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Name: Avalon at Bedford Center  
MHFA No: 05-006-N  
Execution Copy

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**REGULATORY AGREEMENT**

**Date:** June 4, 2007

**Borrower's Name and Address:** AVALON AT GREAT MEADOW, INC.  
2900 Eisenhower Avenue, Third Floor  
Alexandria, VA 22314

**Name and Location of Development:** AVALON AT BEDFORD CENTER  
Davis and Concord Road  
Bedford, MA 01730

**Initial Replacement Reserve Requirement:** \$2,896.00 per month

**Borrower's Equity:** \$16,474,000

AGREEMENT between AVALON AT GREAT MEADOW, INC., a Maryland corporation ("Borrower") and Massachusetts Housing Finance Agency (the "Agency"), a body politic and corporate, organized and operated under the provisions of Chapter 708 of the Acts of 1966 of the Commonwealth of Massachusetts as amended (the "Act").

IN CONSIDERATION of the first mortgage loan ("Mortgage Loan"), secured by the Mortgage (hereinafter defined) which the Agency has agreed to advance to Borrower in connection with the residential housing development identified above (the "Development"), Borrower covenants and agrees that, in connection with ownership and operation of the Development, it will comply with the following:

**DEFINITIONS**

1. Unless otherwise defined herein, all capitalized terms used herein shall have the meaning given such terms in the Mortgage, Security Agreement, and Assignment of Leases and Rents, of even date herewith (the "Mortgage"), from Borrower, as mortgagor, to the Agency, as mortgagee, or in any applicable Subsidy Contracts as defined in the Mortgage. As used in this Agreement the terms, "Adjusted Rental," "Below-Market Rental," "Housing Subsidy Programs," "Market Rental" and "Rentals" shall have the same meaning as in Section 6 of the Act and the Rental Determination Regulations adopted by the Agency on May 12, 1998, as the same may be amended from time to time, and any policy determinations promulgated thereunder (said Regulations and policy determinations are herein called the "Rent Regulations"), and the term "annual income" shall have the same meaning as in Section 1(e) of the Act.

PLEASE RETURN TO:  
LANDAMERICA  
150 FEDERAL STREET, SUITE 200  
BOSTON, MA 02110  
ATTN: PRC FILE NO. C14302

5 Davis Rd + 57 Concord Rd Bedford MA

## **RENTALS AND RENTS**

2. (a) The Borrower shall rent units within the Development during the term hereof to low-income persons or families as defined in and upon the terms and conditions as set forth in the Disposition Agreement, dated as of the date hereof (the "Disposition Agreement"), between the Borrower and the Agency and otherwise in accordance with the terms and provisions hereof, including any Rider attached hereto. For the purposes hereof, low-income persons and families subject to the foregoing restrictions are herein referred to as "Low-Income Persons or Families". In fulfilling the foregoing requirement, Borrower will accept referrals of tenants from the Public Housing Authority in the city or town in which the Development is located, and will not unreasonably refuse occupancy to any prospective tenants so referred. The foregoing provisions shall not relieve Borrower of any obligations it may have under the provisions of other documents and instruments it has entered with respect to any applicable Housing Subsidy Program.

(b) Rentals in the Development shall be established as shown on the Rental Schedule attached as Appendix A hereto. With respect to units required under the Disposition Agreement to be rented at Adjusted Rentals ("Restricted Units") such rents shall be subject to change from time to time in accordance with: the terms and provisions hereof; the provisions contained in the Rent Regulations, as amended from time to time ("Rent Regulations"); the terms and provisions of the Disposition Agreement; and any applicable Housing Subsidy Program. The Rent Regulations are incorporated herein by reference with the same force and effect as if set out in the full text of this Agreement and Borrower hereby acknowledges receipt thereof.

(c) Borrower shall obtain income certifications satisfactory in form and manner to the Agency at least every two (2) years for all tenants who are Low-Income Persons or Families ("Low Income Tenants"), or more frequently if required by the Disposition Agreement or any applicable Housing Subsidy Program. Said income certifications shall be kept by the Management Agent and made available to the Agency upon request.

## **TENANT SELECTION AND OCCUPANCY**

3. Borrower shall use commercially reasonable efforts during the term of this Agreement to maintain the Development at full occupancy, provided that Borrower shall comply with applicable Housing Subsidy Programs and other legal restrictions affecting the Development. Borrower shall comply with Borrower's Tenant Selection Plan, as approved by the Agency. The Borrower's Tenant Selection Plan, as approved by the Agency is incorporated herein by reference with the same force and effect as if set out in full text in this Agreement.

4. All occupancy agreements shall be expressly subordinated to the Mortgage. With respect to units not required hereunder or under the Disposition Agreement to be rented at Adjusted Rentals, Borrower may use a residency agreement or lease form published by the Greater Boston Real Estate Board or other reasonably equivalent form. Occupancy agreements for Restricted Units shall be in a form approved by the Agency, subject to any requirements of any applicable Housing Subsidy



Program, and, unless otherwise approved by the Agency, shall contain clauses, among others, wherein each resident of such units:

- (a) certifies the accuracy of the statements made in the application and income survey;
- (b) agrees that the family income, family composition and other eligibility requirements, shall be deemed substantial and material obligations of his occupancy; that he or she will comply promptly with all requests for information with respect thereto from Borrower or the Agency; and that his or her failure or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of his occupancy; and
- (c) agrees that at such time as Borrower or the Agency may direct, he or she will furnish to Borrower certification of then current family income, with such documentation as the Agency shall require; and agrees to such charges as the Agency has previously approved for any facilities and/or services which may be furnished by Borrower or others to such resident upon his or her request, in addition to the facilities and services, if any, included in the Rentals, as amended from time to time pursuant to Section 2 above.

#### **LOAN PREPAYMENT - TENANT PROTECTIONS**

5. (a) Borrower shall deliver a written notice to all Low Income Tenants of its election to prepay the Note in full prior to the maturity thereof (the "Prepayment Notice") at the same time that it shall provide such notice to the Agency as required by the Note. The Prepayment Notice shall inform all Low Income Tenants of the tenant protections described in this Section 5.

(b) For a period of one year after the date of prepayment ("Year 1")(the date of prepayment is hereinafter referred to as the "Prepayment Date"), as permitted by the terms of the Note, Borrower may not increase the Rentals payable by any tenant who is a Low-Income Person or Family on the Prepayment Date (a "Protected Low-Income Tenant"), except for Rental increases which would have been permitted by the terms and provisions of the applicable Housing Subsidy Program or the Agency's Rent Regulations if such prepayment had not occurred.

(c) For a period of two years after Year 1 ("CPI Index Period"), the Rentals for units occupied by Protected Low-Income Tenants may not be increased more than once annually by the greater of: (i) the consumer price index (applicable to the area in which the Development is located) times the Adjusted Rental in effect as of the Prepayment Date; or (ii) such higher amount as the Agency shall approve. In no event may Borrower increase Rentals for such units in excess of any limitations contained in a Housing Subsidy Program which remains in effect after the Prepayment Date.

(d) For three years after CPI Index Period (the "Transition Period"), Borrower shall provide Relocation Assistance, as defined herein, for any Protected Low-Income Tenant who voluntarily terminates his or her lease during the Transition Period as a result of Rental increases. For the purposes hereof, the term "Relocation Assistance" shall mean reasonable assistance in

locating a comparable affordable unit, including the payment of any broker's fees and the payment of reasonable moving expenses within a thirty (30) mile radius of the Development.

(e) Upon prepayment, Borrower agrees to continue to use the form of occupancy agreement for all Protected Low-Income Tenants until the expiration of the periods described in (b) and (c), above. Thereafter, Borrower may require that all Protected Low-Income Tenants enter into the lease form used for tenants in the market-rental units or a lease substantially in the form published by the Greater Boston Real Estate Board, provided that any new occupancy agreement shall provide the Protected Low-Income Tenants with the benefits of subsection (d), above.

(f) The provisions of this Section 5 shall survive the termination of any other provisions of this Agreement as a result of prepayment until the expiration of the periods described in subsections (b), (c), and (d), above.

(g) Protected Low-Income Tenants shall have a right to enforce the protections provided them in this Section 5.

The Development is subject to a Comprehensive Permit issued by the Zoning Board of Appeals of the Town of Bedford pursuant to M.G.L. c. 40B (the "Comprehensive Permit"). As a condition to the issuance of the Comprehensive Permit, the Zoning Board of Appeals has required the Borrower to rent twenty-five percent of the units in the Development to low-income persons or families as defined in the Comprehensive Permit.

The Loan Prepayment – Tenant Protection provisions set forth in clauses (a) through (g) of this Section 5 shall not apply to the Borrower or to the Development so long as either the Comprehensive Permit is in effect and Borrower is in compliance with the low-income affordability conditions set forth therein.

## **USE OF DEVELOPMENT REVENUES**

6. (a) All Rentals, income, and other receipts derived from the Development (herein, "Development Revenues") shall, if not held by the Agency in one of its accounts, be deposited in the name of Borrower or a nominee for Borrower in a bank or banks, whose deposits are insured by the Federal Deposit Insurance Corporation or otherwise deposited in funds and accounts established hereunder. The Agency shall at all times be advised of the names of the accounts and the names of the banks. Development Revenues shall be used only in accordance with the provisions of this Agreement. Any person receiving funds of the Development other than as permitted by the Contract Documents shall immediately deposit such funds in a Development bank account, or if failing to do so in violation of this Agreement, shall hold such funds in trust for the Development.

(b) Except as provided in Section 7(f) below, the Agency agrees that during the term of the Mortgage and until all Obligations have been repaid in full, all development reserves, escrows and accounts will be Borrower's sole property, but shall be subject to the Contract Documents, Agency rules, regulations, controls and escrow arrangements. In an Event of Default under the Mortgage, the Agency may, pursuant to the terms and provisions thereof, apply or authorize the



application of any and all Development Revenues, including any balances, funds or accounts hereunder, for the purposes provided in Sections 22 ("Acceleration of Debt") and 23 ("Additional Rights of Lender") of the Mortgage.

(c) Borrower shall apply Development Revenues in the following order of priority: (i) payment of or adequate reserve for all sums due or currently required to be paid under the term(s) of the Note(s) and the Contract Documents (collectively, "Mortgage Debt"); (ii) payment of or adequate reserve for all reasonable and necessary expenses of the Development as identified in Subsection (d), below; (iii) deposit of all amounts required to be deposited in the Replacement Reserve (as hereinafter defined); and (iv) payments of operating expense loans made by the partners, managers or members of Borrower for Development expenses, provided that Borrower shall have obtained prior written Agency approval for such loans and shall have supplied the Agency with such evidence as the Agency may reasonably request as to the application of the proceeds of such operating expense loans to Development expenses. Any amounts remaining after application of Development Revenue as provided above shall be applied as provided in Section 7 below.

(d) With respect to the application of Development Revenues as described above, Borrower agrees as follows:

(i) Payment for services, supplies, or materials shall not exceed the amount ordinarily and reasonably paid for such services, supplies, or materials in the area where the services are rendered or the supplies or materials furnished;

(ii) Payment for any capital items shall be made or reimbursed only from the Replacement Reserve (as hereinafter defined), unless otherwise approved by the Agency;

(iii) Reasonable and necessary expenses which may be payable pursuant to subsection 6(c)(ii), above, shall be directly related to the operation, maintenance or management of the Development; and

(iv) Without the Agency's prior written consent, Borrower may not assign, transfer, create a security interest in, dispose of, or encumber any Development Revenues except as expressly permitted herein and any such assignment, transfer, security interest, disposition, or encumbrance made in violation of this provision shall be void.

(e) In developing and operating the Development, Borrower shall not incur any liability, either direct or contingent, out of the ordinary course of business.

## **DISTRIBUTIONS**

7. (a) Distributions may be made: (i) on a quarterly basis within the Development's fiscal year; and (ii) only once all currently payable amounts as identified in Section 6 (c) above are paid as evidenced by a certificate provided by an independent accountant indicating that no such obligations are more than thirty (30) days past due. Except with the prior written authorization of the Agency, distributions cannot be derived or made from borrowed funds or from the sale of capital assets.

Distributions made in connection with the repayment of the Loan in full or with the sale of the Development in accordance with the Contract Documents shall not be deemed a "distribution" for purposes of this Regulatory Agreement.

(b) No distributions may be made when: (i) an Event of Default has occurred and is continuing under any Contract Document; (ii) when there has been failure to comply with the Agency's notice of any reasonable requirement for proper maintenance of the Development; or (iii) when there is outstanding against all or any part of the Mortgaged Property any lien or security interest on the Development assets other than a lien securing the Mortgage Debt under the Contract Documents or a lien expressly permitted under the Contract Documents. In an Event of Default under the Mortgage, the Agency may apply any amounts available for distribution to the payment of any Obligations as defined in the Mortgage.

(c) Subject to the provisions set forth above, distributions may be made to Borrower, provided that no distribution for any fiscal year may exceed that percentage of Borrower's Equity (as hereinafter defined) in the Development, which from time to time is permitted under the Act, and which, at the time of execution hereof, is ten percent (10%). The ten percent (10%) standard shall apply throughout the term hereof, except that if the Agency establishes a higher rate at a later date as permitted by the Act, Borrower may increase its equity distribution to the then permitted rate of distribution, subject to conditions established by the Agency in accordance with its Equity Policy or other policies or regulations with respect thereto (herein, the "Agency's Equity Policies"). Notwithstanding anything to the contrary contained in this Regulatory Agreement or in the Contract Documents, Borrower shall, at its own cost and expense, be permitted to reappraise the Development not more than once every five (5) years, from the date hereof, for purposes of increasing its equity distribution.

(d) For the purposes hereof and in accordance with Section 5(d) of the Act, the amount of "Borrower's Equity" shall be as set forth on the first page of this Agreement. Borrower shall be allowed to adjust the amount of "Borrower's Equity" subject to the Act and such conditions as set forth in the Agency's Equity Policies.

(e) In the event that amounts available for distribution in a fiscal year exceed the distributions permitted for such fiscal year pursuant to Section 7(c) above, the amount of any such excess may be applied to pay the amount by which distributions made in any preceding fiscal years were less than the amount permitted to be paid, plus a notional five percent (5%) simple interest on the unpaid amount, under Section 7(c) hereof for such fiscal years, subject to the provisions of subsections (a) through (c) above.

(f) Any amounts available for distribution which may not be distributed in any year pursuant to the provisions of Section 7(c) above ("Excess Equity"), shall be deposited in an interest bearing account established by the Agency hereunder pursuant to Section 6(c) of the Act (the "Excess Equity Account") and maintained by the Agency in trust for the benefit of the Development during the term hereof. No distributions may be made to Borrower from the Excess Equity Account, except those permitted pursuant to Section 7(e) hereof. Upon the occurrence of an Event of Default under the Mortgage, the Agency may apply any amounts in the Excess Equity Account to the



payment of any Obligations as defined in the Mortgage. Upon Borrower's request, including upon the extension of the Mortgage Loan, amounts may also be withdrawn from the Excess Equity Account by the Agency during the term hereof and applied to any purpose described in Section 6(c)(i)-(iv) hereof or for any purposes for which amounts in the Replacement Reserve (as hereinafter defined) may be applied, subject to a determination by the Agency that the expenditure is necessary to address the Development's physical or financial needs and that no other funds are available to address such needs. Upon the maturity of the Note, the Agency, upon the request of the Borrower, may in its sole discretion make amounts available from the Excess Equity Account to: extend the affordability of units available to Low-Income Persons and Families; to reduce Rentals to Low-Income Persons and Families; or to provide relocation and transitional assistance to Low-Income Persons and Families. Upon the expiration of the term hereof, any balance remaining in the Excess Equity Account shall become the Agency's funds free from any restrictions contained herein and may be used by the Agency for any of its purposes under the Act.

(g) Borrower shall comply with the provisions of any applicable Housing Subsidy Program with respect to the application of Rentals, including the creation and maintenance of "excess rental" or similar accounts. The provisions of this Section 7 shall be subject to the requirements of any such Housing Subsidy Program and the provisions of any applicable regulations of the Agency with respect thereto.

#### **REPLACEMENT RESERVE**

8. (a) Borrower has established and will continue to maintain a reserve fund for replacements (the "Replacement Reserve") in an escrow account controlled by the Agency. An initial deposit will be made based on \$250 per unit per annum for those units occupied from the date of the initial certificate of occupancy through June 2007. Thereafter, an amount per month of \$2,896.00 will be due. Borrower hereby agrees that the replacement reserve amount specified above shall be increased each year by 3%. The replacement reserve amount may be further adjusted by the Agency, in its reasonable discretion, based on a capital needs assessment which shall be completed at Borrower's expense. The interest earned on the account, shall remain in the Replacement Reserve for the benefit of the Development.

(b) Disbursements from the Replacement Reserve may be made only after receiving prior consent in writing from the Agency, which consent will not be withheld unreasonably.

#### **MANAGEMENT OF THE DEVELOPMENT**

9. (a) Borrower shall maintain the Development in good physical and financial condition (reasonable wear and tear excepted) in accordance with the Agency's requirements and standards and the requirements and standards of any applicable Housing Subsidy Program. Borrower shall provide for the management of the Development in a manner reasonably satisfactory to the Agency and consistent with accepted practices and industry standards for the management of multi-family market rate rental housing. Furthermore, Borrower shall at all times use all reasonable efforts to ensure that all management services are performed as efficiently and effectively as possible in a manner that,

consistent with the requirements of any applicable Housing Subsidy Program, maximizes the Development's "Net Operating Income," as such term is defined by the Agency, provided that nothing herein shall require Borrower to fail to provide necessary resident services or to compromise the physical integrity and long term viability of the Development.

(b) Borrower must execute a management contract substantially in the form prescribed by the Agency and subject to the Agency's prior written approval. Borrower shall not enter into any management contract other than as approved by the Agency. Any management contract entered into by Borrower shall contain a provision dealing with the Agency's right to terminate the management contract as set forth in Section 5.1.4 of the management contract of even date herewith. In the event that the Agency terminates the management contract in accordance with the provisions set forth in therein, Borrower shall immediately make arrangements reasonably satisfactory to the Agency for continuing proper management of the Development. Any Event of Default under the Contract Documents shall be cause for termination of the management contract by the Agency.

(c) Failure by Borrower to terminate the management contract pursuant to this section shall be an Event of Default under the Contract Documents. In the event that, subsequent to thirty (30) days after the termination of the management contract by Borrower (whether or not such termination is pursuant to the provisions of this section), Borrower has not made arrangements reasonably satisfactory to the Agency for continuing proper management of the Development, the Agency shall have the right to designate a new management agent for the Development.

#### **LIMITED LIABILITY**

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

#### **CHANGE IN COMPOSITION OF OWNER ENTITY**

11. The following actions shall be subject to the Agency's prior written approval, which shall not be unreasonably withheld:

(a) any change, substitution or withdrawal of any general partner or manager of Borrower;

(b) the conveyance, assignment, transfer, or relinquishment of twenty-five percent (25%) or more of the Beneficial Interests (herein defined) in Borrower; or

(c) the conveyance, assignment or transfer of any right to manage or receive the rents and profits of the Development.

In addition, the assumption by any transferee or assignee of any obligations of the transferor or the assignor under the Contract Documents shall be accomplished by an instrument in writing satisfactory to the Agency. For purposes hereof, the term "Beneficial Interest" shall mean: (i) with



respect to a partnership, any limited partnership interests or other rights to receive income, losses, or a return on equity contributions made to such partnership; (ii) with respect to a limited liability company, any interests as a member of such company or other rights to receive income, losses, or a return on equity contributions made to such company; or (iii) with respect to a company or corporation, any interests as an officer, board member or stockholder of such company or corporation to receive income, losses, or a return on equity contributions made to such company or corporation.

Notwithstanding the foregoing, no Agency approval shall be required for the transfer by merger or acquisition of all or substantially all of the interests in AvalonBay Communities, Inc., ("AvalonBay") provided that: the company acquiring AvalonBay or into which AvalonBay is merging into has at least as good credit rating as AvalonBay or such comparable creditworthiness as may be approved by the Director of Rental Management of the Agency.

### **BOOKS AND RECORDS**

12. All records, accounts, books, tenant lists, applications, waiting lists, documents, and contracts relating to the Development shall at all times be kept separate and identifiable from any other business of Borrower which is unrelated to the Development, and shall be maintained, as required by regulations or guidelines issued by the Agency from time to time, in a reasonable condition for proper audit and subject to examination during business hours by representatives of the Agency. Failure to keep such books and accounts and/or make them available to the Agency will be an Event of Default pursuant to Section 22 of the Mortgage.

### **ANNUAL FINANCIAL REPORT**

13. Within ninety (90) days following the end of each fiscal year of the Development, Borrower shall furnish the Agency with a complete annual financial report for the Development based upon an examination of the books and records of Borrower containing a detailed, itemized statement of all income and expenditures, prepared and certified by a certified public accountant in accordance with the reasonable requirements of the Agency which include: (i) financial statements submitted in Agency format; (ii) the financial report on an accrual basis and in conformity with generally accepted accounting principles applied on a consistent basis; and (iii) amounts available for distribution under Section 7 above. A duly authorized agent of Borrower must approve such submission in writing.

### **FINANCIAL STATEMENTS AND OCCUPANCY REPORTS**

14. At the request of the Agency, Borrower shall furnish quarterly financial statements and occupancy reports and shall give specific answers to questions upon which information is reasonably desired from time to time relative to the ownership and operation of the Development.

### **SOLE PURPOSE, SINGLE ASSET ENTITY**

15. Borrower hereby declares that it is, and shall remain, a sole purpose, single asset mortgagor.

**NO CHANGE OF DEVELOPMENT'S USE**

16. Borrower shall not, without prior written approval of the Agency, change the type or number of residential units, permit the use of the dwelling accommodations of the Development for any purpose except residences or permit commercial use greater than that originally approved by the Agency, if any.

**NO DISCRIMINATION**

17. (a) There shall be no discrimination upon the basis of race, color, creed, religious creed, national origin, sex, sexual orientation, age, ancestry, handicap or marital status in the lease, use, or occupancy of the Development (provided that if the Development qualifies as elderly housing under applicable state and federal law, occupancy may be restricted to the elderly in accordance with said laws) or in connection with the employment or application for employment of persons for the operation and management of the Development. Borrower or its management company shall, with respect to the Development, take affirmative measures to advertise for employment or contracts for goods and services, hire and promote employees, and enter into contract for goods and services in order to ensure compliance with Borrower's obligations under the Equal Opportunity Contract for Occupancy and Minority Business Development, executed by Borrower and the Agency in connection with the Mortgage Loan.

(b) There shall be full compliance with the provisions of all state or local laws prohibiting discrimination in housing on the basis of race, creed, color, religion, disability, sex, sexual orientation, national origin, age, or familial status, and providing for nondiscrimination and equal opportunity in housing. Failure or refusal to comply with any such provisions shall be a proper basis for the Agency to take any corrective action it may deem necessary including, but not limited to, the rejection of future applications for mortgage loans and the refusal to enter into future contracts of any kind with which Borrower or its partners, members, managers, shareholders, trustees, or beneficiaries are identified.

**PAYMENTS UNDER MORTGAGE**

18. Borrower agrees to make all payments due under the Mortgage and with respect to the Mortgage Debt in accordance with the terms and provisions of the Contract Documents.

**MORTGAGED PROPERTY**

19. Attached hereto as Appendix B is a legal description of the land on which the Mortgaged Property is located.

**MISCELLANEOUS CONTRACT PROVISIONS/TERM**

20. This Agreement may not be modified or amended except with the written consent of the Agency or its successors and assigns and Borrower or its successors and assigns.



21. (a) This Agreement shall bind, and the benefits shall inure to, respectively, Borrower and its successors and assigns, and the Agency and its successors and assigns, so long as the Mortgage continues in effect, whether or not the Agency shall continue to be the Mortgagee under the Mortgage. Subject to the provisions of Section 5 above and the provisions contained in (b) below, this Agreement shall become a nullity upon payment and discharge of the Mortgage Debt.

(b) This Agreement shall continue in effect after the Maturity Date or after the Extended Maturity Date or after any termination or discharge of the Mortgage Note prior to those dates, for so long as the Disposition Agreement is in effect, provided however, that in such case Borrower and the Agency agree to in good faith make any amendments to this Agreement to the extent such amendments may be required by M.G.L., 40(B) and the regulations of DHCD promulgated thereunder. In consideration of the Agency's oversight under M.G.L.40(B), Borrower shall pay to MassHousing a reasonable annual administration and monitoring fee to ensure compliance of the Project and Borrower with the terms of this Agreement. The Regulatory Agreement shall terminate and be of no further force and effect upon the termination of the Disposition Agreement.

22. Borrower warrants that it has not, and will not, execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations set forth and supersede any other requirements in conflict therewith.

23. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

#### NOTICES

24. (a) Any notice or other communication in connection with this Agreement shall be in writing and: (i) deposited in the United States mail, postage prepaid, by registered or certified mail; (ii) hand delivered by any commercially recognized courier service or overnight delivery service, such as Federal Express; or (iii) sent by facsimile transmission if a fax number is designated below, addressed as follows:

If to the Borrower:

Avalon at Great Meadow, Inc.  
c/o AvalonBay Communities, Inc  
1000 Bridgeport Avenue  
Suite 258  
Shelton, CT 06484  
Attn: Joanne Lockridge  
Senior Vice President of Finance

With a copy which  
shall not constitute  
notice to:

Paige A. Manning, Esq.  
Goulston & Storrs  
400 Atlantic Avenue  
Boston, MA 02110

AvalonBay Communities, Inc.  
2900 Eisenhower Avenue, Third Floor  
Alexandria, VA 22314  
Attn: Edward M. Schulman  
General Counsel

If to MHFA:

Massachusetts Housing Finance Agency  
One Beacon Street  
Boston, Massachusetts 02108  
Attn: General Counsel

Any such addressee may change its address for such notices to any other address in the United States as such addressee shall have specified by written notice given as set forth above.

(b) All periods of notice shall be measured from the deemed date of delivery. A notice shall be deemed to have been given, delivered and received upon the earliest of: (i) if sent by certified or registered mail, on the third business day following the date of postmark; (ii) if hand delivered by such courier or overnight delivery service, when so delivered or tendered for delivery during customary business hours on a business day at the specified address; (iii) if so mailed, on the date of actual receipt (or tender of delivery) as evidenced by the return receipt; (iv) if so delivered, upon actual receipt, or (v) if facsimile transmission is a permitted means of giving notice, upon receipt as evidenced by confirmation. Notice shall not be deemed to be defective with respect to the recipient thereof for failure of receipt by any other party.

#### **CAPTIONS**

25. Any titles or captions contained in this Agreement are for reference only and shall not be deemed a part of this Agreement or play any role in the construction or interpretation hereof.

#### **GENDER AND PLURALS**


26. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons.




IN WITNESS WHEREOF, the parties have caused these present to be signed and sealed by their respective, duly authorized representatives, as of the day and year first written above.

**BORROWER:**

**AVALON AT GREAT MEADOW, INC.**

By:   
Name: Joanne M. Lockridge  
Title: Senior Vice President

**MASSACHUSETTS HOUSING FINANCE AGENCY**

By:   
e35 Laurie R. Wallach  
General Counsel

Appendix A - Rent Schedule  
Appendix B - Legal Description

STATE OF CONNECTICUT

ss. Shelton  
County of Fairfield

On this the 30<sup>th</sup> day of May 2007, before me, the undersigned notary, the above-named officer, personally appeared Joanne M. Lockridge, who acknowledged himself/herself to be the Senior Vice President of Avalon at Great Meadow, Inc. a Maryland corporation, and that he/she as such Senior Vice President, be authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/herself as Senior Vice President.

In witness whereof I hereunto set my hand.

Before me,

Beth Meryl Deitz

Notary Public

My Commission Expires:

**BETH MERYL DEITZ**

Notary Public

**My Commission Expires April 30, 2009**

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss.

June 1, 2007

On this 1<sup>st</sup> day of June 2007, before me, the undersigned notary public then personally appeared before me the above-named Laurie R. Wallach, General Counsel of the Massachusetts Housing Finance Agency, proved to me through satisfactory evidence of identification, which was personal knowledge to be the person whose name is signed on the preceding page, and acknowledged the foregoing to be her free act and deed and the free act of said Massachusetts Housing Finance Agency and signed it voluntarily for the stated purpose before me.

Before me,

Kimberly Leone

Notary Public

My Commission Expires 8/2/2013





## APPENDIX A

**Rent Schedule**

<b>AVALON AT BEDFORD CENTER</b>	<b>Low-Income 80% of AMI</b>	
	<b><u>1BR</u></b>	<b><u>2BR</u></b>
Number of Units	13	22
MHFA Rent Adjusted	30% of Income	
Maximum Rents*	\$ 1,132	\$ 1,347
Utility Allowance (2007)	\$108	\$141

*\*Excludes utility allowance*

## APPENDIX B

### Property Description

#### **57 Concord Road (Registered Land):**

That certain parcel of land situated in Bedford in the County of Middlesex and said Commonwealth, bounded and described as follows:

- |                |  |
|----------------|--|
| Southerly:     | by Concord Road, two hundred fifty-four and 35/100 feet;   |
| Westerly:      | one hundred forty-five and 77/100 feet;  |
| Southerly:     | thirty-three feet;   |
| Westerly:      | eight hundred forty-one and 38/100 feet;   |
| Southwesterly: | one hundred fifty-one and 80/100 feet;   |
| Southerly:     | three hundred eighty and 58/100 feet;  |
| Southwesterly: | thirty-nine and 60/100 feet; and   |
| Easterly:      | two hundred ninety-six and 04/100 feet by land now or formerly of Wallace H. Goldsmith;  |
| Southwesterly: | six hundred twenty and 40/100 feet;  |
| Northwesterly: | four hundred nine and 20/100 feet; and   |
| Southwesterly: | three hundred and 75/100 feet by land now or formerly of Charles W. Jenks;   |
| Northeasterly: | by land now or formerly of William Barnett, five hundred and ninety-four feet;   |
| Northwesterly: | by said Barnett land and by land now or formerly of Margaret Fitzgerald et al., thirteen hundred ninety-two and 60/100 feet; and |
| Easterly:      | by land now or formerly of Laroy Procter et al., eleven hundred nine and 93/100 feet;  |

All of said boundaries are determined by the Court to be located as shown on a plan, as modified and approved by the Court, filed in the Land Registration Office, a copy of a portion of which is filed in the Registry of Deeds for the South Registry District of Middlesex County in Registration Book 184, Page 509, with Certificate 28877, Land Court Plan No. 13303A.



There is excepted and excluded from the above described land lot 1, shown on plan filed in Registration Book 462, Page 133, Land Court Plan No. 13303A.

**5 Davis Road (Unregistered Land):**

Those certain parcels of land situated in Bedford in the County of Middlesex and said Commonwealth, being shown as Lot 5 Remaining on a plan entitled "Subdivision Plan of Land in Bedford, Massachusetts", drawn by Vanasse Hangen Brustlin, Inc., Professional Land Surveyors, dated November 21, 2004, and recorded with the Middlesex South Registry of Deeds as Plan No. 1557 of 2004 and Lot 5B-1 on a plan entitled "Plan of Land in Bedford, Massachusetts" drawn by Vanasse Hangen Brustlin, Inc., dated February 9, 2006, and recorded with Middlesex South Registry of Deeds as Plan No. 1601 of 2006.

  
Attest. Middlesex S. Register