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Project: Pine Grove Village
MassHousing No.: 72-101

CRITICAL CAPITAL NEEDS LOAN PROGRAM

DISPOSITION AGREEMENT

This **DISPOSITION AGREEMENT** (the "Agreement") is made as of Jan 25, 2011, by and between the **MASSACHUSETTS HOUSING FINANCE AGENCY**, a body politic and corporate, organized and operated under the provisions of Chapter 708 of the Acts of 1966, as amended, having an address of One Beacon Street, Boston, Massachusetts 02108 ("MassHousing"), and **PINE GROVE VILLAGE COOPERATIVE CORPORATION**, a Massachusetts corporation, having an address of 40 Grove Street, Suite 350, Wellesley, Massachusetts 02482 (the "Owner").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MassHousing and Owner agree as follows:

ARTICLE I DEFINITIONS

1.1 As used herein the following terms shall have the meanings ascribed to them below:

- (a) "Annual Income" – a family's or person's gross annual income less such reasonable allowances for dependents (other than spouse) and for medical expenses as MassHousing determines.
- (b) "Annual Income Limit" – the maximum annual income amount that would make a tenant eligible for units owned and leased by the local housing authority in the city or town in which the Development is located or, in the event there is no local housing authority, that amount established as the maximum for eligibility for low-rent units by the Commonwealth of Massachusetts Department of Housing and Community Development ("DHCD").
- (c) "Enabling Act" – chapter 708 of the Acts of 1966, as amended.
- (d) "Family" – two (2) or more persons who occupy the same dwelling or unit.
- (e) "Low-Income Persons or Families" – those persons and families whose annual income is equal to or less than the Annual Income Limit.
- (f) "Property," "Land," or "Development" – the 16-unit multi-family residential development known as "Pine Grove Village" located at 1 Judges Road, Lexington, Massachusetts, as more particularly described in Exhibit A – Legal Description of Property attached hereto and incorporated herein by reference, including all improvements associated therewith.

- (g) "Registry" – the Middlesex South District Registry of Deeds.
- (h) "Subordinate Loan" – the subordinate loan made by MassHousing to the Owner under MassHousing's Critical Capital Needs Loan Program for the Development, evidenced and secured, inter alia, by the Subordinate Note and the Subordinate Mortgage.
- (i) "Subordinate Mortgage" – the mortgage instrument of contemporaneous date herewith granted by the Owner to MassHousing securing the Subordinate Loan, recorded with the Registry concurrently herewith, including all amendments and modifications thereto.
- (j) "Subordinate Mortgage Note" – the promissory note from the Owner to MassHousing of contemporaneous date herewith evidencing the Subordinate Loan, including all amendments and modifications thereto.

ARTICLE II
RESTRICTIONS ON USE OF THE PROJECT;
AFFIRMATIVE FAIR HOUSING MARKETING AND TENANT SELECTION PLAN

2.1. For the term of this Agreement, hereinafter defined, the Owner covenants and agrees, for itself and any successors and assigns, that it shall provide that not less than twenty percent (20%) of the total rental units (i.e., four (4) units) used or to be used in connection with the Development shall be rented at all times to Low-Income Persons or Families at rentals, including the provision of heat, electricity and hot water, set on the basis of the use by Low-Income Persons or Families of not more than thirty percent (30%) of the Annual Income Limit for the unit rents by Low-Income Persons or Families, or such greater portion of such persons' or families' annual income as required by laws, regulations, or guidelines applicable to any affordable housing program of an agency of the United States government, or the Commonwealth or any agency thereof.

2.2. The Owner has adopted and implemented (or as of the date of the execution hereof, shall adopt and implement) (i) an affirmative fair marketing plan for all rental units, and (ii) a tenant selection plan for the units to be rented to Low-Income Persons or Families, in both cases consistent with any standards and guidelines adopted by MassHousing as then in effect and all applicable laws. Both the affirmative fair marketing and tenant selection plans shall be subject to review by MassHousing at MassHousing's request from time to time during the term of this Agreement.

ARTICLE III
ENFORCEABILITY

3.1. The covenants set forth in this Agreement shall run with the land, as described in Exhibit A hereto; be binding upon the Owner and any successors and assigns to the fullest extent permitted by law; be for the exclusive benefit of MassHousing; be enforceable solely by MassHousing, its successors and assigns in either law or equity; and survive the foreclosure of the Subordinate Mortgage and be binding upon and enforceable against any purchaser at a foreclosure sale.

3.2. In accordance with the terms of M.G.L. 23A App. §1-5(i), the provisions of this Agreement shall survive the foreclosure of any mortgage and shall be enforceable during the term of such Agreement.

ARTICLE IV
OTHER INSTRUMENTS

4.1. The Owner, its successors and assigns agree to execute and deliver to MassHousing, in form suitable for recording, any document which MassHousing requires to further ensure the enforceability of the terms and provisions of this Agreement.

ARTICLE V
WAIVER AND RELEASE

5.1. MassHousing and its successors and assigns, as sole beneficiary of this Agreement, may release the Owner from its obligations under this Agreement, at any time, if MassHousing determines that such release will preserve affordable housing that would otherwise be converted to market rate housing, or if MassHousing otherwise finds that such release will further the specific purposes of the Enabling Act.

ARTICLE VI
TERM

6.1. The terms and provisions of this Agreement shall remain in full force and effect until the later to occur of: (i) fifteen (15) years from the date hereof; or (ii) so long as MassHousing is the holder of the Subordinate Mortgage.

ARTICLE VII
SEVERABILITY

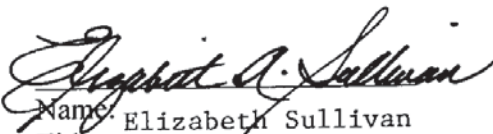
7.1. The provisions of this Agreement are severable, and if any of its provisions shall be declared invalid by any court of competent jurisdiction, the decision of such court shall not affect or impair any of the remaining provisions.

ARTICLE VIII
LIMITED LIABILITY

8.1. This Agreement incorporates by reference the limited recourse provisions contained in the Subordinate Mortgage.

IN WITNESS WHEREOF, the Owner and MassHousing have each caused this Disposition Agreement to be duly executed and delivered at Boston, Massachusetts as an instrument under seal as of the date set forth above.


PINE GROVE VILLAGE COOPERATIVE CORPORATION,
a Massachusetts corporation

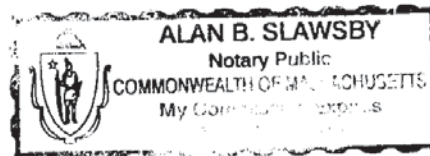
By: 
Name: Elizabeth Sullivan
Title: President

COMMONWEALTH OF MASSACHUSETTS

County of Middlesex, ss. Jan 25, 2011

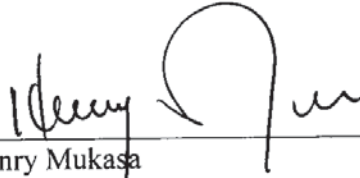
Then personally appeared before me the above-named ~~Elizabeth Sullivan~~, the President of Pine Grove Village Cooperative Corporation, proved to me through satisfactory evidence of identification, which was [] a current driver's license, [] a current U.S. passport, [] my personal knowledge, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he/she signed it voluntarily for its stated purpose as his/her free act and deed, in such capacity, before me


Notary Public Alan B. Slawsby
My Commission Expires: August 26, 2016



Attachments:
Exhibit A – Legal Description of Property

MASSACHUSETTS HOUSING FINANCE AGENCY

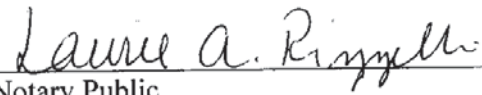
By: 
Henry Mukasa
Director of Rental Management

COMMONWEALTH OF MASSACHUSETTS

County of Suffolk, ss.

March 9, 2011

Then personally appeared before me the above-named Henry Mukasa, the Director of Rental Management for the Massachusetts Housing Finance Agency, proved to me through satisfactory evidence of identification, which was [] a current driver's license, [] a current U.S. passport, [] my personal knowledge, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that she signed it voluntarily for its stated purpose as her free act and deed, in such capacity, before me


Notary Public
My Commission Expires: 12/6/2013


 Laurie A. Rizzelli
Notary Public
Commonwealth of Massachusetts
My Commission Expires
December 6, 2013

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

That certain parcel of land situate in LEXINGTON, Middlesex County, Massachusetts, on the southeasterly side of Worthen Road, bounded and described as follows:

BEGINNING at a point in the southeasterly sideline of Worthen Road at land of the Lexington Home for Aged People, which point marks the north-westerly corner of said parcel; and

THENCE running by Worthen Road

NORTH 62° 40' 48" EAST three hundred forty-five (345.00) feet to land of the Roman Catholic Archbishop of Boston;

THENCE running by the land last named

SOUTH 27° 19' 12" EAST two hundred twenty-two and 49/100 (222.49) feet,
SOUTH 62° 40' 42" WEST one hundred twenty-five and 72/100 (125.72) feet,
SOUTH 09° 29' 43" WEST eighty-two and 50/100 (82.50) feet,
SOUTH 80° 30' 17" EAST twenty (20) feet,
SOUTH 09° 29' 43" WEST eighty (80) feet,
NORTH 80° 30' 17" WEST sixty-six and 02/100 (66.02) feet, and
SOUTH 62° 40' 48" WEST eighty-six and 20/100 (86.20) feet to a corner; and

THENCE running by the land last named and by said land of the Lexington Home for Aged People

NORTH 27° 07' 10" WEST three hundred twenty-five (325.00) feet to the point of BEGINNING.

Said parcel is shown on A "Plan of Land in Lexington, Mass.", dated May 14, 1975, by Albert A. Miller & Wibur C. Nylander, Civil Engineers & Surveyors, recorded with Middlesex South District Registry of Deeds in Book 12864, Page 152, and contains, according to said plan, 97,884 square feet, be said contents measurement more or less.