



## AFFORDABLE HOUSING RESTRICTION

**DATE: As of August 5, 2021**

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| GRANTOR:  | The Lighthouses Apartments LLC   |
| PROPERTY NAME:  | The Lighthouses  |
| TOTAL NUMBER OF UNITS:  | 46   |
| TOTAL NUMBER OF RESTRICTED UNITS: <sup>1</sup>                | 46   |
| NUMBER OF HIGH MODERATE INCOME UNITS (100% AMI): <sup>2</sup> | 0  |
| NUMBER OF MODERATE INCOME UNITS (80% AMI):                    | 0  |
| NUMBER OF LOW INCOME UNITS (60% AMI):                         | 30   |
| NUMBER OF VERY LOW INCOME UNITS (50% AMI):                    | 0  |
| NUMBER OF EXTREMELY LOW INCOME UNITS (30% AMI):               | 16   |
| NUMBER OF HOME ASSISTED UNITS:                                | 11   |
| PROPERTY ADDRESS:   | 34 Peabody Street, 47 Leavitt Street, and 38 Palmer Street<br>Salem, Massachusetts |
| AFFORDABILITY TERM:   | Perpetual  |

This Affordable Housing Restriction (this "Restriction") is granted by the undersigned Grantor, a Massachusetts limited liability company having a mailing address of c/o North Shore Community Development Coalition, Inc., 96 Lafayette Street, Salem, Massachusetts 01970, for the benefit of The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development having a mailing address of 100 Cambridge Street, Suite 300, Boston, Massachusetts 02114-2524 ("DHCD"); Massachusetts Housing Partnership Fund Board, a Massachusetts public instrumentality and body politic and corporate, with an office at 160 Federal Street, 2nd Floor, Boston,

<sup>1</sup> In order to satisfy the affordability requirements of the MHP first mortgage loan at least nineteen (19) of the total Units shall be Low Income Units.

<sup>2</sup>Numbers in parentheses are the percentage of median income for the Area (AMI, as defined below), adjusted for family size, as determined from time to time by HUD (as defined below) pursuant to Section 8 of the United States Housing Act, as amended.

34 Peabody Street, Salem, MA; 38-40 Palmer Street, Salem, MA; and  
 47 Leavitt Street, Salem, MA

Massachusetts 02110 ("MHP"); The Commonwealth of Massachusetts, acting by and through the Department of Housing and Community Development under the Affordable Housing Trust Fund Statute, M.G.L. c. 121D, by the Massachusetts Housing Finance Agency ("MHFA"), as Administrator, having an address at One Beacon Street, Boston, Massachusetts 02108 ("AHT"); Community Economic Development Assistance Corporation, a body politic and corporate, duly organized and existing in accordance with Chapter 40H of the Massachusetts General Laws with an office at 18 Tremont Street, Suite 500, Boston, Massachusetts 02108 ("CEDAC"); the North Shore HOME Consortium, acting by and through the City of Salem, Massachusetts, having an address at Department of Planning and Community Development, 98 Washington Street, Salem, Massachusetts 01970 (the "City"); Community Economic Development Assistance Corporation, having a mailing address of 18 Tremont Street, Suite 500, Boston, Massachusetts 02108, as agent for The Commonwealth of Massachusetts, acting by and through the Department of Housing and Community Development under the Housing Innovations Trust Fund Statute, M.G.L. c. 121E ("HITF"); Massachusetts Housing Partnership Fund Board, having a mailing address of 160 Federal Street, Boston, Massachusetts 02110, as agent for The Commonwealth of Massachusetts, acting by and through the Department of Housing and Community Development under the Housing Stabilization and Investment Trust Fund Statute, M.G.L. c. 121F ("HSITF"); the City of Salem, under a grant by and through its Community Preservation Act Committee to the North Shore Community Development Coalition, Inc., having an address at 98 Washington Street, Salem, Massachusetts 01970 ("CPA"); the Executive Office of Health and Human Services, with a mailing address of One Ashburton Place, 11th Floor, Boston, Massachusetts 02108 ("EOHHS"); and the Massachusetts Rehabilitation Commission, with a mailing address of Administrative Offices, 600 Washington Street, Boston, Massachusetts 02111 ("MRC").

MHP is, or is anticipated to be, the first mortgage lender for the Project (as defined below). Upon the closing of the MHP first mortgage loan for the Project, MHP, together with its successors and assigns, in its capacity as first mortgage lender, shall be deemed a Holder of this Restriction. The Grantor acknowledges that, notwithstanding the order of recording, this Restriction is senior to the MHP first mortgage loan, subject to the provisions of Section 22 below.

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## **BACKGROUND**

- A. The Grantor holds or will acquire legal title to the Property and intends to construct a 46-unit rental housing development, consisting of two residential buildings, at the Property (the "Project").
- B. As a condition of the Loan, and of the grant by CPA to North Shore Community Development Coalition, Inc., the Grantor has agreed that this Restriction be imposed upon the Property as a covenant running with the land and binding upon any successor to the Grantor, as owner thereof.

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## **RESTRICTIONS**

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

- 1. Definitions.** Capitalized terms used herein are defined herein and in Exhibit D attached hereto.
- 2. Use Restrictions.** The Property shall be reserved and used for the Permitted Uses and for no other purpose. The Restricted Units shall include at least 11 Studio Units, 4 one-bedroom Units, 26 two-bedroom Units and 5 three-bedroom Units. All 46 of the Restricted Units shall be deemed to be assisted under the CPA Program and shall be affordable in perpetuity. Eleven of the Restricted Units shall be deemed to be assisted under the HOME Program ("HOME Assisted Units") provided that certain of the provisions of the HOME Program may cease to be effective 20 years after the completion of the Project (the "HOME Term") as more fully set forth in Section 5.2 of the Loan Agreement between Grantor as Borrower and The Commonwealth of Massachusetts acting by and through the Department of Housing and Community Development for itself and as agent for certain other lenders, and the application thereafter of the restrictions herein with respect to the HOME Assisted Units shall be deemed a local use restriction. Such HOME Assisted Units may also constitute Restricted Units with respect to other programs hereunder. As of the date hereof, the Property has or is expected to have the benefit of a contract for 8 project-based vouchers under Section 8 of the United States Housing Act of 1937, as amended (the "Section 8 Contract") and the benefit of a contract for 8 project-based vouchers under the Massachusetts Housing Rental Voucher Program (the "MRVP Contract" and together with the Section 8 Contract, the "Rental Subsidy Contracts"). If during the HOME Term a Rental Subsidy Contract is not renewed at the end of its term or is terminated or otherwise is no longer in full force and effect, the number of HOME Assisted Units required to be Very Low Income Units (as set forth on Exhibit C) shall be reduced to 3 Units of the types shown on Exhibit C-1 and the number of HOME Assisted Units required to be Low Income Units (as set forth on Exhibit C) shall be increased to 8 Units of the types shown on Exhibit C-1. In such event, references in this Restriction to Exhibit C shall thereafter be deemed to refer to Exhibit C-1. Furthermore, if during the Term a Rental Subsidy Contract is not renewed at the end of its term or is terminated or otherwise is no longer in full force and effect, the Holders will consider a request by the Grantor to modify the mix of Restricted Units by converting Extremely Low Income Units to Very Low Income Units or Low Income Units. A decision by the Holders on such a request shall take into consideration the financial viability of the Property and shall be made in the sole reasonable discretion of the Participating Lenders who have required such Extremely Low Income Units, as shown on Exhibit C. The Property also shall include at least three (3) Units accessible to individuals with mobility impairments (consisting of 2 one-bedroom Units and 1 two-bedroom Unit) and at least one (1) additional Unit accessible to individuals with sensory impairments (consisting of 1 Studio Unit). Each Unit shall contain complete facilities for living, sleeping, eating, cooking and sanitation that are to be used on other than a transient basis. Each Unit shall meet the housing quality standards set forth in the regulations of HUD at 24 C.F.R. §982.401 or any successor thereto, the accessibility requirements at 24 C.F.R. Part 8 or any successor thereto (which implement Section 504 of the Rehabilitation Act of 1973), and, if applicable, the design and construction requirements of 24 C.F.R. §100.205 or any successor thereto (which implement the Fair Housing Act). The Restricted Units shall be dispersed evenly throughout the buildings comprising the Improvements. The Grantor shall at all times maintain a social service program administered by a social service provider acceptable

to the Holders. Throughout the term hereof, the Grantor shall maintain the Property and the Improvements in good, safe and habitable condition in all respects and in full compliance with all applicable laws, by-laws, rules and regulations of any governmental (or quasi-governmental) body with jurisdiction over matters concerning the condition of the Property.

**3. Occupancy Restrictions.** The following restrictions shall apply during the period commencing with the first date on which any Units are occupied and continuing for the balance of the Affordability Term, subject always to any applicable rent restrictions of the federal low-income housing tax credit program under Section 42 of the Internal Revenue Code of 1986, as amended, and any provision herein that conflicts with the requirements of the federal low-income housing tax credit program shall be suspended so long as the restrictions under the federal low income housing tax credit program are in effect.

**A. Low Income Units.** At least 30 of the Units of the types shown on Exhibit C attached hereto shall be leased exclusively to Low Income Families ("Low Income Units"). With respect to each Low Income Unit designated as a HOME Assisted Unit, the monthly rent charged to a Family occupying such HOME Assisted Unit shall not exceed the lesser of Fair Market Rent or an amount equal to (x) one-twelfth of thirty percent (30%) of sixty-five percent (65%) of the Bedroom Adjusted AMI, minus (y) if applicable, an allowance established by the Holders for any utilities and services (excluding telephone) to be paid by the occupying Family or (z) the comparable market rent for the Family's Unit. With respect to each Low Income Unit that is not a HOME Assisted Unit, the monthly rent charged to a Family occupying a Low Income Unit shall be one-twelfth of thirty percent (30%) of sixty percent (60%) of the Bedroom Adjusted AMI, minus (y) if applicable, an allowance established by the Holders for any utilities and services (excluding telephone) to be paid by the occupying Family. A Family who resides in a Restricted Unit, who qualified as a Low Income Family at the time of such Family's initial occupancy at the Property and whose Household Income exceeds sixty percent (60%), but does not exceed eighty percent (80%) of the Family-size Adjusted AMI, shall continue to be treated as a Low Income Family and the foregoing maximum rent shall continue to apply to such Family. A Family who resides in a Restricted Unit, who qualified as a Low Income Family at the time of such Family's initial occupancy at the Property and whose Household Income exceeds eighty percent (80%) of the Family-size Adjusted AMI, shall, from and after the expiration of the then-current term of such Family's lease, no longer be treated as an income-qualified Family and must pay as monthly rent the Over-income Rent.

**B. Extremely Low Income Units.** At least 16 of the Units of the types shown on Exhibit C attached hereto shall be leased exclusively to Extremely Low Income Families ("Extremely Low Income Units"). The monthly rent charged to a Family occupying an Extremely Low Income Unit shall be one-twelfth of thirty percent (30%) of thirty percent (30%) of the Bedroom Adjusted AMI, minus, if applicable, an allowance established by the Holders for any utilities and services (excluding telephone) to be paid by the occupying Family. A Family who resides in a Restricted Unit, who qualified as an Extremely Low Income Family at the time of such Family's initial occupancy at the Property and whose Household Income exceeds thirty percent (30%), but does not exceed fifty percent (50%) of the Family-size Adjusted AMI, shall continue to be treated as an Extremely Low Income Family but, from and after

the expiration of the then-current term of such Family's lease, must pay as monthly rent the Over-income Rent. A Family who resides in a Restricted Unit, who qualified as an Extremely Low Income Family at the time of such Family's initial occupancy at the Property and whose Household Income exceeds fifty percent (50%), but does not exceed eighty percent (80%), of the Family-size Adjusted AMI, shall, from and after the expiration of the then-current term of such Family's lease, be treated as a Low Income Family and must pay as monthly rent the lesser of (x) the maximum amount payable by the Family under the laws of the municipality in which the Property is located or of The Commonwealth of Massachusetts, (y) one-twelfth of thirty percent (30%) of sixty percent (60%) of the Bedroom Adjusted AMI (minus, if applicable, an allowance established by the Holders for any utilities and services [excluding telephone] to be paid by the occupying Family) A Family who resides in a Restricted Unit, who qualified as an Extremely Low Income Family at the time of such Family's initial occupancy at the Property and whose Household Income exceeds eighty percent (80%) of the Family-size Adjusted AMI, shall, from and after the expiration of the then-current term of such Family's lease, no longer be treated as an income-qualified Family and must pay as monthly rent the Over-income Rent.

- C. HERA Rent.** Notwithstanding the foregoing, the Borrower shall be permitted to increase the rents to those permitted under Section 3009(a)(E)(i) of the Housing and Economic Recovery Act of 2008 (Public Law 110-289) ("HERA"), even if such rents would be above those that would otherwise be permitted under the above provisions.
- D. MHP First Mortgage Affordability Requirements.** In order to satisfy the affordability requirements of the MHP first mortgage loan at least nineteen (19) of the total Units shall be Low Income Units.
- E. Applicable Lease Term, Change of Status.** References in the foregoing provisions of the "then-current term of such Family's lease" shall refer to the term of the lease or occupancy agreement in effect on the date of the required delivery of the income certification that reflects (or that, if duly delivered, would have reflected) the applicable increase in such Family's income. If, with the Holders' consent, the Grantor does not require that a lease be signed for a Restricted Unit (e.g., a property providing short-term transitional housing), the provisions set forth above shall apply, except that the applicable date on which a Family's income-qualified status and/or applicable rent restriction is modified shall be the first day of the month that is at least thirty (30) days following the date of the required delivery of the income certification that reflects (or that, if duly delivered, would have reflected) the applicable increase in such Family's income.
- F. Federal or State Rental Subsidy.** Except with respect to HOME Assisted Units, if a Restricted Unit or the Family occupying such Unit receives federal or state rental subsidy, then the Family's contribution towards rent shall be the contribution allowable under the federal or state rental subsidy program and the maximum rent (i.e., tenant contribution plus rental subsidy) shall be the rent allowable under the federal or state rental subsidy program. In the case of HOME Assisted Units, if a Restricted Unit receives federal or state project-based rental subsidy and the occupying Family qualifies as a Very Low Income Family and pays as a contribution towards rent not more than thirty percent (30%) of one-

twelfth of the Family's Household Income, then the maximum rent (i.e., tenant contribution plus rental subsidy) shall be the rent allowable under the federal or state rental subsidy program.

- G. Next Available Unit Rule.** If at any time fewer than the required number of Units are leased, rented or occupied by Extremely Low Income Families, the next available Units shall all be leased, rented or otherwise made available to Extremely Low Income Families until the required number of Units occupied by Extremely Low Income Families is again obtained. Subject to the foregoing, available Units shall be leased, rented or otherwise made available to Low Income Families. The foregoing provisions shall be applied so as to maintain a mix of Restricted Units that is comparable in size, features and number of bedrooms to the originally designated Restricted Units (i.e., a Unit will not be considered an available Unit for purposes of this Paragraph if classification of such Unit as a Restricted Unit would cause the then current mix of Restricted Units to no longer be comparable to the original mix of Restricted Units described in Section 2 above and as shown on Exhibit C).
- H. CBH Rents.** Notwithstanding the foregoing, a PCE occupying a Restricted Unit shall not be required to pay as a contribution towards rent more than (x) one-twelfth of thirty-five percent (35%) of the greater of (i) the PCE's Household Income as recertified annually and (ii) thirty percent (30%) of the Bedroom Adjusted AMI, minus (y) if applicable, an allowance established by the Holders for any utilities and services (excluding telephone) to be paid by the PCE.
- I. Persons Certified Eligible.** If at any time fewer than three (3) Units at the Property are leased, rented or occupied by PCEs, then the Grantor shall immediately notify EOHHS of the shortfall in PCEs at the Property (a "CBH Unit Shortfall"). At any time when there is a CBH Unit Shortfall at the Property, the Grantor shall notify EOHHS of each vacancy of a Restricted Unit at the Property, including the vacancy that gave rise to the CBH Unit Shortfall (a "Vacancy Notice") and each such Unit shall be made available for leasing to a PCE until the required number of Units occupied by PCEs is again obtained. Upon receipt of a Vacancy Notice, EOHHS shall refer to the Grantor a PCE for whom the Unit is appropriate, taking into account the number of bedrooms and the accessibility or adaptability of such Unit. Grantor shall not refuse to accept a PCE as a tenant on the grounds that such PCE's income is inadequate. If EOHHS does not refer a PCE within 60 days after receipt of a Vacancy Notice, the Unit that was the subject of the Vacancy Notice may be re-rented by the Grantor to an income-qualified Family who is not a PCE. If at any time either (x) EOHHS is no longer able or willing to refer PCEs to the Property because of a change in CBH program needs with respect to the Property, (y) EOHHS fails to refer a PCE to the Grantor in response to two Vacancy Notices within a one-year period or (z) a CBH Unit Shortfall exists at the Property for a one-year period, the Grantor will promptly notify CEDAC. In such event, the Grantor and CEDAC will meet and consult in good faith with EOHHS to address such situation and, if appropriate, to identify an appropriate eligible population acceptable to CEDAC for such Units, consistent with the then applicable CBH Regulations and CBH Guidelines.
- 4. Rent Schedule.** Except as is set forth in Sections 3.A., 3.B., 3.C., 3.F and 3.H., projected initial monthly maximum rents including utilities for all Restricted Units shall be as set forth in Exhibit B and Exhibit B-1 attached hereto. If permitted maximum rents and utility allowances as

reflected in the annual schedule of rents and utility allowances issued by DHCD increase prior to initial occupancy of the Project, the initial monthly maximum rents and utility allowances shall be as set forth in the latest schedule issued by DHCD. Notwithstanding the rent restrictions set forth in Section 3 above, the maximum monthly rent permitted to be charged for a Restricted Unit at any particular income level is not required to be lower than the maximum rent applicable at such income level pursuant to Exhibit B and Exhibit B-1 or such higher initial maximum rent applicable at such income level pursuant to the immediately preceding sentence, regardless of changes in fair market rents or in median income over time (subject only to the restrictions applicable in the event of any federal or state subsidy, as set forth in Section 3 above). Rents for Restricted Units shall not be increased above applicable maximums without all Holders' prior written approval of a specific request by the Grantor for a rent increase. In particular, the Grantor shall participate in and abide by the annual HOME Program rent approval process. Notwithstanding the foregoing, rent increases shall be subject to the provisions of outstanding leases and shall not be implemented without at least thirty (30) days' prior written notice by the Grantor to all affected Residents and notwithstanding any provision in a lease or occupancy agreement to the contrary, in the event of any increase in the rent payable by such Residents in connection with an increase in the income of such Residents, consistent with the terms hereof, the Residents shall have the right to terminate their lease or occupancy agreement by written notice to the Grantor delivered within such thirty-day period.

**5. Resident Selection.**

**A. Nondiscrimination.** The Grantor shall not discriminate on the basis of race, religious creed, color, sex, age, marital status, sexual orientation (which shall not include persons whose sexual orientation involves minor children as the sex object), gender identity, genetic information, veteran status, membership in the armed forces, ancestry, national origin, handicap, blindness, hearing impairment, or because a person possesses a trained guide dog as a consequence of blindness, hearing impairment or other handicap of such person or any other basis prohibited by law in the lease, use and occupancy of the Units or in connection with the employment or application for employment of persons for the operation and management of the Units. The Grantor shall not discriminate against, or refuse to lease, rent or otherwise make available the Units to, a holder of a certificate or voucher under the Federal Rental Certificate Program or the Federal Rental Voucher Program or a holder of a comparable document evidencing participation in a HOME Program tenant-based assistance program because of the status of the prospective tenant as a holder of such certificate, voucher or comparable HOME Program tenant-based assistance document.

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

- (i) Are consistent with the purpose of providing housing for a Low Income Family or an Extremely Low Income Family, as defined below and required herein;
- (ii) Are reasonably related to eligibility of prospective tenants under the Programs and to the prospective tenants' ability to perform the obligations of the Grantor's form lease; and

- (iii) Provide for (x) the selection of Residents from a written waiting list in the chronological order of their application, insofar as practicable, and (y) the prompt written notification to any rejected applicant of the grounds for any rejection.

The Grantor shall also provide the Holders with an affirmative marketing plan acceptable to all Holders. The affirmative marketing plan must comply with all applicable statutes, regulations and executive orders, with all Holders' affirmative marketing requirements and with DHCD's directives reflecting the agreement between DHCD and HUD in the case of NAACP, Boston Chapter v. Kemp. The approved marketing plan and the approved resident selection policies and criteria shall be adhered to in every respect and any changes thereto shall be subject to the prior written approval of the Holders. The affirmative fair housing marketing plan shall require the Grantor to create a listing for all Restricted Units with the Housing Navigator ([www.housingnavigatorma.org](http://www.housingnavigatorma.org)), which listing shall be updated and confirmed prior to holding a tenant-selection lottery for the Restricted Units and shall thereafter be updated at least annually or more frequently if appropriate in DHCD's opinion (e.g., in connection with the re-opening of any waiting list for Restricted Units). The affirmative fair housing marketing plan shall also require the Grantor to notify the Housing Navigator when waiting lists for Restricted Units open and close and whenever there is a Restricted Unit available on a first come, first served basis. The Grantor shall list vacancies in Restricted Units in the MassAccess Housing Registry at <http://www.massaccesshousingregistry.org> and on the Housing Navigator at <http://housingnavigatorma.org>.

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

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



- H. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the Grantor against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

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

**7. Transfer Restrictions.** The Grantor shall not sell, transfer, convey, rent (except for leases or occupancy agreements made in connection with the Permitted Uses that are substantially in the form approved by the Holders), encumber as security for financing, or in any other way exchange all or any portion of the Property nor shall the Grantor permit the sale, transfer or pledge of any direct or indirect interests in the Grantor, without the express written permission of the Holders, which consent shall not be unreasonably withheld or delayed with respect to any transfer to the Sponsor or any entity wholly owned and controlled by the Sponsor pursuant to the Right of First Refusal dated of even date herewith granted to the Sponsor by the Grantor, provided that at the time of exercise of such Right of First Refusal (i) no Event of Default, or event or condition which with the giving of notice or passage of time or both would constitute an Event of Default, is then outstanding hereunder or under any of the Loans; (ii) the Sponsor or such other entity designated as transferee is an eligible borrower under all applicable Statutes, Regulations and Guidelines as then in effect; (iii) the Sponsor or such other entity is in good standing with all Holders and in each Holder's reasonable discretion has sufficient financial capability and experience with affordable housing similar to the Property to perform the obligations of the Grantor; (iv) the Sponsor or such transferee agrees in writing to be bound by and perform all of the terms and conditions hereof; (v) such transfer is permitted by the holder of all loans secured by the Property and (vi) the Grantor gives to all Holders no less than thirty (30) days' prior written notice of any such proposed transfer. For purposes of the foregoing sentence, a withdrawal by the investor member of Grantor shall be deemed to be a transfer of an interest in the Grantor. Without limiting the generality of the foregoing, the Permitted Encumbrances are hereby approved by the Holders. Any sale, transfer or other disposition (each, a "transfer") of all or any part of the Property shall further be subject to the Purchase Options and the First Refusal Rights described below, and to such further terms and conditions with respect thereto as may be set forth in the HIF Statute, the HIF Regulations, the HIF Guidelines, the CBH Statute, the CBH Regulations, the CBH Guidelines, the HSF Statute, the HSF Regulations, and the HSF Guidelines. Upon request by the Grantor, DHCD shall sign a certificate, in form and substance reasonably acceptable to DHCD, stating whether, as of a specified date, any Purchase Option or First Refusal Right in favor of DHCD remains in effect, or has been exercised, terminated, waived or assigned, and otherwise conforming with the certification requirements described below. No transfer of all or any part of the Property to any party other than DHCD or its

assignee shall be consummated unless and until (i) the period for the exercise of all Purchase Options and/or First Refusal Rights, as applicable, shall have expired without DHCD's exercise of rights thereunder or (ii) DHCD shall have unconditionally waived its rights thereunder in writing. Notwithstanding the foregoing: (i) the investor member interest of Grantor held by Stratford Lighthouses Investors Limited Partnership (the "Investor") may be transferred to an entity in which the Investor or an affiliate of the Investor is the general partner or managing member, provided that the Holders receive notice of such transfer and (ii) the Grantor's investor member may remove and replace the managing member of the Grantor in accordance with the provisions of the Grantor's operating agreement upon the consent of the Holders, which consent will not be unreasonably withheld, conditioned or delayed. In connection with any transfer requiring the consent of the Holders, the Grantor shall provide such information to the Holders as the Holders may reasonably request, shall pay a fee to DHCD pursuant to DHCD's then-current fee schedule and shall pay all legal fees incurred by the Holders in connection with such transfer request. Notwithstanding any contrary provision herein or in any of the other Loan Documents, during such time as the Project is subject to the HOME Regulations: (i) any removal of the Grantor's managing member may only be for cause; and (ii) any replacement of the Grantor's managing member shall be a community housing development organization, as defined in the HOME Regulations (the "HOME CHDO Transfer Restrictions"), and the Grantor's operating agreement shall include the HOME CHDO Transfer Restrictions.

**8. HIF/HSF Purchase Option.**

- A.** After the fiftieth anniversary of the date hereof, DHCD shall have the right to purchase the Grantor's interest in the Property from the Grantor, at a price equal to the then-current appraised value of the Property, less the total outstanding balance, at the time of such purchase, of all principal, interest and any other charges payable under the HIF Loan and HSF Loan, and any and all other outstanding obligations of the Grantor with respect thereto (the "HIF/HSF Purchase Option"), by delivering written notice to the Grantor of its election to exercise the Purchase Option by or before the date that is one hundred twenty (120) days after the expiration of the fiftieth anniversary of the date hereof (the "HIF/HSF Option Exercise Deadline"). If DHCD shall have failed to deliver such written notice of its election to exercise the HIF/HSF Purchase Option to the Grantor by the HIF/HSF Option Exercise Deadline, DHCD shall be deemed to have unconditionally waived the HIF/HSF Purchase Option, and the HIF/HSF Purchase Option shall automatically terminate, and shall have no further force or effect.
- B.** DHCD shall have the right at any time to assign its rights under this HIF/HSF Purchase Option to a qualified developer selected by DHCD in accordance with the HIF Statute and HIF Regulations and the HSF Statute and HSF Regulations, and effective as of any such assignment, all rights and obligations of DHCD with respect to such HIF/HSF Purchase Option shall automatically be deemed to apply to such assignee, and all references to "DHCD" in this Section shall automatically be deemed to refer to such assignee (except to the extent a provision explicitly provides otherwise). So long as the Grantor is not in default under the HIF Loan, HSF Loan, or hereunder, the Sponsor shall have the right to match the best offer received by DHCD from a qualified developer to become DHCD's assignee.

- C.** Promptly upon request by DHCD at any time or from time to time, either before the HIF/HSF Option Exercise Deadline or after DHCD's exercise of the HIF/HSF Purchase Option, the Grantor shall provide DHCD with a copy of, or otherwise make available for DHCD's review at a mutually convenient time and location, any and all material owned by or readily available to the Grantor that an unrelated third-party potential buyer would reasonably request in connection with its due diligence for the acquisition of the Property, including, by way of example but not of limitation, deeds, title insurance policies, appraisals, studies, reports, and other materials relating to the Property and/or any encumbrance(s) subject to which the Property is to be conveyed, or otherwise reasonably necessary or appropriate for DHCD to review in connection with its exercise of the HIF/HSF Purchase Option.
- D.** The appraised value of the Property shall be determined at DHCD's request by the method specified in the HIF Statute and HSF Statute (as may be more fully described in the HIF Regulations and HSF Regulations) and in accordance with DHCD policies, and the costs of the appraisers shall be shared equally by DHCD and the Grantor (unless the HIF Regulations and HSF Regulations provide otherwise). Notwithstanding anything to the contrary contained in this Restriction, the Grantor shall not be required to use its own funds to repay any debt secured by the Property in the event the appraised value of the Property is less than the aggregate of all permitted debt secured by the Property.
- E.** The closing for the sale of the Property to DHCD shall take place in accordance with applicable provisions of the HIF Regulations or HSF Regulations, by or before the date that is one hundred twenty (120) days after the HIF/HSF Option Exercise Deadline (i.e., on or before the date that is two hundred forty (240) days after the fiftieth anniversary of the date hereof), by the close of the business day, at the Registry of Deeds; provided, however, that if DHCD reasonably determines additional time is necessary to effect the closing due to delays of the Grantor in providing DHCD with the due diligence material described above or any other failure by the Grantor fully to cooperate with preparations for the sale, the closing date may be extended to a date reasonably determined by DHCD as necessary to redress the delays caused by the Grantor, which shall be specified in a written notice from DHCD setting forth the reasons for such extension, delivered to the Grantor by or before the date originally scheduled for the closing. The parties may also mutually agree to extend the date of the closing by written instrument.
- F.** The transfer to DHCD pursuant to the HIF/HSF Purchase Option shall be subject to such other requirements as may be more fully described in the HIF Regulations or HSF Regulations consistent with the HIF Statute and HSF Statute. Adjustments in the purchase price for recording fees, deed stamps and other charges shall be made, and any other issues associated with the transfer shall be resolved, in accordance with standard conveyancing practice in The Commonwealth of Massachusetts. If either party so desires, the parties shall enter into a purchase and sale agreement memorializing the terms of the sale, consistent with the terms hereof and of the HIF Statute and HSF Statute; provided, however, that the HIF/HSF Purchase Option shall be binding regardless of whether the parties execute a purchase and sale agreement. Notwithstanding any other provision hereof to the contrary, if, after delivering notice of its intention to exercise the Purchase Option, DHCD determines,

in its sole discretion, that it is not in the best interests of DHCD to effect the purchase, DHCD may terminate the HIF/HSF Purchase Option at any time, upon written notice to the Grantor recorded with the Registry of Deeds; provided, however, that such termination right shall apply to DHCD only and not to any assignee.

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

**9. CBH Purchase Option.**

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

and other materials relating to the CBH Units and/or any encumbrance(s) subject to which the CBH Units is to be conveyed, or otherwise reasonably necessary or appropriate for DHCD to review in connection with its exercise of the CBH Purchase Option.

- D.** The appraised value of the CBH Units shall be determined at DHCD's request by the method specified in the CBH Statute (as may be more fully described in the CBH Regulations) and in accordance with DHCD policies, and the costs of the appraisers shall be shared equally by DHCD and the Grantor (unless the CBH Regulations provide otherwise). Notwithstanding anything to the contrary contained in this Restriction, the Grantor shall not be required to use its own funds to repay the pro rata share (based on proportion that the CBH Units represent of the total Units at the Property) of any debt secured by the Property that is attributable to the CBH Units in the event the appraised value of the CBH Units is less than the pro rata share of all permitted debt secured by the Property attributable to the CBH Units.
- E.** The closing for the sale of the CBH Units to DHCD shall take place in accordance with applicable provisions of the CBH Regulations, by or before the date that is one hundred twenty (120) days after the CBH Option Exercise Deadline (i.e., on or before the date that is two hundred forty (240) days after the thirtieth anniversary of the date hereof), by the close of the business day, at the Registry of Deeds; provided, however, that if DHCD reasonably determines additional time is necessary to effect the closing due to delays of the Grantor in providing DHCD with the due diligence material described above or any other failure by the Grantor fully to cooperate with preparations for the sale, the closing date may be extended to a date reasonably determined by DHCD as necessary to redress the delays caused by the Grantor, which shall be specified in a written notice from DHCD setting forth the reasons for such extension, delivered to the Grantor by or before the date originally scheduled for the closing. The parties may also mutually agree to extend the date of the closing by written instrument.
- F.** If the CBH Units are less than all of the Units at the Property, Grantor shall be responsible for either subdividing the CBH Units from the balance of the Units or creating a condominium at the Property in which the CBH Units will be a separate condominium unit. In the latter case, the condominium documents governing such condominium shall be subject to the approval of DHCD in its sole discretion.
- G.** The transfer to DHCD pursuant to the CBH Purchase Option shall be subject to such other requirements as may be more fully described in the CBH Regulations consistent with the CBH Statute. Adjustments in the purchase price for recording fees, deed stamps and other charges shall be made, and any other issues associated with the transfer shall be resolved, in accordance with standard conveyancing practice in The Commonwealth of Massachusetts. If either party so desires, the parties shall enter into a purchase and sale agreement memorializing the terms of the sale, consistent with the terms hereof and of the CBH Statute; provided, however, that the CBH Purchase Option shall be binding regardless of whether the parties execute a purchase and sale agreement. Notwithstanding any other provision hereof to the contrary, if, after delivering notice of its intention to exercise the CBH Purchase Option, DHCD determines, in its sole discretion, that it is not in the best

interests of DHCD to effect the purchase, DHCD may terminate the CBH Purchase Option at any time, upon written notice to the Grantor recorded with the Registry of Deeds; provided, however, that such termination right shall apply to DHCD only and not to any assignee.

- H.** Concurrently with its acquisition of the CBH Units, DHCD shall cause to be recorded with the Registry of Deeds an affordable housing restriction, in compliance with the CBH Statute and any other applicable statutory requirements for the same (and, in the case of an assignee, in form acceptable to DHCD, in its discretion), which shall require that the CBH Units shall be used only for the purposes of preserving or providing CBH Community-based Housing or CBH Supportive Housing thereon, which housing shall remain affordable for a period of not less than forty (40) years

**10. HIF First Refusal Right.**

- A.** If the Grantor intends at any time or from time to time prior to DHCD's exercise (or unconditional waiver) of the HIF/HSF Purchase Option, as described in Section 8 above, to transfer all or any part of its interest in the Property, and the Grantor receives a bona fide offer for such transfer that the Grantor desires to accept (each, a "HIF Offer"), the Grantor shall promptly deliver to DHCD written notice of the same (which shall not be deemed to have been duly delivered to DHCD unless it contains a copy of clause C. below), together with a copy of such HIF Offer (the "HIF Offer Notice"). The Grantor shall provide DHCD with such reasonable evidence as DHCD may require to satisfy DHCD as to the bona fide nature of the HIF Offer. For purposes of this Section, a purchase by the Sponsor shall not be considered a HIF Offer that triggers the HIF First Refusal Right (as defined below). A transfer of a member interest in the Grantor shall be considered a HIF Offer that triggers the HIF First Refusal Right if (x) such member interest is all or substantially all of the non-managing member interests in the Grantor (except for transfers to affiliates of the member) and (y) such transfer takes place within one year of a transfer of a managing member interest in the Grantor or of a controlling interest in a managing member of the Grantor to the transferee of the member interest or an affiliate of such transferee, provided that a removal of a managing member by a member pursuant to a removal provision in the operating agreement of the Grantor and the substitution of a new managing member that is an affiliate of such member shall not constitute a transfer of a managing member interest for purposes of this clause.
- B.** DHCD shall have the right to purchase the Grantor's interest in the Property (or the portion(s) thereof to which the HIF Offer relates), at the same price and on the same terms set forth in such HIF Offer (the "HIF First Refusal Right"), by delivering to the Grantor and recording with the Registry of Deeds written notice of its election to exercise such HIF First Refusal Right, in accordance with the terms set forth below (the "HIF Exercise Notice"), by or before the date that is one hundred twenty (120) days after DHCD's receipt of such HIF Offer Notice (such 120-day period, the "HIF First Refusal Period"). If DHCD does not intend to exercise the HIF First Refusal Right, DHCD may, but shall have no obligation to, notify the Grantor in writing that the HIF First Refusal Right will not be exercised (a "HIF Waiver Notice").

- C.** If, by the expiration of the HIF First Refusal Period with respect to a HIF Offer, DHCD shall have failed to deliver to the Grantor a HIF Exercise Notice or a HIF Waiver Notice, DHCD shall be deemed to have waived its HIF First Refusal Right with respect to such HIF Offer, subject to any revived HIF First Refusal Right with respect to a modified HIF Offer, as described below. However, DHCD shall retain a HIF First Refusal Right for subsequent HIF Offers and the HIF/HSF Purchase Option as described above, notwithstanding any prior actual or deemed waiver of the HIF First Refusal Right, or any intervening transfer of the Property or any portion(s) thereof. The HIF First Refusal Right shall automatically expire upon the waiver, expiration or exercise of the HIF/HSF Purchase Option.
- D.** If any of the terms of an HIF Offer shall be revised from the terms reflected in the HIF Offer Notice in such a manner as to be materially more favorable to the buyer or if a closing pursuant to the HIF Offer has not occurred on or before the date six months after the date of the HIF Offer Notice but the Grantor desires to continue pursuing a sale pursuant to such HIF Offer, the Grantor shall promptly deliver to DHCD a HIF Offer Notice with respect to such revised or continued HIF Offer (which shall not be deemed to have been duly delivered to DHCD unless it contains a copy of clause C. above), and DHCD shall have a new HIF First Refusal Right with respect to such modified or continued HIF Offer. The HIF First Refusal Period for such new HIF First Refusal Right shall run for a period of one hundred twenty (120) days from the date of DHCD's receipt of the HIF Offer Notice with respect to such revised or continued HIF Offer.
- E.** DHCD shall have the right at any time to assign its rights under the HIF First Refusal Right to a qualified developer selected by DHCD in accordance with the HIF Statute and HIF Regulations and, effective as of any such assignment, the rights and obligations of DHCD with respect to such HIF First Refusal Right shall automatically be deemed to apply to such assignee, and all references to "DHCD" in this Section shall automatically be deemed to refer to such assignee (except to the extent a provision explicitly provides otherwise). DHCD shall provide written notice of any such assignment to the Grantor.
- F.** In accordance with the provisions of the HIF Statute:
- (i) A HIF Offer Notice containing the required language as described above shall be deemed to have been duly delivered if sent by regular and certified mail, return receipt requested (or by such other method as may be authorized under the HIF Statute and HIF Regulations), addressed to DHCD (or to any assignee of DHCD, if DHCD has previously given the Grantor notice of such assignment, including the name and notice address of such assignee, in accordance with the notice provisions set forth herein) in the care of the keeper of records for DHCD, which for purposes hereof shall be deemed to be the General or Chief Counsel of DHCD (or in care of the keeper of records for such assignee of DHCD, as applicable).
  - (ii) The HIF Exercise Notice or HIF Waiver Notice shall be duly signed by a designated representative of DHCD or of the assignee of DHCD, as the case may be, and (x) mailed to the Grantor by certified mail (or such other method as may be authorized under the HIF Statute) at the notice address set forth in the HIF Offer Notice and (y) recorded with

the Registry of Deeds by the expiration of the HIF First Refusal Period. If DHCD shall have assigned the HIF First Refusal Right to a qualified developer prior to delivery of the HIF Exercise Notice, the HIF Exercise Notice shall include the name and address of such assignee and the terms and conditions of such assignment.

- (iii) An affidavit acknowledged by a notary public that DHCD or its designated representative has mailed a HIF Exercise Notice or a HIF Waiver Notice (the "HIF Affidavit") shall conclusively establish the manner and time of the giving of such notice. Any HIF Affidavit may be recorded with the Registry of Deeds by either party. Each HIF Affidavit shall have attached to it a copy of the HIF Offer Notice to which it relates.
  - (iv) Each HIF Offer Notice, HIF Exercise Notice and HIF Waiver Notice shall contain the name of the record owner of the Property and a description of the premises to be transferred, in form adequate to identify the same. Each HIF Affidavit shall have attached to it a copy of the HIF Offer Notice to which relates.
- G.** The closing for the sale of the Property (or, if applicable, the part thereof that is the subject of the HIF Offer) to DHCD shall take place in accordance with applicable provisions of the HIF Regulations, by or before the date that is one hundred twenty (120) days after the expiration of the HIF First Refusal Period (i.e., on or before the date that is two hundred forty (240) days after DHCD's receipt of the relevant HIF Offer Notice), by the close of the business day, at the Registry of Deeds (such date, the "HIF Closing Deadline"); provided, however, that if DHCD reasonably determines additional time is necessary to effect the closing, due to delays of the Grantor in providing DHCD with the due diligence material described below or any other failure by the Grantor fully to cooperate with preparations for the sale, the HIF Closing Deadline may be extended to a date reasonably determined by DHCD as necessary to redress the delays caused by the Grantor, which shall be specified in a written notice from DHCD setting forth the reasons for such extension, delivered to the Grantor and recorded with the Registry of Deeds, by or before the date originally scheduled for the closing. The parties may also mutually agree to extend the HIF Closing Deadline, by written instrument; provided, however, that in such event, the parties shall execute an instrument reflecting such extension, which shall be recorded with the Registry of Deeds by or before the date originally scheduled for the closing.
- H.** Concurrently with the delivery of the HIF Offer Notice, the Grantor shall provide DHCD with a copy of, or otherwise make available for DHCD's review at a mutually convenient time and location, all material relating to the Property (or the part thereof that is the subject of the HIF Offer) and/or the proposed sale, transfer, or other disposition thereof that has been made available to the party making the HIF Offer, and shall thereafter promptly make available to DHCD any additional material made available to such party. Promptly upon any request therefor by DHCD, the Grantor shall provide DHCD with a copy of, or otherwise make available for DHCD's review at a mutually convenient time and location, any and all other material owned by or readily available to the Grantor that an unrelated third-party buyer would reasonably request in connection with its due diligence for an acquisition of such Property, including, by way of example but not of limitation, deeds, title insurance policies, appraisals, studies, reports, or other materials relating to such Property and/or any



encumbrance(s) subject to which the Property is to be conveyed, or otherwise reasonably necessary or appropriate for DHCD to review in connection with its exercise of the HIF First Refusal Right.

- I. The transfer to DHCD pursuant to the HIF First Refusal Right shall be subject to such other requirements as may be more fully described in the HIF Regulations or consistent with the HIF Statute. Adjustments in the purchase price for recording fees, deed excise stamp taxes and other charges shall be made, and any other issues associated with the transfer shall be resolved, in accordance with standard conveyancing practice in The Commonwealth of Massachusetts. If either party so desires, the parties shall enter into a purchase and sale agreement memorializing the terms of the sale, consistent with the terms hereof and of the HIF Statute; provided, however, that the HIF First Refusal Right shall be binding regardless of whether the parties execute a purchase and sale agreement. Notwithstanding any other provision hereof to the contrary, if, after delivering notice of its intention to exercise the HIF First Refusal Right, DHCD determines, in its sole discretion, that it is not in the best interests of DHCD to effect the purchase, DHCD may terminate the HIF First Refusal Right at any time, upon written notice delivered to the Grantor and recorded with the Registry of Deeds; provided, however, that such termination right shall apply to DHCD only, and not to any assignee. If DHCD exercises such termination right or if either DHCD or its assignee (other than the Sponsor) fails to perform hereunder on or before the HIF Closing Deadline through no fault of the Grantor, then the HIF First Refusal Right shall lapse and be of no further force or effect.
  - J. Concurrently with its acquisition of the Property, DHCD shall cause to be recorded with the Registry of Deeds an affordable housing restriction, in compliance with the HIF Statute and any other applicable statutory requirements for the same (and, in the case of an assignee, in form acceptable to DHCD, in its discretion), which shall require that such Property shall be used only for the purposes of preserving or providing affordable housing thereon, which housing shall remain affordable for a period of not less than forty (40) years.
- 11. CBH First Refusal Right.**

- A. If the Grantor intends at any time or from time to time prior to DHCD's exercise (or unconditional waiver) of the CBH Purchase Option, as described above, to transfer all or some of the CBH Units, including a sale of any part of its interest in the Property that includes all or some of the CBH Units, and the Grantor receives a bona fide offer for such transfer that the Grantor desires to accept (each, a "CBH Offer"), the Grantor shall promptly deliver to DHCD written notice of the same (which shall not be deemed to have been duly delivered to DHCD unless it contains a copy of clause C. below), together with a copy of such CBH Offer (the "CBH Offer Notice"). The Grantor shall provide DHCD with such reasonable evidence as DHCD may require to satisfy DHCD as to the bona fide nature of the CBH Offer. For purposes of this Section, a purchase by the Sponsor shall not be considered a CBH Offer that triggers the CBH First Refusal Right (as defined below). A transfer of a member interest in the Grantor shall be considered a CBH Offer that triggers the CBH First Refusal Right if (x) such member interest is all or substantially all of the non-managing member interests in the Grantor (except for transfers to affiliates of the member) and (y) such transfer takes place

within one year of a transfer of a managing member interest in the Grantor or of a controlling interest in a managing member of the Grantor to the transferee of the member interest or an affiliate of such transferee, provided that a removal of a managing member by a member pursuant to a removal provision in the operating agreement of the Grantor and the substitution of a new managing member that is an affiliate of such member shall not constitute a transfer of a managing member interest for purposes of this clause. If the CBH Offer also relates to a portion or portions of the Property other than CBH Units, Grantor shall also indicate the portion of the overall purchase price attributable to CBH Units, which shall equal a pro rata portion of the overall purchase price based on the proportion that CBH Units represent of the total Units being sold.

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

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

**F.** In accordance with the provisions of the CBH Statute:

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

**G.** The closing for the sale of the CBH Units (or, if applicable, the CBH Units that are the subject of the CBH Offer) to DHCD shall take place in accordance with applicable provisions of the CBH Regulations, by or before the date that is one hundred twenty (120) days after the expiration of the CBH First Refusal Period (i.e., on or before the date that is two hundred forty (240) days after DHCD's receipt of the relevant CBH Offer Notice), by the close of the business day, at the Registry of Deeds (such date, the "CBH Closing Deadline"); provided, however, that if DHCD reasonably determines additional time is necessary to effect the closing, due to delays of the Grantor in providing DHCD with the due diligence material described below or any other failure by the Grantor fully to cooperate with preparations for the sale, the CBH Closing Deadline may be extended to a date reasonably determined by

DHCD as necessary to redress the delays caused by the Grantor, which shall be specified in a written notice from DHCD setting forth the reasons for such extension, delivered to the Grantor and recorded with the Registry of Deeds, by or before the date originally scheduled for the closing. The parties may also mutually agree to extend the CBH Closing Deadline, by written instrument; provided, however, that in such event, the parties shall execute an instrument reflecting such extension, which shall be recorded with the Registry of Deeds by or before the date originally scheduled for the closing.

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

responsible for either subdividing the relevant CBH Units from the balance of the Units or creating a condominium at the Property in which the relevant CBH Units will be a separate condominium unit. In the latter case, the condominium documents governing such condominium shall be subject to the approval of DHCD in its sole discretion.

- K.** Concurrently with its acquisition of the Property, DHCD shall cause to be recorded with the Registry of Deeds an affordable housing restriction, in compliance with the CBH Statute and any other applicable statutory requirements for the same (and, in the case of an assignee, in form acceptable to DHCD, in its discretion), which shall require that such Property shall be used only for the purposes of preserving or providing affordable housing thereon, which housing shall remain affordable for a period of not less than forty (40) years.

**12. HSF First Refusal Right.**

- A.** If the Grantor intends at any time or from time to time, to transfer all or any part of its interest in the Property, and the Grantor receives a bona fide offer for such transfer that the Grantor desires to accept (each, an "HSF Offer"), the Grantor shall promptly deliver to DHCD written notice of the same (which shall not be deemed to have been duly delivered to DHCD unless it contains a copy of clause C. below), together with a copy of such HSF Offer (the "HSF Offer Notice"). The Grantor shall provide DHCD with such reasonable evidence as DHCD may require to satisfy DHCD as to the bona fide nature of the HSF Offer. For purposes of this Section, a purchase by the Sponsor shall not be considered an HSF Offer that triggers the HSF First Refusal Right (as defined below). A transfer of a member interest in the Grantor shall be considered an HSF Offer that triggers the HSF First Refusal Right if (x) such member interest is all or substantially all of the non-managing member interests in the Grantor (except for transfers to affiliates of the member) and (y) such transfer takes place within one year of a transfer of a managing member interest in the Grantor or of a controlling interest in a managing member of the Grantor to the transferee of the member interest or an affiliate of such transferee, provided that a removal of a managing member by a member pursuant to a removal provision in the operating agreement of the Grantor and the substitution of a new managing member that is an affiliate of such member shall not constitute a transfer of a managing member interest for purposes of this clause.
- B.** DHCD shall have the right to purchase the Grantor's interest in the Property (or the portion(s) thereof to which the HSF Offer relates), at the same price and on the same terms set forth in such HSF Offer (the "HSF First Refusal Right" and together with the HIF First Refusal Right and the CBH First Refusal Right, the "First Refusal Rights"), by delivering to the Grantor and recording with the Registry of Deeds written notice of its election to exercise such HSF First Refusal Right, in accordance with the terms set forth below (the "HSF Exercise Notice"), by or before the date that is one hundred twenty (120) days after DHCD's receipt of such HSF Offer Notice (such 120-day period, the "HSF First Refusal Period"). If DHCD does not intend to exercise the HSF First Refusal Right, DHCD may, but shall have no obligation to, notify the Grantor in writing that the HSF First Refusal Right will not be exercised (a "HSF Waiver Notice").

- C.** If, by the expiration of the HSF First Refusal Period with respect to an HSF Offer, DHCD shall have failed to deliver to the Grantor an HSF Exercise Notice or an HSF Waiver Notice, DHCD shall be deemed to have waived its HSF First Refusal Right with respect to such HSF Offer, subject to any revived HSF First Refusal Right with respect to a modified HSF Offer, as described below. However, DHCD shall retain an HSF First Refusal Right for subsequent HSF Offers, notwithstanding any prior actual or deemed waiver of the HSF First Refusal Right, or any intervening transfer of the Property or any portion(s) thereof.
- D.** If any of the terms of an HSF Offer shall be revised from the terms reflected in the HSF Offer Notice in such a manner as to be materially more favorable to the buyer or if a closing pursuant to the HSF Offer has not occurred on or before the date six months after the date of the HSF Offer Notice but the Grantor desires to continue pursuing a sale pursuant to such HSF Offer, the Grantor shall promptly deliver to DHCD an HSF Offer Notice with respect to such revised or continued HSF Offer (which shall not be deemed to have been duly delivered to DHCD unless it contains a copy of clause C. above), and DHCD shall have a new HSF First Refusal Right with respect to such modified or continued HSF Offer. The HSF First Refusal Period for such new HSF First Refusal Right shall run for a period of one hundred twenty (120) days from the date of DHCD's receipt of the HSF Offer Notice with respect to such revised or continued HSF Offer.
- E.** DHCD shall have the right at any time to assign its rights under the HSF First Refusal Right to a qualified developer selected by DHCD in accordance with the HSF Statute and the HSF Regulations and, effective as of any such assignment, the rights and obligations of DHCD with respect to such HSF First Refusal Right shall automatically be deemed to apply to such assignee, and all references to "DHCD" in this Section shall automatically be deemed to refer to such assignee (except to the extent a provision explicitly provides otherwise). DHCD shall provide written notice of any such assignment to the Grantor.
- F.** In accordance with the provisions of the HSF Statute:
- (i) An HSF Offer Notice containing the required language as described above shall be deemed to have been duly delivered if sent by regular and certified mail, return receipt requested (or by such other method as may be authorized under the HSF Statute and the HSF Regulations), addressed to DHCD (or to any assignee of DHCD, if DHCD has previously given the Grantor notice of such assignment, including the name and notice address of such assignee, in accordance with the notice provisions set forth herein) in the care of the keeper of records for DHCD, which for purposes hereof shall be deemed to be the General or Chief Counsel of DHCD (or in care of the keeper of records for such assignee of DHCD, as applicable).
  - (ii) The HSF Exercise Notice or HSF Waiver Notice shall be duly signed by a designated representative of DHCD or of the assignee of DHCD, as the case may be, and (x) mailed to the Grantor by certified mail (or such other method as may be authorized under the HSF Statute) at the notice address set forth in the HSF Offer Notice and (y) recorded with the Registry of Deeds by the expiration of the HSF First Refusal Period. If DHCD shall have assigned the HSF First Refusal Right to a qualified developer prior to delivery

of the HSF Exercise Notice, the HSF Exercise Notice shall include the name and address of such assignee and the terms and conditions of such assignment.

- (iii) An affidavit acknowledged by a notary public that DHCD or its designated representative has mailed an HSF Exercise Notice or an HSF Waiver Notice (the "HSF Affidavit") shall conclusively establish the manner and time of the giving of such notice. Any HSF Affidavit may be recorded with the Registry of Deeds by either party. Each HSF Affidavit shall have attached to it a copy of the HSF Offer Notice to which it relates.
  - (iv) Each HSF Offer Notice, HSF Exercise Notice and HSF Waiver Notice shall contain the name of the record owner of the Property and a description of the premises to be transferred, in form adequate to identify the same. Each HSF Affidavit shall have attached to it a copy of the HSF Offer Notice to which it relates.
- G.** The closing for the sale of the Property (or, if applicable, the part thereof that is the subject of the HSF Offer) to DHCD shall take place in accordance with applicable provisions of the HSF Regulations, by or before the date that is one hundred twenty (120) days after the expiration of the HSF First Refusal Period (i.e., on or before the date that is two hundred forty (240) days after DHCD's receipt of the relevant HSF Offer Notice), by the close of the business day, at the Registry of Deeds (such date, the "HSF Closing Deadline"); provided, however, that if DHCD reasonably determines additional time is necessary to effect the closing, due to delays of the Grantor in providing DHCD with the due diligence material described below or any other failure by the Grantor fully to cooperate with preparations for the sale, the HSF Closing Deadline may be extended to a date reasonably determined by DHCD as necessary to redress the delays caused by the Grantor, which shall be specified in a written notice from DHCD setting forth the reasons for such extension, delivered to the Grantor and recorded with the Registry of Deeds, by or before the date originally scheduled for the closing. The parties may also mutually agree to extend the HSF Closing Deadline, by written instrument; provided, however, that in such event, the parties shall execute an instrument reflecting such extension, which shall be recorded with the Registry of Deeds by or before the date originally scheduled for the closing.
- H.** Concurrently with the delivery of the HSF Offer Notice, the Grantor shall provide DHCD with a copy of, or otherwise make available for DHCD's review at a mutually convenient time and location, all material relating to the Property (or the part thereof that is the subject of the HSF Offer) and/or the proposed sale, transfer, or other disposition thereof that has been made available to the party making the HSF Offer, and shall thereafter promptly make available to DHCD any additional material made available to such party. Promptly upon any request therefor by DHCD, the Grantor shall provide DHCD with a copy of, or otherwise make available for DHCD's review at a mutually convenient time and location, any and all other material owned by or readily available to the Grantor that an unrelated third-party buyer would reasonably request in connection with its due diligence for an acquisition of such Property, including, by way of example but not of limitation, deeds, title insurance policies, appraisals, studies, reports, or other materials relating to such Property and/or any encumbrance(s) subject to which the Property is to be conveyed, or otherwise reasonably

necessary or appropriate for DHCD to review in connection with its exercise of the HSF First Refusal Right.

- I.** The transfer to DHCD pursuant to the HSF First Refusal Right shall be subject to such other requirements as may be more fully described in the HSF Regulations consistent with the HSF Statute. Adjustments in the purchase price for recording fees, deed excise stamp taxes and other charges shall be made, and any other issues associated with the transfer shall be resolved, in accordance with standard conveyancing practice in The Commonwealth of Massachusetts. If either party so desires, the parties shall enter into a purchase and sale agreement memorializing the terms of the sale, consistent with the terms hereof and of the HSF Statute; provided, however, that the HSF First Refusal Right shall be binding regardless of whether the parties execute a purchase and sale agreement. Notwithstanding any other provision hereof to the contrary, if, after delivering notice of its intention to exercise the HSF First Refusal Right, DHCD determines, in its sole discretion, that it is not in the best interests of DHCD to effect the purchase, DHCD may terminate the HSF First Refusal Right at any time, upon written notice delivered to the Grantor and recorded with the Registry of Deeds; provided, however, that such termination right shall apply to DHCD only, and not to any assignee. If DHCD exercises such termination right or if either DHCD or its assignee (other than the Sponsor) fails to perform hereunder on or before the HSF Closing Deadline through no fault of the Grantor, then the HSF First Refusal Right shall lapse and be of no further force or effect.
  - J.** Concurrently with its acquisition of the Property, DHCD shall cause to be recorded with the Registry of Deeds an affordable housing restriction, in compliance with the HSF Statute and any other applicable statutory requirements for the same (and, in the case of an assignee, in form acceptable to DHCD, in its discretion), which shall require that such Property shall be used only for the purposes of preserving or providing affordable housing thereon, which housing shall remain affordable for a period of not less than fifty (50) years.
- 13. Term of Restrictions; Covenants to Run with Land.** The term of this Restriction shall be perpetual. The "Option Term" shall be the period from the fiftieth anniversary of the date hereof through the HIF/HSF Option Exercise Deadline (as defined in Section 8 above) plus any additional period necessary for the consummation of a purchase of the Property under any of the Purchase Options and the First Refusal Rights described above, if applicable. Notwithstanding any provision to the contrary herein or in any of the other Loan Documents, this Restriction shall remain in full force for the full term set forth herein including any extension, notwithstanding any prepayment of the Loan. The restrictions contained herein shall run with the land, shall bind the successors and assigns of the Grantor, and shall inure to the benefit of the Holders and their successors and assigns as permitted herein. Notwithstanding the foregoing, at the end of the term of affordability for a particular program, as set forth on Exhibit C, as it may have been extended, provided that all obligations under the loan provided by such Program have been satisfied in full at that time, as determined by the appropriate Holder, the Grantor may request that the Holders modify this Restriction to eliminate the requirements imposed by or otherwise relating to such Program set forth in this Restriction. The parties shall cooperate to prepare an appropriate amendment to this Restriction, which amendment shall be duly recorded with the Registry of Deeds by the Grantor at



its cost and expense. Notwithstanding the foregoing, this Restriction shall not expire until the recording in the Registry of Deeds of a written determination by the Secretary of EOHHS, that there is no longer a need to maintain and use the Property as CBH Community-based Housing.

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

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

**16. Reporting Requirements.**

**A. DHCD Web-Based Report.** Annually, no later than September 30, Grantor shall submit to DHCD, via the web-based annual reporting system located at <https://hedhsgdevannualreport.azurewebsites.net>, or as otherwise instructed, an annual report consisting of all data required by DHCD regulations at 760 CMR 61.00 promulgated pursuant to Chapter 334 of the Acts of 2006 and all applicable DHCD directives, guidelines and forms as may be amended from time to time. The Grantor shall collect said data for the express purpose of reporting to DHCD, and the collection and reporting of said data shall comply with said regulations, directives, guidelines and forms.

**B. Annual Report.** Annually, no later than September 30, Grantor shall submit to each Holder an annual report consisting of the following:

- (i) Annual adjusted income of each Family occupying a Restricted Unit.
- (ii) Monthly gross rents (rents plus utility allowances, if applicable) for all Restricted Units, such rents to be consistent with the schedule of maximum rents published annually by DHCD. The rent schedule shall include the maximum rents applicable to Restricted Units under Section 3 as well as the actual rents to be charged to over-income Families under Section 3.
- (iii) The Grantor's certification, made to the best knowledge and belief of the officer or individual signing such certification, that:
  - (a) The Property continues to be used for the Permitted Uses.
  - (b) The Property continues to contain the required number of Low Income Units and Extremely Low Income Units and to comply with the rent and other restrictions applicable to such Restricted Units.

(c) Grantor has not transferred, pledged or encumbered any interest in the Property, except as specifically provided in, and in accordance and compliance with the terms of, this Restriction.

(d) Grantor has caused the Property to be maintained in a manner consistent with the Statutes, Regulations and Guidelines and no children under six years old reside in or occupy the Property within the meaning of the Lead Paint Law or, if such children do reside in or occupy the Property, that the Property is in compliance with the Lead Paint Law.

(e) The information submitted pursuant to this Paragraph B is true and accurate.

**C. Confidentiality.** The Holders and the Grantor shall treat as confidential any of the foregoing information relating to a specific Resident or Unit in compliance with all applicable state and federal statutes and regulations, including M.G.L. c. 66A, and shall implement adequate systems and procedures for maintaining the confidentiality of such information (but the Holders and the Grantor may release general statistical and other information about the Property, so long as the privacy rights and interests of the individual Residents are protected). The Holders and the Grantor shall not use any of the foregoing information in Paragraph A.(iii) for any purpose described in Section 603(d)(1) of the federal Fair Credit Reporting Act (15 U.S.C. § 1681a(d)(1)) or in any manner that would cause a Holder or Grantor to be considered a "consumer reporting agency" under Section 603(f) of the federal Fair Credit Reporting Act (15 U.S.C. § 1681a(f)).

**D. Additional Reports.** Grantor shall prepare and submit to the Holders such additional reports as any Holder may deem necessary to ensure compliance with the requirements of this Restriction and of the Programs.

**E. Records.** The Grantor shall maintain as part of its records (i) copies of all leases of Restricted Units; (ii) all initial and annual income certifications by Residents of Restricted Units and (iii) such additional records as any Holder may deem necessary to ensure compliance with the requirements of this Restriction and of the Programs.

**F. Additional Reporting Requirements.** Additional reporting requirements are stipulated in the Loan Agreement.

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

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

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

**20. Enforcement.** Upon violation by the Grantor of any of the provisions of this Restriction that remains uncured for more than thirty (30) days after notice thereof from any Holder (or for such longer period not to exceed thirty (30) days as shall be reasonably required under the circumstances to cure such violation, provided that the Grantor has commenced the cure of such violation within the initial thirty (30) day period and is thereafter diligently pursuing the cure to completion), any Holder, at its option (without liability to any party for failure to do so), may apply to any court, state or federal, for specific performance of this Restriction or an injunction against any violation of this Restriction, or for such other relief as may be appropriate, since the injury arising from the default under any of the terms of this Restriction would be irreparable and the amount of damage would be difficult to ascertain and may not be compensable by money alone. In each such default notice, the Holder giving such notice shall specify the violation in question and the actions such Holder believes are necessary and feasible to remedy such violation. No waiver by a Holder of any breach of this Restriction shall be deemed a waiver of such breach by any other Holder or a waiver of any other or subsequent breach. No act or omission by any Holder, other than a writing signed by it waiving a breach by the Grantor in accordance with the next Section hereof, shall constitute a waiver thereof. Any Holder shall be entitled to recover from the Grantor all of such Holder's reasonable costs of an action for enforcement of this Restriction, including reasonable attorneys' fees (including the time of any in-house counsel of a Holder charged at the same rate as comparable outside attorneys). By its acceptance of this Restriction, no Holder undertakes any liability or obligation relating to the condition of the Property. Without limiting any other rights or remedies available to a Holder, any transfer of all or any other portion of the Property in violation of the provisions hereof, in the absence of a certification from all Holders approving, or waiving any restrictions with respect to, the same, all as set forth above, shall, to the maximum extent permitted by law, be voidable by any Holder, by suit in equity to enforce the restrictions hereof.

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

**22. Senior Lender Foreclosure.**

- A.** Notwithstanding anything herein to the contrary, but subject to the provisions of this Section, if the holder of record of a first mortgage granted to a state or national bank, state

or federal savings and loan association, cooperative bank, mortgage company, trust company, insurance company or other institutional or governmental lender shall acquire the Property by reason of foreclosure or similar remedial action under the provisions of such mortgage or upon conveyance of the Property in lieu of foreclosure, and provided that the holder of such mortgage has given the Holders and the Secretary of EOHHS not less than sixty (60) days' prior written notice of its intention to foreclose upon its mortgage or to accept a conveyance of the Property in lieu of foreclosure to attempt to structure a workout or other arrangement to avoid such foreclosure, conveyance in lieu of foreclosure, or similar remedial action and the Secretary of EOHHS has failed within such sixty (60) days to locate a purchaser for the Property who is capable of operating the Property for the Permitted Uses subject to the provisions of this Restriction and who is reasonably acceptable to such mortgage holder, then except as provided below, the rights and restrictions herein contained shall not apply to such mortgage holder upon such acquisition of the Property or to any purchaser of the Property from such mortgage holder, and such Property shall, subject to Paragraph B. below, thereafter be free from all such rights and restrictions. The recording in the Registry of Deeds of a sworn affidavit by the foreclosing mortgagee certifying as to the failure of the Secretary of EOHHS to meet the foregoing deadline may be relied upon by any third party, provided that the foreclosure deed is recorded not more than six (6) months after the receipt by the Secretary of EOHHS of the foreclosure notice. Notwithstanding the foregoing, the rights and restrictions contained herein shall terminate only to the extent it is financially infeasible to maintain the level of affordability required by this Restriction or some lesser level of affordability (i.e., fewer Restricted Units or Restricted Units affordable to Families with higher Household Incomes than those required by this Restriction). "Financially infeasible" shall mean (i) with respect to the operation of the Property, that the rent and other income from the Property is, or is reasonably projected to be, less than the reasonable expenses required (or reasonably projected to be required) to maintain and operate the Property and (ii) with respect to a sale of the Property, that the restrictions would prevent (or be reasonably projected to prevent) the senior mortgage holder from recovering all amounts due and owing with respect to its financing of the Property, including without limitation, principal, interest, charges, costs, expenses, late fees and prepayment premiums. Financial infeasibility shall be determined by the senior mortgage holder in its sole discretion after consultation with the Holders. The senior mortgage holder shall notify the Holders of the extent to which the rights and restrictions contained herein shall be terminated and the Grantor agrees to execute any documents required to modify this Restriction to conform to the senior mortgage holder's determination. The Grantor hereby irrevocably appoints any senior mortgage holder and each of the Holders, its true and lawful attorney-in-fact, with full power of substitution, to execute, acknowledge and deliver any such documents on behalf of the Grantor should the Grantor fail or refuse to do so.

- B.** The rights and restrictions contained herein shall not lapse if the Property is acquired through foreclosure or deed in lieu of foreclosure by (i) the Grantor, (ii) any person with a direct or indirect financial interest in the Grantor, (iii) any person related to a person described in clause (ii) by blood, adoption or marriage, (iv) any person who is or at any time was a business associate of a person described in clause (ii), and (v) any entity in which

any of the foregoing have a direct or indirect financial interest (each a "Related Party"). Furthermore, if the Property is subsequently acquired by a Related Party during the period in which this Restriction would have remained in effect but for the provisions of this Section, this Restriction shall be revived and shall apply to the Property as though it had never lapsed.

- C.** In the event such mortgage holder conducts a foreclosure or other proceeding enforcing its rights under such mortgage and the Property is sold for a price in excess of the sum of the outstanding principal balances of all notes secured by mortgages of the Property plus all future advances, accrued interest and all reasonable costs and expenses which the holders thereof are entitled to recover pursuant to the terms of such mortgages, such excess shall be paid to the Holders in consideration of the loss of the value and benefit of the rights and restrictions herein contained and released by the Holders pursuant to this Section in connection with such proceeding, provided that in the event that such excess shall be so paid to the Holders by such mortgage holder, the Holders shall thereafter indemnify such mortgage holder against loss or damage to such mortgage holder resulting from any claim made by the mortgagor of such mortgage to the extent that such claim is based upon payment of such excess by such mortgage holder to the Holders in accordance herewith, provided that such mortgage holder shall give the prompt notice of any such claim and shall not object to intervention by the Holders in any proceeding relating thereto. The Holders shall share any such excess pro rata in proportion to the respective amounts of principal and interest (if any) then outstanding on their portions of the Loan and the liability of a Holder under the foregoing indemnity shall be limited to the amount of such excess received by it. To the extent the Grantor possesses any interest in any amount which would otherwise be payable to the Holders under this Paragraph, to the full extent permissible by law, the Grantor hereby assigns its interest in such amount to said mortgage holder for payment to the Holders.
- D.** This Restriction is senior to the MHP first mortgage loan, as the same may be amended, modified or restated. MHP may terminate, modify or subordinate this Restriction in accordance with and subject to the requirements set forth in Paragraphs A. through C. above. The Grantor agrees to execute any documents required so to terminate, modify or subordinate this Restriction. The Grantor understands and agrees that, in the event of foreclosure of the MHP first mortgage loan and the exercise by MHP of the Power of Sale therein, the Property will be sold subject to the restrictions imposed hereby, unless MHP exercises its rights to terminate, modify or subordinate this Restriction prior to such sale. The Grantor hereby irrevocably appoints MHP, or any agent designated by MHP, its true and lawful attorney-in-fact, with full power of substitution, to execute, acknowledge and deliver any such documents on behalf of the Grantor should the Grantor fail or refuse to do so.
- 23. Notices.** Except for any notice required under applicable law to be given in a different manner, any notice, request or other communication which any party hereto may be required or may desire to give hereunder shall be made in writing, and shall be deemed to have been properly given if hand delivered, if sent by recognized overnight courier, receipt confirmed, or if mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed to the parties at their

respective addresses first set forth above, or to such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice. A notice sent by any of the foregoing methods shall be deemed given upon documented receipt or refusal. The Holders shall use reasonable efforts to send courtesy copies of all notices sent to the Grantor to the Grantor's investor at the address set forth below, provided that any failure to send such a courtesy copy shall not affect the validity of any notice: Stratford Lighthouses Investors Limited Partnership, Attn: Asset Management (The Lighthouses), 100 Corporate Place, Suite 404, Peabody, MA 01960, with a copy to Holland & Knight LLP, 10 St. James Ave., 12<sup>th</sup> Floor, Boston, MA 02116, Attn: Jonathan I. Sirois, Esq.

**24. Successors and Assigns; No Third-Party Beneficiaries.** This Restriction shall be binding upon the Grantor and its successors and assigns, and shall burden the Property as specified herein. This Restriction shall also be binding upon the Holders, and shall inure to the benefit of their successors and assigns, provided that a Holder shall not voluntarily assign its rights hereunder unless (a) such Holder believes in good faith that it is no longer reasonably capable of performing its duties hereunder, and (b) such assignment shall be to a governmental body or an entity of a similar character and purposes to such Holder which is reasonably capable of performing such duties hereunder (except that DHCD's rights with respect to the Purchase Option and First Refusal Right are assignable, as set forth herein).

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

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

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

establish, preserve and protect the ability of the Holders and their successors and assigns to enforce this Restriction.

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

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

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

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

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

[Signatures Appear on the Following Page]

Executed under seal as of the date set forth above.

**THE LIGHTHOUSES APARTMENTS LLC**

By: THE LIGHTHOUSES MM LLC, its Managing Member

By: North Shore Community Development Coalition, Inc., its managing member

By: 

Mickey Northcutt

Its: Chief Executive Officer

**COMMONWEALTH OF MASSACHUSETTS**

Essex County, ss.

On this 23<sup>rd</sup> day of June, 2021, before me, the undersigned notary public, personally appeared Mickey Northcutt, proved to me through satisfactory evidence of identification, which was (a current driver's license) (a current U.S. passport) ~~(my personal knowledge of the identity of the principal)~~, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily, as Chief Executive Officer of North Shore Community Development Coalition, Inc., the managing member of The Lighthouses MM LLC, the managing member of The Lighthouses Apartments LLC, for its stated purpose as the voluntary act of The Lighthouses Apartments LLC.

  
Notary Public

My commission expires:

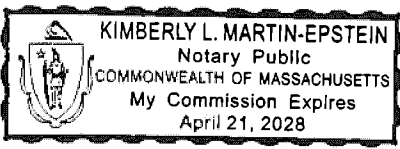




EXHIBIT A Property Description

EXHIBIT B Projected Initial Rent Schedule for Units Other Than Home Assisted Units

EXHIBIT B-1 Projected Initial Rent Schedule for \ Home Assisted Units

EXHIBIT C Initial Affordability Matrix

EXHIBIT C-1 Post-HAP Affordability Matrix

EXHIBIT D Additional Definitions

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**EXHIBIT A : PROPERTY DESCRIPTION**

**34 Peabody Street, Salem, MA**

That land, together with the buildings thereon, situated at and known as 34 Peabody Street, Salem, Essex County, Massachusetts as described in that Deed recorded in Book 35558, Page 201 and shown on that plan by Gail L. Smith, Land Surveyor, North Shore Survey Corporation, entitled "ALTA/NSPS Land Title Survey, 34 Peabody Street, Salem, MA, Property of 34 Peabody Street, Inc., Prepared for the Lighthouses Apartments LLC, Scale 1-10," dated May 14, 2021, last revised July 8, 2021, and designated Job No. #2163, as more particularly bounded and described as follows::

**RECORD LEGAL DESCRIPTION:**

**PARCEL I:**

The land in Salem, bounded and described as follows:

Commencing at the Northwest bound and running

EASTERLY: by Peabody Street, sixty and fifteen hundredths (60.15) feet, more or less; thence

SOUTHERLY: by land now or formerly of Newcomb and Haskell, fifty-one and thirty hundredths (51.30) feet more or less; thence turning and running

WESTERLY: by land now or formerly of Newcomb and Haskell, seventeen and fifty hundredths (17.50) feet more or less; thence turning and running

SOUTHERLY: by land now or formerly of Newcomb and Haskell, thirty-four and fifty hundredths (34.50) feet more or less; thence

WESTERLY: by Ward Street, forty-six (46) feet more or less; thence

NORTHERLY: by land now or formerly of Wicker, eighty (80) feet more or less; to the point of beginning.

**PARCEL II:**

A certain parcel of land, together with the buildings thereon, situated in said Salem, bounded and described as follows:

Beginning at a point on Ward Street, at land now or formerly of Collier, thence running

NORTHERLY: by said land now or formerly of Collier, forty-six and twenty-three hundredths (46.23) feet, more or less, to a corner, thence turning and running

EASTERLY: by said land now or formerly of Collier, one and sixty-seven hundredths (1.67) feet more or less to other land now or formerly of Collier; thence turning and running

NORTHERLY: by land now or formerly of Dennehy about forty-four and fifty-nine hundredths (44.59) feet to Peabody Street, thence turning and running

WESTERLY: by said Peabody Street forty-two and seventy hundredths (42.70) feet more or less to land of Newcomb; thence turning and running by said land of Newcomb about fifty-one and thirty hundredths (51.30) feet; thence turning and running

SOUTHERLY: by said land of Newcomb about fifty-one and thirty hundredths (51.30) feet; thence turning and running

WESTERLY: by said land of Newcomb about seventeen and fifty hundredths (17.50) feet; thence turning and running

SOUTHERLY: by said land of Newcomb about thirty-four and fifty hundredths (34.50) feet to Ward Street; thence turning and running

EASTERLY: by said Ward Street about fifty-six and forty-five hundredths (56.45) feet to the point begun at.

Said land is subject to and together with the benefit of that Easement Agreement between the City of Salem and 34 Peabody Street, Inc. dated September 30, 2020 and recorded with the Registry on June 11, 2021 in Book 39970, Page 101.

#### **SURVEYED LEGAL DESCRIPTION:**

Commencing at the Northwest bound and running

EASTERLY: by Peabody Street, one hundred and seven and forty-one hundredths (107.41) feet more or less; thence

SOUTHERLY: by land of Salem Point II Limited Partnership and land of New Point Acquisitions, Inc., forty-four and seventy-three hundredths (44.73) feet, more or less; thence turning and running

WESTERLY: by land of New Point, one and seventy-eight hundredths (1.78) feet more or less; thence turning and running

SOUTHERLY: by land of New Point, forty-six and twenty-three hundredths (46.23) feet, more or less; thence

WESTERLY: by Ward Street, one hundred and five and twenty-eight hundredths (105.28) feet more or less; thence

NORTHERLY: by land of Salem Point II Limited Partnership and land of Lafayette Housing Limited Partnerships, seventy-nine and seventy-eight hundredths (79.78) feet more or less; to the point of beginning.

Said land is subject to and together with the benefit of that Easement Agreement between the City of Salem and 34 Peabody Street, Inc. dated September 30, 2020 and recorded with the Registry on June 11, 2021 in Book 39970, Page 101.

For title reference see Deed recorded in Book 40152, Page 63.

**38-40 Palmer Street, Salem, MA**

The land, together with the buildings thereon, situated at and known as 38-40 Palmer Street, Salem, Essex County, Massachusetts, as described in that Deed recorded in Book 34711, Page 49 and shown on that plan by Gail L. Smith, Land Surveyor, North Shore Survey Corporation, entitled "ALTA/NSPS Land Title Survey, 38 Palmer Street, Salem, Property of 47 Leavitt Street, Prepared for the Lighthouses Apartments LLC, Scale 1-10," dated May 24, 2021, last revised July 8, 2021, and designated Job No. #5189, as more particularly bounded and described as follows:

**RECORD LEGAL DESCRIPTION:**

NORTHERLY: by Palmer Street, seventy-five (75) feet, two (2) inches, more or less;  
EASTERLY: by Naumkeag Street, forty (40) feet, more or less;  
SOUTHERLY: by land now or late of Normand and Martel, eighty (80) feet, more or less;  
WESTERLY: by Prince Street, forty-eight and 65/100 (48.65) feet, more or less.

*less and except* that portion of the land taken by the City of Salem pursuant to that Taking and Plan, City of Salem, recorded on June 1, 1915 in Book 2296, Page 200.

**SURVEYED LEGAL DESCRIPTION:**

NORTHWESTERLY: by Palmer Street, thirteen and 17/100 (13.17) feet, more or less;  
NORTHERLY: by Palmer Street, fifty-five and 68/100 (55.68) feet, more or less;  
EASTERLY: by Naumkeag Street, forty (40) feet, more or less;  
SOUTHERLY: by land now or late of 36-38 Naumkeag Street Condominium and Struckman seventy-one and 82/100 (71.82) feet, more or less;  
WESTERLY: by Prince Street, forty-eight (48) feet, more or less.

**47 Leavitt Street, Salem, MA**

The land together with the buildings thereon, situated at and known as 47 Leavitt Street, Salem, Essex County, Massachusetts as described in that Deed recorded in Book 33479, Page 399 and shown on that plan by Gail L. Smith, Land Surveyor, North Shore Survey Corporation, entitled "ALTA/NSPS Land Title Survey, 47 Leavitt Street, Salem, MA, Property

of 47 Leavitt Street, LLC, Prepared for the Lighthouses Apartments LLC, Scale 1-10" dated May 14, 2021, last revised July 8, 2021, and designated Job No. #5190, as more particularly bounded and described as follows:

**RECORD & SURVEYED LEGAL DESCRIPTION:**

BEGINNING at the southwesterly corner thereof at the corner of Leavitt Street and Naumkeag Street;

THENCE in a northerly direction by Naumkeag Street, about 114 feet to land now or formerly of Deschenes;

THENCE turning and running easterly by said Deschenes land about 44.5 feet to land now or formerly of Arthur Michaud;

THENCE turning and running southerly by land of Arthur Michaud, about 22.06 feet;  
THENCE turning and running easterly by said Michaud land, about 9.28 feet;

THENCE turning and running southerly by land of said Michaud about 20.73 feet;

THENCE turning and running easterly by land of said Michaud about 56 feet to Congress Street;

THENCE turning and running southerly by Congress Street about 65 feet to Leavitt Street;

THENCE turning and running westerly by Leavitt Street about 112 feet to Naumkeag Street and the point of beginning.

Said land being subject to and together with the benefit of that Easement Agreement between City of Salem and 47 Leavitt Street LLC dated September 30, 2020 and recorded with the Registry on June 11, 2021 and recorded with the Registry on June 11, 2021 in Book 39970, Page 106.

For title reference see Deed recorded in Book 40152, Page 67.

**EXHIBIT B : PROJECTED INITIAL RENT SCHEDULE FOR UNITS OTHER THAN HOME ASSISTED UNITS**

(Rents assume that the Grantor pays all utilities. An allowance for any utilities paid by tenants must be deducted from these rents. Utility allowances are available from the local housing authority.)

| UNIT TYPE | INCOME LEVEL         |                 |            |                 |                      |
|-----------|----------------------|-----------------|------------|-----------------|----------------------|
|           | EXTREMELY LOW INCOME | VERY LOW INCOME | LOW INCOME | MODERATE INCOME | HIGH MODERATE INCOME |
| SRO       | \$528.00             | \$881.00        | \$1,057.00 | \$1,326.00      | \$1,938.00           |
| STUDI     | \$705.00             | \$1,175.00      | \$1,410.00 | \$1,768.00      | \$2,585.00           |
| OS        |                      |                 |            |                 |                      |
| 1-BR      | \$755.00             | \$1,258.00      | \$1,510.00 | \$1,895.00      | \$2,769.00           |
| 2-BR      | \$906.00             | \$1,510.00      | \$1,812.00 | \$2,273.00      | \$3,322.00           |
| 3-BR      | \$1046.00            | \$1,745.00      | \$2,094.00 | \$2,627.00      | \$3,839.00           |
| 4-BR      | \$1,167.00           | \$1,946.00      | \$2,335.00 | \$2,930.00      | \$4,281.00           |

**EXHIBIT B-1: PROJECTED INITIAL RENT SCHEDULE FOR HOME ASSISTED UNITS**

(Rents assume that the Grantor pays all utilities. An allowance for any utilities paid by tenants must be deducted from these rents. Utility allowances are available from the local housing authority.) For Studios without both a kitchen and bathroom (i.e. an SRO), the rent will be 75% of the Fair Market Rent for a Studio.

| UNIT TYPE | INCOME LEVEL |            |
|-----------|--------------|------------|
|           | LOW HOME     | HIGH HOME  |
| STUDIOS   | \$1,175.00   | \$1,509.00 |
| 1-BR      | \$1,258.00   | \$1,618.00 |
| 2-BR      | \$1,510.00   | \$1,943.00 |
| 3-BR      | \$1,745.00   | \$2,236.00 |
| 4-BR      | \$1,946.00   | \$2,475.00 |





|            |                  |   |   |  |  |   |  |
|------------|------------------|---|---|--|--|---|--|
|            |                  |   |   | 1-BR<br>___<br>2-BR<br>___<br>3-BR<br>___<br>4-BR<br>___                                       | 4 1-BR<br>26 2-BR<br>5 3-BR<br>___<br>4-BR<br>___  | 1-BR<br>___<br>2-BR<br>___<br>3-BR<br>___<br>4-BR<br>___                                | 1-BR<br>___<br>2-BR<br>___<br>3-BR<br>___<br>4-BR<br>___                                       |
| SALEM HOME | 20 + 10<br>years | SRO<br>___<br>Studio<br>___<br>1-BR<br>___<br>2-BR<br>___<br>3-BR<br>___<br>4-BR<br>___ | SRO<br>___<br>Studio<br>___<br>1-BR<br>___<br>2-BR<br>___<br>3-BR<br>___<br>4-BR<br>___ | SRO<br>___<br>Studio<br>___<br>2 1-BR<br>___<br>4 2-BR<br>___<br>2 3-BR<br>___<br>4-BR<br>___  | SRO<br>___<br>Studio<br>___<br>2 1-BR<br>___<br>4 2-BR<br>___<br>2 3-BR<br>___<br>4-BR<br>___  | SRO<br>___<br>Studio<br>___<br>1-BR<br>___<br>2-BR<br>___<br>3-BR<br>___<br>4-BR<br>___ | SRO<br>___<br>Studio<br>___<br>1-BR<br>___<br>2-BR<br>___<br>3-BR<br>___<br>4-BR<br>___        |
| SALEM CPA  | Perpetual        | SRO<br>___<br>Studio<br>___<br>1-BR<br>___<br>2-BR<br>___<br>3-BR<br>___<br>4-BR<br>___ | SRO<br>___<br>Studio<br>___<br>1-BR<br>___<br>2-BR<br>___<br>3-BR<br>___<br>4-BR<br>___ | SRO<br>___<br>Studio<br>___<br>1 1-BR<br>___<br>2 2-BR<br>___<br>1 3-BR<br>___<br>4-BR<br>___  | SRO<br>___<br>Studio<br>___<br>1 1-BR<br>___<br>2 2-BR<br>___<br>1 3-BR<br>___<br>4-BR<br>___  | SRO<br>___<br>Studio<br>___<br>1-BR<br>___<br>2-BR<br>___<br>3-BR<br>___<br>4-BR<br>___ | SRO<br>___<br>Studio<br>___<br>1-BR<br>___<br>2-BR<br>___<br>3-BR<br>___<br>4-BR<br>___        |
| COMPOSITE  |                  | SRO<br>___<br>STUDIO<br>___<br>1-BR<br>___<br>2-BR<br>___<br>3-BR<br>___<br>4-BR<br>___ | SRO<br>___<br>STUDIO<br>___<br>1-BR<br>___<br>2-BR<br>___<br>3-BR<br>___<br>4-BR<br>___ | SRO<br>___<br>STUDIO<br>___<br>2 1-BR<br>___<br>16 2-BR<br>___<br>1 3-BR<br>___<br>4-BR<br>___ | SRO<br>___<br>STUDIO<br>___<br>2 1-BR<br>___<br>10 2-BR<br>___<br>4 3-BR<br>___<br>4-BR<br>___ | SRO<br>___<br>STUDIO<br>___<br>1-BR<br>___<br>2-BR<br>___<br>3-BR<br>___<br>4-BR<br>___ | SRO<br>___<br>STUDIO<br>___<br>2 1-BR<br>___<br>10 2-BR<br>___<br>4 3-BR<br>___<br>4-BR<br>___ |

NOTE: As set forth in Section 2, the Property must include at least three (3) Units accessible to individuals with mobility impairments (consisting of 2 one-bedroom Units and 1 two-bedroom Units) and at least one (1) additional Unit accessible to individuals with sensory impairments (consisting of 1 Studio Unit).

**Exhibit C-1: POST-HAP AFFORDABILITY MATRIX** -- NOTE THAT IN ORDER TO SATISFY THE AFFORDABILITY REQUIREMENTS OF THE MHP FIRST MORTGAGE LOAN AT LEAST NINETEEN (19) OF THE TOTAL UNITS SHALL BE LOW INCOME UNITS.

| NUMBER/SIZE OF UNITS REQUIRED BY | TERM          | INCOME CATEGORY                               |   |  |   |  |  |
|----------------------------------|---------------|---|---|--|---|--|--|
|                                  |               | HIGH MODERATE INCOME (100% AMI)               | MODERATE INCOME (80% AMI)                     | LOW INCOME (60% AMI)                             | VERY LOW INCOME (50% AMI)                       | EXTREMELY LOW INCOME (30% AMI)                       |  |
| HOME                             | 20 + 10 Years | SRO<br>Studio<br>1-BR<br>2-BR<br>3-BR<br>4-BR | SRO<br>Studio<br>1-BR<br>2-BR<br>3-BR<br>4-BR | 2Studio<br>41-BR<br>22-BR<br>3-BR<br>4-BR        | SRO<br>Studio<br>21-BR<br>2-BR<br>13-BR<br>4-BR | SRO<br>Studio<br>1-BR<br>2-BR<br>3-BR<br>4-BR        |  |
| AHT                              | Perpetual     | SRO<br>Studio<br>1-BR<br>2-BR<br>3-BR<br>4-BR | SRO<br>Studio<br>1-BR<br>2-BR<br>3-BR<br>4-BR | 11 Studio<br>2 1-BR<br>16 2-BR<br>1 3-BR<br>4-BR | SRO<br>Studio<br>1-BR<br>2-BR<br>3-BR<br>4-BR   | SRO<br>Studio<br>2 1-BR<br>10 2-BR<br>4 3-BR<br>4-BR |  |
| HIF                              | 30 years      | SRO<br>Studio<br>1-BR<br>2-BR<br>3-BR<br>4-BR | SRO<br>Studio<br>1-BR<br>2-BR<br>3-BR<br>4-BR | 11 Studio<br>2 1-BR<br>16 2-BR<br>1 3-BR<br>4-BR | SRO<br>Studio<br>1-BR<br>2-BR<br>3-BR<br>4-BR   | SRO<br>Studio<br>1-BR<br>9 2-BR<br>4 3-BR<br>4-BR    |  |
| CBH                              | 30 years      | SRO<br>Studio<br>1-BR<br>2-BR<br>3-BR<br>4-BR | SRO<br>Studio<br>1-BR<br>2-BR<br>3-BR<br>4-BR | SRO<br>Studio<br>1-BR<br>2-BR<br>3-BR<br>4-BR    | SRO<br>Studio<br>1-BR<br>2-BR<br>3-BR<br>4-BR   | SRO<br>Studio<br>2 1-BR<br>1 2-BR<br>3-BR<br>4-BR    |  |
| HSF                              | 50 years      | SRO<br>Studio<br>1-BR<br>2-BR<br>3-BR<br>4-BR | SRO<br>Studio<br>1-BR<br>2-BR<br>3-BR<br>4-BR | 11 Studio<br>2 1-BR<br>16 2-BR<br>1 3-BR<br>4-BR | SRO<br>Studio<br>1-BR<br>2-BR<br>3-BR<br>4-BR   | SRO<br>Studio<br>2 1-BR<br>10 2-BR<br>4 3-BR<br>4-BR |  |
| CATNHP                           | 30 years      | SRO<br>Studio                                 | SRO<br>Studio                                 | 11 Studio  | SRO<br>Studio                                   | SRO<br>Studio  |  |

|                  |               |  |  |  |  |  |  |  |
|------------------|---------------|--|--|--|--|--|--|--|
|                  |               |  |  | <p>1-BR<br/>2-BR<br/>3-BR<br/>4-BR</p> <p>SRO<br/>Studio<br/>1-BR<br/>2-BR<br/>3-BR<br/>4-BR</p> <p>SRO<br/>Studio<br/>1-BR<br/>2-BR<br/>3-BR<br/>4-BR</p> | <p>1-BR<br/>2-BR<br/>3-BR<br/>4-BR</p> <p>SRO<br/>Studio<br/>1-BR<br/>2-BR<br/>3-BR<br/>4-BR</p> <p>SRO<br/>Studio<br/>1-BR<br/>2-BR<br/>3-BR<br/>4-BR</p> | <p>4 1-BR<br/>26 2-BR<br/>5 3-BR<br/>4-BR</p> <p>SRO<br/>2 Studio<br/>41-BR<br/>22-BR<br/>3-BR<br/>4-BR</p> <p>SRO<br/>Studio<br/>1 1-BR<br/>2 2-BR<br/>1 3-BR<br/>4-BR</p> <p>SRO<br/>STUDIO<br/>4 1-BR<br/>16 2-BR<br/>1 3-BR<br/>4-BR</p> | <p>1-BR<br/>2-BR<br/>3-BR<br/>4-BR</p> <p>SRO<br/>Studio<br/>1-BR<br/>2-BR<br/>3-BR<br/>4-BR</p> <p>SRO<br/>Studio<br/>1-BR<br/>2-BR<br/>3-BR<br/>4-BR</p> <p>SRO<br/>STUDIO<br/>1-BR<br/>2-BR<br/>3-BR<br/>4-BR</p> | <p>1-BR<br/>2-BR<br/>3-BR<br/>4-BR</p> <p>SRO<br/>Studio<br/>1-BR<br/>2-BR<br/>3-BR<br/>4-BR</p> <p>SRO<br/>Studio<br/>1-BR<br/>2-BR<br/>3-BR<br/>4-BR</p> <p>SRO<br/>STUDIO<br/>1-BR<br/>2-BR<br/>3-BR<br/>4-BR</p> |
| SALEM HOME       | 20 + 10 years |  |  |  |  |  |  |  |
| SALEM CPA        | Perpetual     |  |  |  |  |  |  |  |
| <b>COMPOSITE</b> |               |  |  |  |  |  |  |  |

## EXHIBIT D: ADDITIONAL DEFINITIONS

Following are additional definitions used in this Affordable Housing Restriction:

Administrator: Massachusetts Housing Finance Agency, a body politic and corporate and a public instrumentality of The Commonwealth of Massachusetts, or its successors and assigns as applicable.

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

"AHT Program" shall mean the Affordable Housing Trust Fund loan program established under the AHT Statute under which AHT makes loans available to sponsors of affordable housing for Low Income and Extremely Low Income Families.

"AHT Statute" shall mean the Massachusetts Affordable Trust Fund Statute, M.G.L. c.121D.

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

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

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

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

"CATNHP Program" shall mean the Commercial Area Transit Node Housing Program, established for the purpose of housing in commercial areas served by public transit, under which DHCD contracts to make funds available through MHP and other financial intermediaries.

"CATNHP Regulations" shall mean the regulations relating to the CATNHP Program promulgated by DHCD at 760 Code of Massachusetts Regulations, Section 62.00 et seq., as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"CATNHP Statute" shall mean Section 2 of Chapter 99 of the Acts of 2018 (budget line item 7004 0058), as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"CBH Community-based Housing" shall mean housing reserved for PCEs that is: (a) integrated housing (a non-institutional Residential Housing Development (as defined in the CBH Regulations), or housing units therein, either on a single site or multiple sites, in which no more than one-third

of the housing units are reserved for PCEs and which complies with any additional requirements specified in the CBH Guidelines as approved by DHCD); or (b) any other non-institutional Residential Housing Development, or one or more housing units therein, that is reserved for PCEs, as approved by DHCD.

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

"CBH Regulations" shall mean the regulations relating to the CBH Program promulgated by DHCD at 760 Code of Massachusetts Regulations, Section 60.00 et. seq., as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"CBH Program" shall mean the Community-based Housing Fund Program, established for the purpose of facilitating the creation of community-based housing, under which DHCD contracts to make funds available through CEDAC and other financial intermediaries, for such financial intermediaries to loan to sponsors of community-based housing for PCEs, subject to and in accordance with the provisions of the CBH Statute.

"CBH Statute" shall mean Section 2 of Chapter 99 of the Acts of 2018 (budget line item 7004 0051), as affected by Section 30 of Chapter 99 of the Acts of 2018, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"CBH Supportive Housing" shall mean CBH Community-based Housing that provides the CBH Eligible Residents with supports and services linked to their housing.

"CPA Guidelines" shall mean the ordinance of the Salem accepting the provisions of Sections 3 through 7 of the CPA Statute, together with any guidelines issued by the City of Salem and the Salem Community Preservation Committee regarding the CPA Program, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"CPA Program" shall mean the Community Preservation Fund grant program established by the City of Salem under the CPA Statute under which the City of Salem makes grants available to sponsors of certain types of affordable housing and for other purposes authorized by the CPA Statute.

"CPA Statute" shall mean Chapter 44B of the Massachusetts General Laws, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"CPA Regulations" shall mean the informational Guidance Release 01-207 (September 2001), Informational Guidance Release 00-209 (December 2000) and any other bulletins, opinions, guidance or regulations relating to the CPA Statute issued or promulgated by the Commissioner of Revenue of The Commonwealth of Massachusetts, as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"Department of Developmental Services" or "DDS" shall mean the Department of Developmental Services of EOHHS, established pursuant to M.G.L. c. 19B.

"Department of Mental Health" or "DMH" shall mean the Department of Mental Health of EOHHS, established pursuant to M.G.L. c. 19.

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

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

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

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

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

"Guidelines" shall mean the HOME Guidelines, the AHT Guidelines, the HIF Guidelines, the CBH Guidelines, the HSF Guidelines, the CATNHP Guidelines and the CPA Guidelines.

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

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

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

"HIF Statute" shall mean the Massachusetts Housing Innovations Trust Fund Statute, M.G.L. c. 121E, as affected by Section 2 of Chapter 99 of the Acts of 2018 (budget line item 7004 0056), as the same may be amended, supplemented, replaced or otherwise modified from time to time.

"High Moderate Income Family" shall mean a Family whose Household Income is less than or equal to one-hundred percent (100%) of the Family-size Adjusted AMI.

"Holder" shall mean each of DHCD, MHP, AHT, CEDAC, the City, HITF, HSITF, and the CPA Lender, or, as applicable, each successor or assign of the foregoing and "Holders" shall mean all of the foregoing parties, collectively.

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

"HOME Program" shall mean the federal HOME Investment Partnerships Program under which DHCD and the City make loans available to sponsors of certain types of affordable housing.

"HOME Regulations" shall mean 24 C.F.R. Part 92.

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

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

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

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

"HSF Statute" shall mean the Massachusetts Housing Stabilization and Investment Trust Fund Statute, M.G.L. c. 121F, as affected by Section 2 of Chapter 99 of the Acts of 2018 (budget line item 7004 0053), as the same may be amended, supplemented, replaced or otherwise modified from time to time.

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

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

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

"Loan Documents" shall mean collectively, the documents evidencing and securing the Loan.

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

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

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

market rent for the Family's Unit, but in no event lower than the rent such Family was paying prior to becoming an over-income Family.

"PCE" or "Person Certified Eligible" shall mean a Moderate Income Family with disabilities who is institutionalized or at risk of being institutionalized, but who is not eligible for housing developed pursuant to the so-called FCF program, authorized by Chapter 290 of the Acts of 2004, Section 2E (budget line item 4000-8200) as modified and continued by Chapter 119 of the Acts of 2008, Section 2 (budget line item 7004-0029) as amended from time to time, and who has been certified as an eligible PCE by EOHHS (or its designee) in accordance with the procedure described in the CBH Guidelines.

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

"Permitted Uses" shall mean use of the Improvements for the number of rental Units indicated on the first page hereof comprising an Alternative Form of Housing, consistent with the HIF Statute, HIF Regulations and HIF Guidelines, including the number of Restricted Units indicated on the first page hereof of which at least 3 Units (containing a total of not less than four bedrooms) shall be reserved for PCEs and shall qualify as CBH Community-based Housing or CBH Supportive Housing consistent with the CBH Statute, CBH Regulations and CBH Guidelines. Such Permitted Uses shall include activities and/or services of a nature to benefit the Residents of the Restricted Units and/or to benefit the use of the Improvements as an Alternative Form of Housing and/or to benefit use of the Improvements as CBH Community-based Housing.

"Programs" shall mean the HOME Program, the AHT Program, the HIF Program, the CBH Program, the HSF Program, the CATNHP Program and the CPA Program.

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

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

"Regulations" shall mean the HOME Regulations, the HIF Regulations, the CBH Regulations, the HSF Regulations and the CATNHP Regulations.

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

"Restricted Unit" shall mean a Unit required by the terms hereof to be rented to a Low Income Family or an Extremely Low Income Family or a Unit required by the terms hereof to be reserved as CBH Community-based Housing.

"Sponsor" shall mean North Shore Community Development Coalition, Inc.

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

"Statutes" shall mean the HOME Statute, the AHT Statute, the HIF Statute, the CBH Statute, the HSF Statute, the CATNHP Statute, the HOME Statute and the CPA Statute.



"Studio Unit" shall mean a single-room (zero bedroom) Unit that contains a complete kitchen and bathroom.

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

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