or households with incomes at or below eighty percent (80%) of the regional median household income (the "Low and Moderate Income Units");

WHEREAS, the Chief Elected Official of the Municipality (as that term is defined in the Regulations) and the Project Sponsor have made application to DHCD to certify that the Project is a valid Comprehensive Permit Project (as that term is defined in the Regulations) within the LIP Program and therefore that the Project Sponsor is qualified to apply to the Municipality's Board of Appeals (as that term is defined in the Regulations) for a comprehensive permit pursuant to the Act (the "Comprehensive Permit"), or have made application to DHCD to certify that the units in the Project are Local Initiative Units (as that term is defined in the Regulations) with the LIP Program; and

WHEREAS, in partial consideration of the execution of this Agreement, 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;

NOW, THEREFORE, in consideration of the agreements and covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which each of the parties hereto hereby acknowledge to the other, DHCD, the Municipality, and the Project Sponsor hereby agree and covenant as follows (the provisions in brackets apply only to Comprehensive Permit Projects):

1. The Project Sponsor agrees to construct the Project in accordance with plans and specifications approved by the Municipality and DHCD (the "Plans and Specifications") [and in accordance with all terms and conditions of the Comprehensive Permit]. In addition, all Low and Moderate Income Units to be constructed as part of the Project must be indistinguishable from other Units in the Project from the exterior (unless the Project has an approved "Alternative Development Plan" as set forth in the LIP Guidelines for Communities ("Guidelines")), and must contain complete living facilities

including but not limited to a stove, kitchen cabinets, plumbing fixtures, and washer/dryer hookup, all as more fully shown in the Plans and Specifications.

- \_\_\_\_\_ of the Low and Moderate Income Units shall be one bedroom units;
- \_\_\_\_\_ of the Low and Moderate Income Units shall be two bedroom units;
- 2   of the Low and Moderate Income Units shall be three bedroom units; and,
- \_\_\_\_\_ of the Low and Moderate Income Units shall be four bedroom units.

All Low and Moderate Income Units to be occupied by families must contain two or more bedrooms. Low and Moderate Income Units must have the following minimum areas:

- one bedroom units - 700 square feet
- two bedroom units - 900 square feet
- three bedroom units - 1200 square feet
- four bedroom units - 1400 square feet

The Project must fully comply with the State Building Code and with all applicable state and federal building, environmental, health, safety and other laws, rules, and regulations, including without limitation all applicable federal and state laws, rules and regulations relating to the operation of adaptable and accessible housing for the handicapped. [Except to the extent that the Project is exempted from such compliance by the Comprehensive Permit,] the Project must also comply with all applicable local codes, ordinances and by-laws.

Each Low and Moderate Income Unit will be sold for no more than the price set forth in Exhibit B attached hereto and made a part hereof to an Eligible Purchaser. An Eligible Purchaser is a Family whose annual income does not exceed eighty percent (80%) of the Area median income adjusted for family size as determined by the U. S. Department of Housing and Urban Development. A "Family" shall mean two or more persons who will live regularly in the Low or Moderate Income Unit as their primary residence and who are related by blood, marriage, or operation of law or who have otherwise evidenced a stable inter-dependent relationship; or an individual. The "Area" is defined as the Boston MSA/PMSA/Non-Metropolitan County.

2. Upon issuance of a building permit for the project, the Project will be included in the Subsidized Housing Inventory as that term is described in 760 CMR 31.04(1). Only Low and Moderate Income Units will be counted as Subsidized Housing Units for the purposes of the Act.

3. (a) At the time of sale of each Low and Moderate Income Unit by the Project Sponsor, the Project Sponsor shall execute and shall as a condition of the sale cause the purchaser of the Low and Moderate Income Unit to execute a Deed Rider in the form of Exhibit C attached hereto and made a part hereof (the "Deed Rider"). Such Deed Rider shall be attached to and made a part of the deed from the Project Sponsor to the Unit Purchaser. Each such Deed Rider shall require the Unit Purchaser at the time he desires to sell the Low and Moderate Income Unit to offer the Low and Moderate Income Unit to the Municipality and to DHCD at a discounted purchase price more particularly described therein. The Municipality and DHCD shall have the option upon terms more particularly described in the Deed Rider to either purchase the Low and Moderate Income Unit or to find an Eligible Purchaser. The Deed Rider shall require the Unit Purchaser and the Eligible Purchaser to execute at the time of resale a similar Deed Rider which will be attached and made a part of the deed from the Unit Purchaser to the Eligible Purchaser, so that the affordability of the Low and Moderate Income unit will be preserved each time that subsequent resales of the Low and Moderate Income unit occur. The Deed Rider shall require the Eligible Purchaser to pay a "Resale Fee" equal to 2.5% of the Maximum Resale Price (as defined in the Deed Rider) to the Monitoring Agent, as defined herein, which has been retained to monitor compliance

with the terms of the Comprehensive Permit and this Regulatory Agreement (The various requirements and restrictions regarding resale of a Low and Moderate Income Unit contained in the Deed Rider are hereinafter referred to as the ("Resale Restrictions"). If upon the initial resale or any subsequent resale of a Low and Moderate Income Unit, the Municipality and DHCD are unable to find an Eligible Purchaser for the Low and Moderate Income Unit, and the Municipality and DHCD each elect not to exercise its right to purchase the Low and Moderate Income Unit, then the then current owner of the Low and Moderate Income Unit shall have the right to sell the Low and Moderate Income Unit to any person, regardless of his income and at no less than fair market value, free of any future Resale Restrictions, provided that the difference between the actual resale price and the discounted purchase price for which the Municipality, DHCD or an Eligible Purchaser could have purchased the Low and Moderate Income Unit (the "Windfall Amount") shall be paid by the then current owner of the Low and Moderate Income Unit to the municipality. The Municipality agrees that all sums constituting Windfall Amounts from the sale of Low and Moderate Income Units shall be deposited in the Municipality's Low and Moderate Income Housing Fund (as that term is hereinafter defined). The Municipality agrees that in the event that it purchases a Low and Moderate Income Unit pursuant to its right to do so contained in the Deed Rider then in effect with respect to such Low and Moderate Income Unit, that the Municipality shall within six (6) months of its acceptance of a deed of such Low and Moderate Income Unit, either (i) sell the Low and Moderate Income Unit to an Eligible Purchaser at the same price for which it purchased the Low and Moderate Income Unit plus any expenses incurred by the Municipality during its period of ownership, such expenses to be approved by DHCD, subject to a Deed Rider satisfactory in form and substance to DHCD and the recording of an Eligible Purchaser Certificate satisfactory in form and substance to DHCD, the method for selecting such Eligible Purchaser to be approved by DHCD or (ii) rent the Low and Moderate Income Unit to a person who meets the income guidelines of the LIP Program, upon terms and conditions satisfactory to DHCD and otherwise in conformity with the requirements of the LIP Program. If the Municipality fails to sell or rent the Low and Moderate Income Unit as provided herein within said six (6) month period, or if at any time after the initial rental of the Low and Moderate Income Unit by the Municipality as provided herein the Low and Moderate Income Unit becomes vacant and remains vacant for more than ninety (90) days, then such Low and Moderate Income Unit shall cease to be counted as a Subsidized Housing Unit, and shall no longer be included in the Subsidized Housing Inventory.

(b) Each Low and Moderate Income Unit will remain a Subsidized Housing Unit and continue to be included in the Subsidized Housing Inventory for as long as the following three conditions are met: (1) this Agreement remains in full force and effect and neither the Municipality nor the Project Sponsor are in default hereunder; (2) the Project and Low and Moderate Income Unit each continue to comply with the Regulations and the Guidelines as the same may be amended from time to time; and (3) either (i) a Deed Rider binding the then current owner of the Low and Moderate Income Unit to comply with the Resale Restrictions is in full force and effect and the then current owner of the Low and Moderate Income Unit is either in compliance with the terms of the Deed Rider, or the Municipality is in the process of taking such steps as may be required by DHCD to enforce the then current owner's compliance with the terms of the Deed Rider or (ii) the Low and Moderate Income Unit is owned by the Municipality and the Municipality is in compliance with the terms and conditions of the last preceding paragraph, or (iii) the Low and Moderate Income Unit is owned by DHCD.

4. Project Sponsor agrees that the aggregate profit from the Project which shall be payable to Project Sponsor or to the partners, shareholders or other owners of Project Sponsor or the Project shall not exceed twenty percent (20%) of total development costs of the project, which development costs have been approved by the Municipality and by DHCD (the "Allowable Profit"). Upon issuance of a final Certificate of Occupancy for the Project or upon the issuance of final Certificates of Occupancy for all of the Units, the Project Sponsor shall deliver to the Municipality, the Monitoring Agent, and to DHCD an itemized statement of total development costs together with a statement of gross income from the Project received by the Project Sponsor to date in form satisfactory to the Municipality and DHCD (the "Certified Cost and Income Statement") prepared and certified by a certified public accountant satisfactory to the Municipality and to DHCD. If all units at the Project have not been sold as of the date the

Certified Cost and Income Statement is delivered to the Municipality and to DHCD, the Project sponsor shall at least once every ninety (90) days thereafter until such time as all of the Units are sold, deliver to the Municipality, the Monitoring Agent, and to DHCD an updated Certified Cost and Income Statement. All profits from the Project in excess of the Allowable Profit (the "Excess Profit") shall be paid by the Project Sponsor to the Municipality. The Municipality agrees that all amounts constituting Excess profit shall be deposited in the Affordable Housing Fund (as hereinafter defined). For so long as the Project Sponsor complies with the requirements of this Section 5, the Project Sponsor shall be deemed to be a limited dividend organization within the meaning of the Act. The Project Sponsor's profit shall be further governed by the terms of the Comprehensive Permit. In the event of a conflict between the terms of the Comprehensive Permit and this Agreement concerning the Project Sponsor's profit, the Comprehensive Permit shall govern.

5. The Municipality agrees that upon the receipt by the Municipality of any Windfall Amount, [Excess Profit,] or any amount paid to the Municipality pursuant to the provisions of Section 1, Section 3, or Section 4 of the Deed Rider (the "Additional Windfall Amounts"), the Municipality shall deposit any and all such Windfall Amounts, [Excess Profit,] or Additional Windfall Amounts into the Acton Community Housing Fund, managed by the Acton Community Housing Corporation (the "Monitoring Agent") (the "Affordable Housing Fund"). Sums from the Affordable Housing Fund shall be expended from time to time by the Municipality for the purpose of reducing the cost of Low and Moderate Income Units to Eligible purchasers upon resale or for the purpose of encouraging, creating, or subsidizing the construction or rehabilitation of housing for persons and families of low and moderate income elsewhere in the Municipality.

6. Prior to marketing or otherwise making available for sale any of the Units, the Project Sponsor must obtain DHCD's and the Monitoring Agent's approval of a marketing plan (the "Marketing Plan") for the Low and Moderate Income Units. Such Marketing Plan must describe the buyer selection process for the Low and Moderate Income Units and must set forth a plan for affirmative marketing of Low and Moderate Income Units to minority households as more particularly described in the Regulations and Guidelines. At the option of the Municipality, the Marketing Plan may also include a preference for local residents for up to seventy percent (70%) of the Low and Moderate Income Units, subject to all provisions of the Regulations and Guidelines. Preference for the Low and Moderate Income Units shall be given to four-person households. When submitted to DHCD for approval, the Marketing Plan should be accompanied by a letter from the Chief Elected Official of the Municipality (as that term is defined in the Regulations) which states that the buyer selection and local preference (if any) aspects of the Marketing Plan have been approved by the Municipality and which states that the Municipality will perform any aspects of the Marketing Plan which are set forth as responsibilities of the Municipality in the Marketing Plan. The Marketing Plan must comply with the Regulations and Guidelines and with all other applicable statutes, regulations and executive orders, and DHCD directives reflecting the agreement between DHCD and the U.S. Department of Housing and Urban Development in the case of *NAACP, Boston Chapter v. Kemp*. **If the Project is located in the Boston Standard Metropolitan Statistical Area, the Project Sponsor must list all Low and Moderate Income Units with the City of Boston's MetroList (Metropolitan Housing Opportunity Clearing Center), at Boston City Hall, P.O. Box 5996, Boston, MA 02114-5996 (617-635-3321).** All costs of carrying out the Marketing Plan shall be paid by the Project Sponsor. A failure to comply with the Marketing Plan by the Project Sponsor or by the Municipality shall be deemed to be a default of this Agreement. The Project Sponsor agrees to maintain for at least five years following the sale of the last Low and Moderate Income Unit, a record of all newspaper ads, outreach letters, translations, leaflets, and any other outreach efforts (collectively "Marketing Documentation") as described in the Marketing Plan as approved by DHCD which may be inspected at any time by DHCD. All Marketing Documentation must be approved by DHCD prior to its use by the Project Sponsor or the Municipality. The Project Sponsor and the Municipality agree that if at any time prior to or during the process of marketing the Low and Moderate Income Units, DHCD determines that the Project Sponsor, or the Municipality with respect to aspects of the Marketing Plan that the Municipality has agreed to be responsible for, has not adequately

complied with the approved Marketing Plan, that the Project Sponsor or Municipality as the case may be, shall conduct such additional outreach or marketing efforts as shall be determined by DHCD.

7. Neither the Project Sponsor nor the Municipality shall discriminate on the basis of race, creed, color, sex, age, handicap, marital status, national origin, or any other basis prohibited by law in the selection of buyers for the Units; and the Project Sponsor shall not so discriminate in connection with the employment or application for employment of persons for the construction, operation or management of the Project.

8. (a) The Project Sponsor agrees to comply and to cause the Project to comply with all requirements of the Regulations and Guidelines and all other applicable laws, rules, regulations, and executive orders. DHCD and the Chief Elected official of the municipality shall have access during normal business hours to all books and records of the Project Sponsor and the Project in order to monitor the Project Sponsor's compliance with the terms of this Agreement.

(b) [If the Comprehensive Permit is granted by the Housing Appeals Committee (as defined in the Act) the Chief Elected Official shall reconfirm his support for the Project in a manner satisfactory to DHCD at the time the Comprehensive Permit is granted.]

(c) Throughout the term of this Agreement, the Chief Elected Official shall annually certify in writing to DHCD that each of the Low and Moderate Income Units continues to be occupied by a person who was an Eligible Purchaser at the time of purchase; that any Low and Moderate Income Units which have been resold during the year have been resold in compliance with all of the terms and provisions of the Deed Rider then in effect with respect to each such Low and Moderate Income Unit, and in compliance with the Regulations and Guidelines and this Agreement; and that the Project and the Low and Moderate Income Units have otherwise been maintained in a manner consistent with the Regulations and Guidelines, this Agreement, and the Deed Rider then in effect with respect to each Low and Moderate Income Unit.

9. Upon execution, the Project Sponsor shall immediately cause this Agreement and any amendments hereto to be recorded with the Registry of Deeds for the County where the Project is located or, if the Project consists in whole or in part of registered land, file this Agreement and any amendments hereto with the Registry District of the Land Court for the County where the Project is located (collectively hereinafter the "Registry of Deeds"), and the Project Sponsor shall pay all fees and charges incurred in connection therewith. Upon recording or filing, as applicable, the Project Sponsor shall immediately transmit to DHCD and the Municipality evidence of such recording or filing including the date and instrument, book and page or registration number of the Agreement.

10. The Project Sponsor hereby represents, covenants and warrants as follows:

(a) The Project Sponsor (i) is a limited liability corporation duly organized under the laws of the Commonwealth of Massachusetts, and is qualified to transact business under the laws of this State, (ii) has the power and authority to own its properties and assets and to carry on its business as now being conducted, and (iii) has the full legal right, power and authority to execute and deliver this Agreement.

(b) The execution and performance of this Agreement by the Project Sponsor (i) will not violate or, as applicable, has not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, and (ii) will not violate or, as applicable, has not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which the Project Sponsor is a party or by which it or the Project is bound, and (iii) will not result in the creation or imposition of any prohibited encumbrance of any nature.

- (c) The Project Sponsor will, at the time of execution and delivery of this Agreement, have good and marketable title to the premises constituting the Project free and clear of any lien or encumbrance (subject to encumbrances created pursuant to this Agreement, any loan documents relating to the Project the terms of which are approved by DHCD, or other permitted encumbrances, including mortgages referred in paragraph 19, below).
- (d) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of the Project Sponsor, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Agreement) or would materially adversely affect its financial condition.

11. Except for sales of Units to home buyers as permitted by the terms of this Agreement, Project Sponsor will not sell, transfer, lease, exchange or mortgage the Project without the prior written consent of DHCD and the Municipality.

12. The Municipality has retained the Acton Community Housing Corporation to serve as the Monitoring Agent for the Project, to monitor compliance of the Project with ongoing requirements of the Comprehensive Permit and this Agreement, including the Resale Restrictions. As a condition to the Comprehensive Permit, the Project Sponsor must enter into an agreement substantially in the form of the Monitoring Services Agreement attached hereto as Exhibit D. All notices and reports required to be submitted under this Agreement shall be submitted simultaneously to the specified entity and to the Monitoring Agent. In the event that Monitoring Agent shall cease to serve or shall fail to exercise diligence and care in its duties, a successor monitoring agent shall be selected in accordance with the provisions of Section 6 of the Monitoring Services Agreement.

13. Until such time as decisions regarding repair of damage due to fire or other casualty, or restoration after taking by eminent domain, shall be made by a condominium association or trust not controlled by the Project Sponsor, (or if the Project consists of detached dwellings, by homebuyers) Project Sponsor agrees that if the Project, or any part thereof, shall be damaged or destroyed or shall be condemned or acquired for public use, the Project Sponsor will use its best efforts to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of this Agreement, subject to the approval of the Project's lenders, which lenders have been approved by DHCD and the Municipality.

14. This Agreement shall be governed by the laws of the Commonwealth of Massachusetts. Any amendments to this Agreement must be in writing and executed by all of the parties hereto. The invalidity of any clause, part, or provision of this Agreement shall not affect the validity of the remaining portions hereof.

15. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when delivered by hand or when mailed by certified or registered mail, postage prepaid, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate by written notice:

DHCD: Department of Housing and Community Development  
Attention: Local Initiative Program Director  
100 Cambridge St., Suite 300  
Boston, MA 02114

Municipality:

Acton Board of Selectmen  
Town of Acton  
472 Main Street  
Acton, MA 01720

Monitoring Agent:

Acton Community Housing Corporation  
Town of Acton  
472 Main Street  
Acton, MA 01720

Project Sponsor:

68 River Street, LLC  
14 Newtown Road  
Acton, MA 01720

16. (a) This Agreement and all of the covenants, agreements and restrictions contained herein shall be deemed to be an affordable housing restriction as that term is defined in G.L. c. 184, § 31 and as that term is used in G.L. c.184, § 26, 31, 32 and 33. This Agreement is made for the benefit of DHCD and the Municipality, and DHCD and the Municipality shall be deemed to be the holders of the affordable housing restriction created by this Agreement. DHCD has determined that the acquiring of such affordable housing restriction is in the public interest. The term of this Agreement shall be perpetual, provided however, that this Agreement shall terminate if (a) at any time hereafter there is no Low and Moderate Income Unit at the Project which is then subject to a Deed Rider containing the Resale Restrictions, and there is no Low and Moderate Income Unit at the Project which is owned by the Municipality or DHCD as provided in Section 4 hereof, or (b) the Project is acquired by foreclosure or by instrument in lieu of foreclosure, provided that the holder of the mortgage gives DHCD and the Municipality not less than thirty (30) days prior written notice of the mortgagee's intention to foreclose upon the Project or to accept an instrument in lieu of foreclosure, or (c) [if a Comprehensive Permit is not granted to the Project Sponsor for the Project by either the Municipality's Board of Appeals (as that term is defined in the Regulations) or by the housing Appeals Committee (as that term is used in the Act) within a period of eighteen months from the date of execution of this Agreement, or] (d) [if at any time the Comprehensive Permit is revoked and all applicable appeal periods with respect to such revocation have expired]. If this Agreement terminates because of a foreclosure or the acceptance of an instrument in lieu of foreclosure as set forth in clause (b) of this paragraph, the Municipality agrees that if at the time of such termination there is one or more Low and Moderate Income Unit at the Project which is then subject to a Deed Rider containing the Resale Restrictions or there is one or more Low and Moderate Income Unit at the Project which is owned by the Municipality or DHCD as provided in Section 4 hereof, the Municipality shall enter into a new Regulatory Agreement with DHCD with respect to such Low and Moderate Income Units which shall be satisfactory in form and substance to DHCD.

(b) The Project Sponsor intends, declares and covenants on behalf of itself and its successors and assigns (i) that this Agreement and the covenants, agreements and restrictions contained herein shall be and are covenants running with the land, encumbering the Project for the term of this Agreement, and are binding upon the Project Sponsor's successors in title, (ii) are not merely personal covenants of the Project Sponsor, and (iii) shall bind the Project Sponsor, its successors and assigns and enure to the benefit of DHCD and the Municipality and its successors and assigns for the term of the Agreement. Project Sponsor hereby agrees that any and all requirements of the laws of the Commonwealth of

Massachusetts to be satisfied in order for the provisions of this Agreement to constitute restrictions and covenants running with the land shall be deemed to be satisfied in full and that any requirements of privity of estate are also deemed to be satisfied in full.

(c) The Resale Restrictions contained in each of the Deed Riders which are to encumber each of the Low and Moderate Income Units at the Project pursuant to the requirements of this Agreement shall also constitute an affordable housing restriction as that term is defined in G.L. c. 184, § 31 and as that term is used in G.L. c. 184, §§ 26, 31, 32, and 33. Such Resale Restrictions shall be for the benefit of DHCD, the Monitoring Agent, and the Municipality and DHCD, the Monitoring Agent, and the Municipality shall be deemed to be the holder of the affordable housing restriction created by the Resale Restrictions in each of the Deed Riders. DHCD has determined that the acquiring of such affordable housing restriction is in the public interest. To the extent that the Municipality or the Monitoring Agent is the holder of the Resale Restrictions to be contained in each of the Deed Riders, the Director of DHCD by the execution of this Agreement hereby approves such Resale Restrictions in each of the Deed Riders for the Low and Moderate Income Units of the Project as required by the provisions of G.L. c. 184, § 32.

17. The Project Sponsor and the Municipality each agree to submit any information, documents, or certifications requested by DHCD which DHCD shall deem necessary or appropriate to evidence the continuing compliance of the Project Sponsor and the Municipality with the terms of this Agreement.

18. (a) The Project Sponsor and the Municipality each covenant and agree to give DHCD written notice of any default, violation or breach of the obligations of the Project Sponsor or the Municipality hereunder, (with a copy to the other party to this Agreement) within seven (7) days of first discovering such default, violation or breach (a "Default Notice"). If DHCD becomes aware of a default, violation, or breach of obligations of the Project Sponsor or the Municipality hereunder without receiving a Default Notice from Project Sponsor or the Municipality, DHCD shall give a notice of such default, breach or violation to the offending party (with a copy to the other party to this Agreement) (the "DHCD Default Notice"). If any such default, violation, or breach is not cured to the satisfaction of DHCD within thirty (30) days after the giving of the Default notice by the Project Sponsor or the Municipality, or if no Default Notice is given, then within thirty (30) days after the giving of the DHCD Default Notice, then at DHCD's option, and without further notice, DHCD may either terminate this Agreement, or DHCD may apply to any state or federal court for specific performance of this Agreement, or DHCD may exercise any other remedy at law or in equity or take any other action as may be necessary or desirable to correct non-compliance with this Agreement.

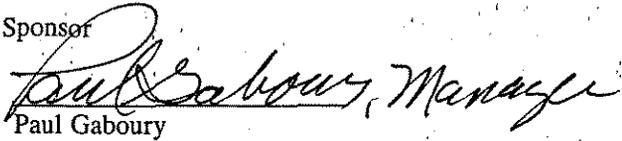
(b) If DHCD elects to terminate this Agreement as the result of a breach, violation, or default hereof, which breach, violation, or default continues beyond the cure period set forth in this Section 18, then the Low and Moderate Income Units and any other Units at the Project which have been included in the Subsidized Housing Inventory shall from the date of such termination no longer be deemed Low and Moderate Income Housing for the purposes of the Act and shall be deleted from the Subsidized Housing Inventory.

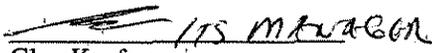
19. The Project Sponsor represents and warrants that it has obtained the consent of all existing mortgagees of the Project to the execution and recording of this Agreement and to the terms and conditions hereof and that all such mortgagees have executed the Consent to Regulatory Agreement attached hereto and made a part hereof.

Executed as a sealed instrument as of the date first above written.

Project Sponsor

By:

  
Paul Gaboury

  
Glen Kaufmann,  
its Managers

Department of Housing and  
Community Development

By:

\_\_\_\_\_  
Jane Wallis Gumble,  
its Director

Municipality

By:

\_\_\_\_\_  
F. Doré Hunter  
its Chairman of the Board of Selectmen  
(Chief Elected Official)

LSM-ra

Attachments: Exhibit A - Legal Property Description  
Exhibit B - Prices & Location of Low & Moderate Income Units  
Exhibit C - Form of Deed Rider  
Exhibit D - Monitoring Services Agreement

Consent forms signed by any and all mortgagees whose mortgages are recorded prior to this Regulatory Agreement must be attached to this Regulatory Agreement.

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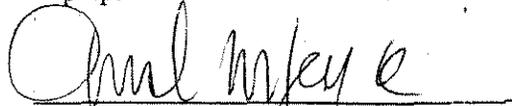
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COMMONWEALTH OF MASSACHUSETTS

COUNTY OF Middlesex, ss.

Feb 18, 2005

On this 18 day of Feb, 2005, before me, the undersigned notary public, personally appeared Paul Gaboury and Glen Kaufmann, proved to me through satisfactory evidence of identification, which were known to me, to be the persons whose names are signed on the preceding document, as Managers of the 68 River Street LLC [Project Sponsor], and acknowledged to me that they signed it voluntarily for its stated purpose.



Notary Public  
Print Name: Christine Joyce  
My Commission Expires: Sept 26, 2008

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF SUFFOLK, ss.

\_\_\_\_\_, 200\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned notary public, personally appeared \_\_\_\_\_, proved to me through satisfactory evidence of identification, which were \_\_\_\_\_, to be the person whose name is signed on the preceding document, as \_\_\_\_\_ for the Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

\_\_\_\_\_  
Notary public  
Print Name:  
My Commission Expires:

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF \_\_\_\_\_, ss.

\_\_\_\_\_, 200\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned notary public, personally appeared F. Doré Hunter, proved to me through satisfactory evidence of identification, which were \_\_\_\_\_, to be the person whose name is signed on the preceding document, as Chairman of the Board of Selectmen for the Town of Acton, and acknowledged to me that he signed it voluntarily for its stated purpose.

\_\_\_\_\_  
Notary Public  
Print Name:  
My Commission Expires:

**CONSENT AND SUBORDINATION TO REGULATORY AGREEMENT**

Re: Fort Pond Brook Place  
(Project Name)

Acton, MA  
(City/Town)

68 River Street, LLC  
(Project Sponsor)

The Undersigned being the holder of a mortgage on the above described Project recorded with the Registry of Deeds in Book \_\_\_\_\_, Page \_\_\_\_\_, hereby consents to the execution and recording of this Agreement and subordinates said mortgage to the terms and conditions hereof.

*To be supplied  
by sponsor*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MASSACHUSETTS

COUNTY OF \_\_\_\_\_, 200\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, the undersigned notary public, personally appeared \_\_\_\_\_, proved to me through satisfactory evidence of identification, which were \_\_\_\_\_, to be the person whose name is signed on the preceding document, as \_\_\_\_\_ of \_\_\_\_\_ Bank, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

\_\_\_\_\_  
Notary Public  
Print Name:  
My Commission Expires:

(If the Project has more than one mortgagee, add additional consent forms. Execution of the consent form by a mortgagee is only necessary if the mortgage has been recorded prior to the Regulatory Agreement.)

EXHIBIT A

Re: Fort Pond Brook Place  
(Project Name)

Acton, MA  
(City/Town)

68 River Street, LLC  
(Project Sponsor)

Property Description:

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.

PROVIDED  
BY SPONOR

EXHIBIT B

Re: Fort Pond Brook Place  
(Project Name)  
Acton, MA  
(City/Town)  
68 River Street, LLC  
(Project Sponsor)

Maximum Selling Prices for Low and Moderate Income Units:

One bedroom units	\$ _____
Two bedroom units	\$ _____
Three bedroom units	\$ 179,500
Four bedroom units	\$ _____

If the Maximum Selling Prices provided in chapter five of the Local Initiative Program Guidelines for Communities are increased, the Maximum Selling Prices provided herein may be increased proportionately, but only with the prior approval of the municipality and DHCD.

Location of Low and Moderate Income Units

The housing units which are Low and Moderate Income Units are those designated as lot/unit numbers 1 and 7 on:

a plan of land entitled "Comprehensive Permit Plan for Fort Pond Brook Place," dated September 9, 2004, revised November 29, 2004, designed by Stamski and McNary, Inc., Acton, MA, recorded herewith.

EXHIBIT C

[TO BE REPLACED BY BLANK DEED RIDER]

EXHIBIT D

[TO BE REPLACED BY MONITORING SERVICES AGREEMENT]

LOCAL INITIATIVE PROGRAM

DEED RIDER  
For  
Ownership Project

(annexed to and made part of that certain deed (the "Deed")  
from 68 River Street, LLC ("Grantor")  
to \_\_\_\_\_ ("Grantee")  
dated \_\_\_\_\_, 200\_.)

WITNESSETH

WHEREAS, pursuant to M.G. L. c. 40B, §§20-23 (the "Act") and the final report of the Special Legislative Commission Relative to Low and Moderate Income Housing Provisions issued in April, 1989, regulations have been promulgated at 760 CMR 45.00 et seq. (the "Regulations") which establish the Local Initiative Program ("LIP");

WHEREAS, the Department of Housing and Community Development, the "Successor Agency" to the Executive Office of Communities and Development of the Commonwealth of Massachusetts, duly organized and existing pursuant to Chapter 204 of the Acts of 1996, administers the LIP Program on behalf of the Commonwealth;

WHEREAS, it is the purpose of the LIP Program to give cities and towns greater flexibility in their efforts to provide affordable housing to households having low and moderate incomes.

WHEREAS, the Town of Acton (the "Municipality") acting by and through its Chief Elected Official (as that term is defined in the Regulations) has elected to participate in the LIP Program;

WHEREAS, the Zoning Board of Appeals of the Town of Acton has granted the Grantor or its predecessor-in-title a Comprehensive Permit under the Act for the development of eight (8) housing units on .7426 acres of land located at 68 River Street in Acton (the "Project"), and has retained the Acton Community Housing Corporation to serve as the Monitoring Agent for the Project, to monitor compliance of the Project with certain requirements of the

Comprehensive Permit and this Deed Rider, including the requirement that the Property be sold and resold to Eligible Purchasers (or to the Municipality or DHCD) as defined herein;

WHEREAS, DHCD has determined that the rights and restrictions granted herein to DHCD and to the Municipality serve the public's interest in the creation and retention of affordable housing for persons and families 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;

WHEREAS, pursuant to the LIP Program, eligible purchasers such as the Grantee are given the opportunity to purchase certain property at a discount of the property's appraised fair market value if the purchaser agrees to convey the property on resale to an eligible purchaser located by the Municipality or DHCD, to the Municipality, or to DHCD for a "Maximum Resale Price."

WHEREAS, the "Maximum Resale Price" is intended to insure affordability of the property to a household earning no more than 80% of area median income;

WHEREAS, the "Maximum Resale Price" shall be determined by multiplying the area median income for a four-person household most recently published prior to the resale by the "Maximum Resale Price Multiplier" as defined herein. The Maximum Resale Price Multiplier shall be a number derived by dividing the original sales price of the property to the Grantee by the area median income (calculated based on a four-person household). Here, the original sales price of the Property was \$179,500, and the median income in the applicable metropolitan statistical area (Boston PMSA) for a four-person household at the time of the original sale was \$82,600. Therefore, the **Maximum Resale Price Multiplier shall be 2.17**. The Maximum Resale Price shall be derived by multiplying the Maximum Resale Price Multiplier (2.17) by the most recently published area median income for a four-person household in the Boston PMSA.] Notwithstanding anything in this Deed Rider, the Maximum Resale Price shall not be less than the purchase price that the Grantee paid for the Property plus extraordinary capital expenses paid out-of-pocket by Grantee prior to closing, provided that DHCD and the Municipality shall have given written authorization for incurring such expense prior to the expense being incurred, and plus any necessary marketing expenses as may have been approved by DHCD and the Municipality.

WHEREAS, a "Maximum Resale Price Multiplier" equal to 2.17 is hereby assigned to be used in determining the "Maximum Resale Price" of the Property;

WHEREAS, the Grantor and the Grantee are participating in the LIP Program, and in accordance with the LIP Program the Grantor is conveying that certain real property more

particularly described in the Deed ("Property") to the Grantee at a consideration which is less than the appraised value of the Property; and

NOW THEREFORE, as further consideration from the Grantee to the Grantor, DHCD and the Municipality for the conveyance of the Property at a discount in accordance with the LIP Program, the Grantee, his heirs, successors and assigns, hereby agrees that the Property shall be subject to the following rights and restrictions which are hereby imposed for the benefit of, and shall be enforceable by, the Grantor's assignees and designees, the Director of the Department of Housing and Community Development, or its successors, assigns, agents and designees ("Director") and the Municipality, acting by and through its Chief Elected Official, and the Monitoring Agent.

1. Right of First Refusal: (a) When the Grantee or any successor in title to the Grantee shall desire to sell, dispose of or otherwise convey the Property, or any portion thereof, the Grantee shall notify the Director and the Municipality, and the Monitoring Agent in writing of the Grantee's intention to so convey the property ("Notice"). The Notice shall set forth the Maximum Resale Price of the Property. Within thirty (30) days of the giving of the Notice by the Grantee, the Municipality shall notify the Grantee in writing (with a copy to the Director) as to whether the Municipality is proceeding to locate an eligible purchaser of the Property or the Municipality shall exercise its right of first refusal to purchase the Property (the Municipality's Notice.) If the Municipality's Notice states that the Municipality is not proceeding to locate an eligible purchaser and that the Municipality shall not exercise its right of first refusal to purchase the Property, or if the Municipality fails to give the Municipality's Notice within said thirty (30) days then, and only under such circumstances, the Director may, at any time from the thirty first (31st) day after the giving of the Notice to and including the fortieth (40th) day after the giving of the Notice, notify the Grantee in writing (with a copy to the Municipality) as to whether the Director is proceeding to locate an eligible purchaser of the Property or whether the Director shall exercise its right of first refusal to purchase the Property (the Director's Notice".) For the purpose of this Deed Rider, an "eligible purchaser" shall mean a purchaser who satisfies the criteria set forth in the LIP Program guidelines in effect at the time the Municipality or the Director locates such purchaser, and who, if located by the Municipality, is ready and willing to purchase the Property within ninety (90) days after the Grantee gives the Notice, or who, if located by the Director, is ready and willing to purchase the Property between ninety (90) days and one hundred five (105) days after the Grantee gives the Notice.

(b) In the event that (i) the Municipality's Notice states that the Municipality does not intend to proceed to locate an eligible purchaser and that the Municipality does not intend to exercise its right of first refusal to purchase the Property, or the Municipality fails to give the Municipality's Notice within the time period specified above and (ii) the Director's Notice

states that the Director does not intend to proceed to locate an eligible purchaser and that the Director does not intend to exercise its right of first refusal to purchase the Property, or the Director fails to give the Director's Notice within the time period specified above, the Grantee may convey the Property to any third party at no less than fair market value, free of all restrictions set forth herein, provided, however, that all consideration and payments of any kind received by the Grantee for the conveyance of the Property to the third party which exceed the Maximum Resale Price shall be immediately and directly paid to the Municipality. Upon receipt of this excess amount, if any, the Municipality, acting by and through its Chief Elected Official, the Monitoring Agent, and the Director or the Director's designee shall issue to the third party a certificate in recordable form (the "Compliance Certificate") indicating the Municipality's receipt of the excess amount, if applicable, or indicating that no excess amount is payable, and stating that the Municipality and the Director have each elected not to exercise its right of first refusal hereunder and that all rights, restrictions, agreements and covenants set forth in this Deed Rider shall be henceforth null and void. This Compliance Certificate is to be recorded in the appropriate Registry of Deeds or registered with the appropriate Registry District of the Land Court and such Compliance Certificate may be relied upon by the then owner of the Property and by third parties as constituting conclusive evidence that such excess amount, if any, has been paid to the Municipality, or that no excess amount is payable, and that the rights, restrictions, agreements and covenants set forth herein are null and void. The sale price to a third party shall be subject to the Monitoring Agent's and DHCD's approval, with due consideration given to fair market value of the property. DHCD or the Monitoring Agent may require the Grantee to obtain an appraisal, at its sole expense, for purposes of determining the fair market value of the property. DHCD's approval of the sale price shall be evidenced by its issuance of this Compliance Certificate.

(c) In the event the Municipality, within said thirty (30) day period, notifies the Grantee that the Municipality is proceeding to locate an eligible purchaser or that the Municipality shall exercise the Municipality's right of first refusal to purchase the Property, the Municipality may locate an eligible purchaser, who shall purchase the Property at the Maximum Resale Price subject to a Deed Rider satisfactory in form and substance to DHCD, within ninety (90) days of the date that the Notice is given or the Municipality may purchase the Property itself at the Maximum Resale Price within ninety (90) days of the date that the Notice is given. If the Municipality shall fail to locate an eligible purchaser who purchases the Property within ninety (90) days of the date that the Notice is given, and if the Municipality fails to purchase the Property itself within said period, then, and only in such circumstances the Director, without any additional notice to the Grantee, may between ninety one (91) days of the date that the Notice is given and one hundred five (105) days of the date that the Notice is given, purchase the Property itself at the Maximum Resale Price, or locate an eligible purchaser, who shall between ninety one (91) days and one hundred five (105) days of the date that the Notice is given purchase the Property at the Maximum Resale Price, subject to a Deed Rider satisfactory in form and substance to DHCD. If more than one eligible purchaser is located by the Municipality, the Municipality shall conduct a lottery or other like procedure

approved by DHCD to determine which eligible purchaser shall be entitled to the conveyance of the Property. If more than one eligible purchaser is located by the Director, the Director shall conduct a lottery or other like procedure in the Director's sole discretion to determine which eligible purchaser shall be entitled to the conveyance of the Property.

(d) If an eligible purchaser is selected to purchase the Property, or if the Municipality or the Director elects to purchase the Property, the Property shall be conveyed by the Grantee to such eligible purchaser or to the Municipality or the Director as the case may be, 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 Notice, (iii) provisions of local building and zoning laws, (iv) all easements, restrictions, covenants and agreements of record specified in the Deed from the Grantor to Grantee, (v) a Regulatory Agreement among DHCD, the Municipality and \_\_\_\_\_ [the Project Sponsor] dated \_\_\_\_\_ and recorded with the \_\_\_\_\_ Registry of Deeds in Book \_\_\_\_\_, Page \_\_\_\_\_, (the "Regulatory Agreement") or any successor regulatory agreement entered into between DHCD and the Municipality pursuant to the provisions of Section 16 of the Regulatory Agreement, (vi) such additional easements, restrictions, covenants and agreements of record as the Municipality and the Director consent to, such consent not to be unreasonably withheld or delayed, and (vii) in the event that the Property is conveyed to an eligible purchaser, a Deed Rider satisfactory in form and substance to DHCD which the Grantee hereby agrees to annex to said deed.

(e) Said deed shall be delivered and the purchase price paid (the "Closing") at the Registry of Deeds in the County where the Property is located, or at the option of the eligible purchaser (or the Municipality or the Director, as the case may be, if the Municipality or the Director is purchasing the Property), exercised by written notice to the Grantee at least five (5) days prior to the delivery of the deed, at such other place as the eligible purchaser (or the Municipality or the Director, as the case may be, if the Municipality or the Director is purchasing the Property) 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 eligible purchaser (or the Municipality or the Director, as the case may be, if the Municipality or the Director is purchasing the Property) to the Grantee, which date shall be the least five (5) days after the date on which such notice is given, and if the eligible purchaser is located by the Municipality, or if the Municipality is purchasing the Property no later than ninety (90) days after the Notice is given by the Grantee, or if the eligible purchaser is located by the Director, or if the Director is purchasing the Property, no earlier than ninety one days (91) days after the Notice is given by the Grantee and no later than one hundred five (105) days after the Notice is given by the Grantee.

(f) To enable Grantee to make conveyance as herein provided, Grantee may if he 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 so procured to be recorded simultaneously with the delivery of said deed.

(g) 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 eligible purchaser or by the Municipality or the Director.

(h) 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 hereof, reasonable wear and tear only excepted.

(i) If Grantee shall be unable to give title or to make conveyance as above stipulated, or if any change of condition in the Property not included in the above exception shall occur, then Grantee 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 hereby provided for. The Grantee 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 Grantee that such defect has been cured or that the Property has been so restored. The eligible purchaser (or the Municipality or the Director, as the case may be, if the Municipality or the Director is purchasing the Property) shall have the election, at either the original or any extended time for performance, to accept such title as the Grantee can deliver to the Property in its then condition and to pay therefore the purchase price without deduction, in which case the Grantee 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 Grantee shall, unless the Grantee has previously restored the Property to its former condition, either:

- (i) pay over or assign to the eligible purchaser or the Municipality or the Director as the case may be, 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 Grantee for the partial restoration, or
- (ii) 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 eligible purchaser or to the Municipality or the Director, as the case may be, 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 reasonable expended by the Grantee for any partial restoration.

(j) If the Municipality fails to locate an eligible purchaser who purchases the Property within ninety (90) days after the Notice is given, and the Municipality does not purchase the Property during said period, and the Director fails to locate an eligible purchaser who purchases the Property between ninety one (91) days and one hundred five (105) days after the Notice is given, and the Director does not purchase the Property within said period, then following expiration of one hundred five (105) days after the Notice is given by Grantee, the Grantee may convey the Property to any third party at no less than fair market value, free and clear of all rights and restrictions contained herein, including, but not limited to the Maximum Resale Price, provided, however, that all consideration and payments of any kind received by the Grantee for the conveyance of the Property to the third party which exceed the Maximum Resale Price shall be immediately and directly paid to the Municipality. Upon receipt of this excess amount, if any, the Municipality, the Monitoring Agent, and the Director shall issue to the third party a Compliance Certificate in recordable form indicating the Municipality's receipt of the excess amount, if any, and indicating that the Municipality and the Director have each elected not to exercise its right to locate an eligible purchaser and its right of first refusal hereunder and that all rights, restrictions, agreements and covenants contained herein are henceforth null and void. This Compliance Certificate is to be recorded in the appropriate Registry of Deeds or registered with the appropriate Registry District of the Land Court and such Compliance Certificate may be relied upon by the then owner of the Property and by third parties as constituting conclusive evidence that such excess amount, if any, has been paid to the Municipality and that the rights, restrictions, agreements and covenants set forth herein are null and void. The sale price to a third party shall be subject to DHCD's approval, with due consideration given to the value set forth in the appraisal accompanying the Notice. DHCD's approval of the sale price shall be evidenced by its issuance of this Compliance Certificate.

2. Resale and Transfer Restrictions: (a) Except as otherwise stated herein, the Property or any interest, therein shall not at any time be sold by the Grantee, the Grantee's successors and assigns, and no attempted sale shall be valid, unless:

(i) the aggregate value of all consideration and payments of every kind given or paid by the eligible purchaser (as located and defined in accordance with Section 1 above) or the Municipality or the Director, as the case may be, to the then owner 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 (1) if the Property is conveyed to an eligible purchaser, unless a certificate (the "Eligible Purchaser Certificate") is obtained and recorded, signed and acknowledged by the Director or the Director's designee, the Monitoring Agent, and the Municipality acting by and through its Chief Elected Official which Eligible Purchaser Certificate refers to the Property, the Grantee, the eligible purchaser thereof, and the Maximum Resale Price therefor, and states that the proposed conveyance, sale or transfer of the Property to the eligible 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 eligible purchaser which new Deed Rider the Eligible Purchaser Certificate certifies is satisfactory in form and substance to DHCD and the Municipality; (2) if the Property is conveyed to the Municipality unless a Certificate (the "Municipal Purchaser Certificate") is obtained and recorded, signed and acknowledged by the Director or the Director's designee, the Monitoring Agent, and by the Municipality, acting by and through its Chief Elected Official, which Municipal Purchaser Certificate refers to the Property, the Grantee, the Municipality, and the Maximum Resale Price for the Property and states that the proposed conveyance, sale or transfer of the Property to the Municipality is in compliance with the rights, restrictions, covenants and agreements contained in this Deed Rider; or

(ii) pursuant to Sections 1(b) or 1(j), any amount in excess of the Maximum Resale Price which is paid to the Grantee by a purchaser who is permitted to buy the Property pursuant to Sections 1(b) or 1(j), is paid by the Grantee to the Municipality, and the Director or the Director's designee and the Municipality acting by and through its Chief Elected Official execute and deliver a Compliance Certificate as described in Section 1(b) or 1(j) for recording with the appropriate registry of deeds or registry district.

(b) 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 or an Eligible Purchaser Certificate or a Municipal Purchaser Certificate referring to the Property as conclusive evidence of the matters stated therein and may record such Certificate in connection with conveyance of the Property, provided, in the case of an Eligible Purchaser Certificate and a Municipal Purchaser Certificate the consideration recited in the deed or other instrument conveying the Property upon such resale shall not be greater than the consideration stated in the Eligible Purchaser Certificate or the Municipal Purchaser Certificate as the case may be. If the Property is conveyed to the Director, the acceptance by the Director of a deed of the Property from the Grantee and the recording of such deed shall be deemed conclusive evidence that all rights, restrictions, covenants and agreements set forth in this Deed Rider have been complied with and no certificate to that effect shall be necessary to establish the validity of such conveyance. If the Property is conveyed to the Municipality, any future sale of the Property by the Municipality shall be subject to the provisions of Section 4 of the Regulatory Agreement.

(c) Within ten (10) days of the closing of the conveyance of the Property from Grantor to Grantee, the Grantee shall deliver to the Municipality and to the Director a true and certified copy of the Deed of the Property, together with information as to the place of recording thereof in the public records. Failure of the Grantee, or Grantee's successors or assigns to comply with the preceding sentence shall not affect the validity of such conveyance.

(d) The Grantee understands and agrees that nothing in this Deed Rider or the Regulatory Agreement in any way constitutes a promise or guarantee by DHCD or the Municipality that

the Grantee shall actually receive the Maximum Resale Price for the Property or any other price for the Property.

(e) As a condition to the issuance of the Eligible Purchaser Certificate, Municipal Purchaser Certificate, or the Compliance Certificate, as the case may be, the transferee (an Eligibility Purchaser, Municipality, or non-Eligible Purchaser, as the case may be) shall pay the Resale Fee to the Monitoring Agent, as provided under Section 10 herein.

3. Restrictions Against Leasing and Junior Encumbrances: The Property shall not be leased, refinanced, encumbered (voluntarily or otherwise) or mortgaged without the prior written consent of the Director and the Municipality, provided, however, that this provision shall not apply to a first mortgage granted in connection with this conveyance. Any rents, profits, or proceeds from any transaction described in the last preceding sentence which transaction has not received the prior written consent of the Director and the Municipality shall be paid to and be the property of the Municipality. In the event that the Director and the Municipality in the exercise of their absolute discretion consent 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 carrying costs of the Property as determined by DHCD and the Municipality in their sole discretion shall be paid to and be the property of the Municipality.

4. Right of First Refusal Upon Foreclosure Notice (a) In the event that a holder of a mortgage encumbering the Property gives the Municipality and Monitoring Agent notice of its intent to foreclose upon its mortgage or to accept a deed in lieu of foreclosure pursuant to the provisions of Section 5(a) of this Deed Rider (the "Foreclosure Notice"), the Grantee shall offer the Property for sale to the Municipality at a price equal to the Maximum Resale Price, and the Municipality shall have the option to purchase the Property at said price pursuant to the terms and procedures set out in Section 1, subsections 1(c)-(i) above, and the word "Notice" in said subsections shall mean the Foreclosure Notice. The Municipality shall also have the option, in the alternative, to cure whatever default(s) have entitled the mortgage holder to issue the Foreclosure Notice (collectively, the "Municipality's Option"). Within thirty (30) days of its receipt of the Foreclosure Notice, the Municipality shall notify the Grantee and the mortgage holder as to whether the Municipality will be exercising its Option to purchase the Property or cure the default(s) pursuant to the terms of this section. The Municipality's Option may be assigned to an eligible purchaser.

(b) In the event that the Municipality or the Municipality's assignee, within said thirty (30) day period, exercises its Option hereunder, the mortgage holder's foreclosure of the Property shall be stayed, and the Municipality, or the Municipality's assignee as the case may be, shall either purchase the Property at the Maximum Resale Price, or cure the default(s), within ninety (90) days of the date that the Foreclosure Notice is given. In the event that the Municipality or

the Municipality's assignee elects to cure the default(s) in lieu of purchasing the Property, the Municipality or its assignee may attach a lien on the Property subordinate to all pre-existing mortgages and liens for any expenses incurred by the Municipality or its assignee in curing said default(s). In the event that the Municipality or the Municipality's assignee notifies the Grantee and the mortgage holder within said thirty (30) days that it does not intend to exercise the Municipality's Option, or if the Municipality or the Municipality's assignee does not exercise the Municipality's Option within said thirty (30) day period, or if the Municipality or the Municipality's assignee exercises the Municipality's Option within said thirty (30) day period but does not either purchase the Property or cure the default(s) within said ninety (90) day period, the mortgage holder may proceed to foreclose upon its mortgage, or accept a deed in lieu of foreclosure, subject to the provisions of Section 5(a) herein.

5. Rights of Mortgagees: (a) Notwithstanding anything herein to the contrary, but subject to the next succeeding paragraph hereof, if the holder of record (other than the Grantee or any person related to the Grantee by blood, adoption, or marriage, or any entity in which the Grantee has a financial interest (hereinafter, a "related party")) 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 lender or its successors or assigns (other than a related party) 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 DHCD, the Monitoring Agent, and the Municipality not less than thirty (30) days prior written notice of its intention to foreclose upon its mortgage or to accept a conveyance of the Property in lieu of foreclosure (the "Foreclosure Notice") and has complied with the provisions of Section 4(a) and (b) above, and provided further that the principal amount secured by such mortgage did not exceed ninety-seven percent (97%) of the Maximum Resale Price calculated at the time of the granting of the mortgage (the "Permitted Indebtedness"), the rights and restrictions contained herein shall not apply to such holder upon such acquisition of the Property, any purchaser (other than a related party) of the Property at a foreclosure sale conducted by such holder, or any purchaser (other than a related party) of the Property from such holder, and such Property shall thereupon and thereafter be free from all such rights and restrictions.

(b) In the event such 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 greater of (i) the sum of the outstanding principal balance of the note secured by such mortgage plus all future advances, accrued interest and all reasonable costs and expenses which the holder is entitled to recover pursuant to the terms of the mortgage and (ii) the Maximum Resale Price applicable on the date of the sale, such excess shall be paid to the Municipality in consideration of the loss of the value and benefit of the rights and restrictions herein contained held by the Director and the Municipality and released by the Director and the Municipality pursuant to this section in connection with such proceeding. The Maximum Resale Price shall be determined as set forth above in this Deed Rider. To the extent the Grantee 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 Grantee hereby assigns its interest in such amount to said holder for payment to the Municipality.

6. Covenants to Run With the Property: (a) The Grantor and the Grantee, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby grant and assign to the Municipality, the Municipality's agents, successors, designees and assigns, the Monitoring Agent, and to the Director, the Director's agents, successors, designees and assigns the right of first refusal to purchase the Property as set forth herein, and the right to enforce the rights and restrictions, covenants and agreements set forth in this Deed Rider. The Grantor and the Grantee hereby grant to the Municipality, the Monitoring Agent, and to the Director the right to enter upon the Property for the purpose of enforcing any and all of the restrictions, covenants and agreements herein contained, and to enforce the Municipality's and the Director's rights of first refusal to purchase the Property and the rights of the Municipality and the Director to designate a purchaser of the Property as set forth herein, and of taking all actions with respect to the Property which the Municipality, the Monitoring Agent or the Director may determine to be necessary or appropriate, with or without court order, to prevent, remedy or abate any violation of the restrictions, covenants and agreements and to enforce the Municipality's and the Director's rights of first refusal to purchase the Property and the rights of the Municipality and the Director to designate a purchaser of the Property set forth herein. The rights hereby granted to the Municipality, the Monitoring Agent and the Director shall be in addition to and not in limitation of any other rights and remedies available to the Grantor or the Municipality, the Monitoring Agent or the Director for enforcement of the restrictions, rights, covenants and agreements set forth in this Deed Rider. It is intended and agreed that all of the agreements, covenants, rights and restrictions set forth above shall be deemed to be covenants running with the Property and shall be binding upon and enforceable against the Grantee, the Grantee's successors and assigns and any party holding title to the Property, for the benefit of and enforceable by the Municipality, the Municipality's agents, successors, designees and assigns, the Monitoring Agent, and the Director, the Director's agents, successors, designees and assigns for the term of this Deed Rider, which shall mean, unless terminated earlier according to Sections 4 or 5 hereof, the period from the date hereof until the earliest to occur of (i) the termination of the term of affordability set forth in the Comprehensive Permit, or (ii) upon the recording of a Compliance Certificate or (iii) upon the recording of an Eligible Purchaser Certificate and a new Deed Rider executed by the eligible purchaser referenced in the Eligible Purchaser Certificate, which new Deed Rider the Eligible Purchaser Certificate certifies is in form and substance satisfactory to DHCD and the Municipality or (iv) upon the conveyance of the Property to the Municipality and the recording of a Municipal Purchaser Certificate as set forth herein or (v) upon the conveyance of the Property to the Director in accordance with the terms hereof.

(b) This Deed Rider and all of the agreements, restrictions, rights and covenants contained herein shall be deemed to be an affordable housing restriction as that term is defined in M.G.L. c. 184, § 31 and as that term is used in M.G.L. c. 184, §§ 26, 31, 32, and 33.

(c) The Grantee intends, declares and covenants on behalf of itself and its successors and assigns (i) that this Deed Rider and the covenants, agreements, rights and restrictions contained herein shall be and are covenants running with the land, encumbering the Property for the term of this Deed Rider, and are binding upon the Grantee's successors in title, (ii) are not merely personal covenants of the Grantee, and (iii) shall bind the Grantee, its successors and assigns and enure to the benefit of the Municipality and the Director and their successors and assigns for the term of the Deed Rider. Grantee hereby agrees that any and all requirements of the laws of the Commonwealth of Massachusetts to be satisfied in order for the provisions of this Deed Rider to constitute restrictions and covenants running with the land shall be deemed to be satisfied in full and that any requirements of privity of estate are also deemed to be satisfied in full.

(d) Without limitation on any other rights or remedies of the Grantor, the Municipality, and the Director, their agents, successors, designees and assigns, any sale or other transfer or conveyance of the Property in violation of the provisions of this Deed Rider, shall, to the maximum extent permitted by law, be voidable by the Municipality, the Municipality's agents, successors, designees and assigns or by the Director, the Director's agents, successors, designees or assigns by suit in equity to enforce such rights, restrictions, covenants, and agreements.

7. Notice: . All notices and reports required to be submitted under this Deed Rider shall be submitted simultaneously to the specified entity and to the Monitoring Agent. 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 parties hereto at the addresses set forth below, or such other addresses as may be specified by any party by such notice.

Municipality:

Acton Board of Selectmen  
Town of Acton  
472 Main Street  
Acton, MA 01720

Monitoring Agent:

Acton Community Housing Corporation  
Town of Acton  
472 Main Street  
Acton, MA 01720

DHCD:

Department of Housing and Community Development

Att'n: LIP Director  
100 Cambridge Street, 3rd Floor  
Boston, MA 02114

Grantor:

68 River Street, LLC  
14 Newtown Road  
Acton, MA 01720

Grantee:

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

8. Further Assurances: The Grantee agrees from time to time, as may be reasonably required by the Municipality, the Monitoring Agent or the Director, to furnish the Municipality, the Monitoring Agent and the Director 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 all other information pertaining to the Property or the Grantee's eligibility for and conformance with the requirements of the LIP Program.

9. 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 against any violations including without limitation relief requiring restoration of the Property to its condition prior to any such violation (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 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;

Maximum Resale Price at the time of the conveyance (the "Resale Fee"). This fee shall be paid by the party acquiring title to the Property on re-sale as a closing cost at the time of Closing, and payment of the Resale Fee shall be a condition to delivery and recording of the Compliance Certificate, Eligible Purchaser Certificate, or Municipal Purchaser Certificate, as the case may be, failing which the Monitoring Agent shall have a claim against the new purchaser and persons claiming under the new purchaser for which the Monitoring Agent may bring an action and may seek an attachment against the Property.

11 Waiver: Nothing contained herein shall limit the rights of the Director to release or waive, from time to time, in whole or in part, any of the rights, restrictions, covenants or agreements contained herein with respect to the Property. Any such release or waiver must be made in writing and must be executed by the Director or his/her designee.

12. Severability: If any provisions hereof or the application thereof to any person or circumstance shall come, 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, and each provision hereof shall be valid and enforced to the fullest extent permitted by law.

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

Grantor:

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

*No  
SIGNATURES  
REQUIRED*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

LS1111-dr

COMMONWEALTH OF MASSACHUSETTS

County of \_\_\_\_\_, ss \_\_\_\_\_, 200\_\_

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, the undersigned notary public, personally appeared \_\_\_\_\_, proved to me through satisfactory evidence of identification, which were \_\_\_\_\_, to be the person whose name is signed on the preceding document [Grantor], and acknowledged to me that he/she signed it voluntarily for its stated purpose.

\_\_\_\_\_  
Notary Public  
Print Name:  
My commission expires:

COMMONWEALTH OF MASSACHUSETTS

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, the undersigned notary public, personally appeared \_\_\_\_\_, proved to me through satisfactory evidence of identification, which were \_\_\_\_\_, to be the person whose name is signed on the preceding document [Grantee], and acknowledged to me that he/she signed it voluntarily for its stated purpose.

\_\_\_\_\_  
Notary Public  
Print Name:  
My commission expires: