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Development Name: Franklin School
MassHousing No. 85-030-B

DISPOSITION AGREEMENT

DISPOSITION AGREEMENT made and entered into as of the 1st day of December, 2008, between 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 ("MassHousing") and FRANKLIN SCHOOL HOUSING LIMITED PARTNERSHIP ("Owner"), a Massachusetts limited partnership with a principal place of business at c/o The Community Builders, Inc., 95 Berkeley Street, Suite 500, Boston, Massachusetts, 02116.

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

ARTICLE I DEFINITIONS

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 which would make a tenant eligible for units owned and leased by the Housing Authority where the Development is located or, in the event that there is no local housing authority, that amount established as the maximum for eligibility for low-rent units by the Department of Housing and Community Development ("DHCD");
- (c) "Enabling Act" - chapter 708 of the Acts of 1966, as amended;
- (d) "Family" - two or more persons who occupy the same dwelling or unit;
- (e) "Low-Income Annual Income Limit" - an Annual Income that is less than or equal to fifty percent (50%) of the area median income as determined by the U.S. Department of Housing and Urban Development ("AMI");
- (f) "Low-Income Persons or Families" - those persons and families whose Annual Income is less than or equal to the Low-Income Annual Income Limit;;
- (g) "Moderate-Income Persons or Families" - those persons and families whose Annual Income is (i) greater than eighty percent (80%) of AMI and (ii) less than one hundred twenty percent (120%) of AMI.

Deed ref 16670-238

- (h) "Mortgage" – the 2008 Mortgage, Security Agreement, Financing Statement (Fixture Filing) and Assignment of Leases and Rents recorded herewith in the Middlesex South District Registry of Deeds ("Registry") including all amendments and modifications thereto; and
- (i) "Property", "Land", or "Development" - that certain parcel of land, as more particularly described in Exhibit A attached hereto and incorporated herein by reference, known as Franklin School, located at 7 Stedman Road, Lexington, Massachusetts, together with the improvements thereon, which consist of a 38-unit low and moderate income housing complex and related amenities.

ARTICLE II
RESTRICTIONS ON USE OF THE DEVELOPMENT

For the term of this Agreement, hereinafter defined, Owner COVENANTS AND AGREES for itself, and any successors and assigns that it shall provide that not less than ten (10) units 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, used or to be used in connection with the Development. For the term of this Agreement, hereinafter defined, Owner further COVENANTS AND AGREES for itself, and any successors and assigns that it shall provide that not less than twenty (20) units be rented at all times to Moderate-Income Persons or Families at rentals, including the provision of heat, electricity and hot water, at not more than thirty percent (30%) of 100% of AMI for the unit rents by Moderate-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, used or to be used in connection with the Development.

ARTICLE III
ENFORCEABILITY

The covenants set forth in this Agreement shall run with the land; 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 Mortgage and be binding upon and enforceable against any purchaser at a foreclosure sale.

ARTICLE IV

OTHER INSTRUMENTS

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

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

The terms and provisions of this Agreement shall remain in full force and effect until December 31, 2047. For the avoidance of doubt, discharge of the Mortgage and/or prepayment of the loan secured by the Mortgage shall not terminate this Agreement.

ARTICLE VII
SEVERABILITY

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

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

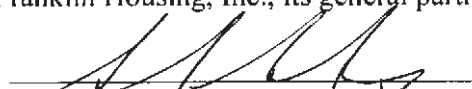
[The remainder of this page is intentionally blank. Signature page follows.]

Executed as a sealed instrument as of the day first noted above.

OWNER:

FRANKLIN SCHOOL HOUSING
LIMITED PARTNERSHIP

By: Franklin Housing, Inc., its general partner

By: 
Beverly J. Bates, Vice-President

MASSACHUSETTS HOUSING FINANCE AGENCY

By:  
Laurie R. Wallach, General Counsel

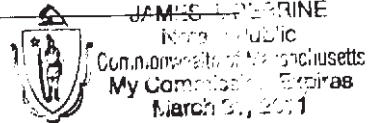
Attachment:
Exhibit A - Legal Description of Property

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss.

On this 3rd day of December, 2008, before me, the undersigned Notary Public, personally appeared Beverly J. Bates, Vice-President of Franklin Housing, Inc., the general partner of Franklin School Housing Limited Partnership, 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/he signed it voluntarily for its stated purpose and that it is the free act and deed of said general partner on behalf of said limited partnership.

James J. Perrine
Official Signature and Seal of Notary
My commission expires: _____



COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss.

On this 17th day of DECEMBER, 2008, before me, the undersigned Notary Public, personally appeared Laurie R. Wallach, General Counsel of 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 and that it is the free act and deed of said agency.

Keri J. Dailey
Official Signature and Seal of Notary
My commission expires: _____

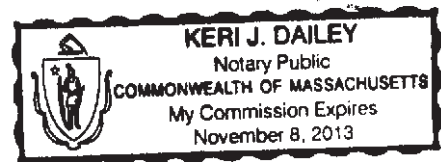


EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

That certain parcel of land (the "Land") with the buildings and other improvements thereon (the Land, the buildings and other improvements being sometimes collectively referred to herein as the "Property") situated on the easterly side of Stedman Road in Lexington, Middlesex County, Massachusetts. The land is shown as Parcel B on a plan (the "Plan", entitled "Plan of Land in Lexington, Mass. (Middlesex County)" dated March 21, 1985 and prepared by BSC-Bedford, a Division of Boston Survey Consultants, recorded in the Middlesex South District Registry of Deeds as Plan No. 1768 of 1985, in Book 16670, Page 238). The Land is more particularly bounded and described according to the Plan as follows:

Beginning at a point on the easterly line of Stedman Road at the southwest corner of the described premises, said point being a common corner at Parcel A as shown on the Plan; thence

NO. 1 degrees 59'30"W a distance of one hundred ten and ninety-eights hundredths feet (110.98) to a point of curvature; thence

Northerly and curving to the right along the arc of a curve having a radius of one thousand one hundred four and fifty-three hundredths feet (1,104.53), a length of one hundred seventeen and seventy-six hundredths feet (117.76) to a point of tangency; thence

NO. 4 degrees 07'00" E a distance of seventy-three and sixty-three hundredths feet (73.63) to a point of curvature; thence

NORTHERLY and curving to the left along the arc of a curve having a radius of five hundred seventy-two and forty hundredths feet (572.40) a length of sixty-three and nineteen hundredths feet (63.19) to a point at Parcel A; the previous four (4) courses bounding on said street; thence

S.82 degrees 22'15" E a distance of one hundred twenty-three and thirteen hundredths feet (123.13) to a point; thence

S. 70 degrees 38'43"E a distance of one hundred ninety-four and sixty-four hundredths feet (194.64) to a point; thence

S.35 degrees 23'29" E a distance of one hundred two and forth seven hundredths feet (102.47) to a point marked "C.B./D.H.SET" on the Plan; thence

S. 01 degrees 36'31" W a distance of two hundred fifteen and no hundredths feet (215.00) to a point marked "C.B./D.H. SET" on the Plan, thence

S. 47 degrees 00'11" W a distance of one hundred and twenty eight hundredths feet (119.28) to a point; thence

N. 87 degrees 36'09" W a distance of one hundred forty-four and ninety-nine hundredths feet

(144.99) to a point; thence

N. 44 degrees 06'07" W a distance of one hundred twenty-seven and twenty-five hundredths feet (127.25) to a point; thence

S.87 degrees 22'18" W a distance of forty three and four hundredths feet (43.04) to the point of beginning; the previous eight (8) courses bounding on said Parcel A.

The above described parcel contains an area of 3.203 acres, more or less, according to the plan.

