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Final 10/26/07



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LOCAL INITIATIVE PROGRAM

**REGULATORY AGREEMENT
AND
DECLARATION OF RESTRICTIVE COVENANTS
FOR
RENTAL PROJECT**

This Regulatory Agreement and Declaration of Restrictive Covenants (the "Agreement") is made this 30th day of October, 2007 by and among the Commonwealth of Massachusetts, acting by and through the Department of Housing and Community Development ("DHCD") pursuant to Chapter 204 of the Acts of 1996, the City/Town of Lincoln, Massachusetts ("the Municipality"), and The Groves Apartments – Deaconess, Inc., a Massachusetts non-profit corporation, having an address in care of New England Deaconess Association located at 80 Deaconess Road, Concord, Massachusetts and its successors and assigns ("Project Sponsor").

WITNESSETH:

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

WHEREAS, the Project Sponsor is the ground lessee of a ground lease parcel containing approximately 3 acres located off of Route 2 in the Municipality, which ground lease parcel is shown on Exhibit A-1 hereto (the "Project Site");

WHEREAS, the Project Site is adjacent to a site containing approximately 30 acres, which site is more particularly described in Exhibit A hereto (the "Groves in Lincoln Site");

Return to: Rebecca Richmond
CHICAGO TITLE INSURANCE COMPANY
75 Federal Street, 8th Floor
Boston, Massachusetts 02110
(617) 210-0750

20-2091

732622.14

WHEREAS, the Project Sponsor intends to construct and operate a 30 unit (the "Units") rental housing community on the Project Site, to be restricted for rental to and occupancy by persons aged 62 years and older and to be known as The Groves Apartments (the "Project");

WHEREAS, eight (8) of the Units in the Project will be rented at rents specified in this Agreement to Eligible Tenants as specified in Section 2 of this Agreement (the "Low and Moderate Income Units");

WHEREAS, the Chief Elected Official of the Municipality (as that term is defined in the Regulations) and the Project Sponsor have made application to DHCD to certify that the Units in the Project are Local Initiative Units (as that term is defined in the Regulations) within the LIP Program; and

WHEREAS, in partial consideration of the execution of this Agreement, DHCD has issued or will issue its final approval of the Project within the LIP Program and has given and will give technical and other assistance to the Project;

NOW, THEREFORE, in consideration of the agreements and covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which each of the parties hereto hereby acknowledge to the other, DHCD, the Municipality, and the Project Sponsor hereby agree and covenant as follows:

1. The Project Sponsor agrees to construct the Project in accordance with plans and specifications approved by the Municipality and DHCD (the "Plans and Specifications"). In addition, all Low and Moderate Income Units to be constructed as part of the Project must be indistinguishable from all other Units in the Grove Apartments from the exterior unless the Project has an approved "Alternative Development Plan" as set forth in the LIP Guidelines for Communities ("Guidelines"), and must contain complete living facilities including but not limited to a stove, kitchen cabinets, plumbing fixtures, and washer/dryer hookup, all as more fully shown in the Plans and Specifications.

Five (5) of the Low and Moderate Income Units shall be one bedroom units; and three (3) of the Low and Moderate Income Units shall be two (2) bedroom units.

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

one bedroom units	700 square feet;
two bedroom units	900 square feet.

During the term of this Agreement, the Project Sponsor covenants, agrees, and warrants that the Project and each Low and Moderate Income Unit will remain suitable for occupancy and in compliance with all federal, state, and local health, safety, building, sanitary, environmental, and other laws, codes, rules, and regulations, including without limitation laws relating to the

operation of adaptable and accessible housing for the handicapped. The Project must comply with all similar local codes, ordinances, and by-laws.

2. (a) Throughout the term of this Agreement, each Low and Moderate Income Unit will be rented for no more than the rental rates set forth herein to an Eligible Tenant. An Eligible Tenant is a person aged 62 or older whose annual income does not exceed eighty percent (80%) of the Area (defined immediately below) median income adjusted as determined by the U.S. Department of Housing and Urban Development ("HUD"). A "Family" shall mean more than one person age 62 or older who will live regularly in the Low and Moderate Income Unit as their primary residence and who are related by blood, marriage, or operation of law or who have otherwise evidenced a stable inter-dependent relationship; or an individual. The "Area" is defined as the Boston/Cambridge/Quincy, MA/NH MSA/PMSA/Non-Metropolitan County.

(b) The monthly rents charged to tenants of Low and Moderate Income Units shall not exceed an amount equal to thirty percent (30%) of the monthly adjusted income of a Family whose gross income equals seventy percent (80%) of the median income for the Area, with adjustment for the number of bedrooms in the Unit, as provided by HUD. In determining the maximum monthly rent that may be charged for a Low and Moderate Income Unit under this clause, the Project Sponsor shall include an allowance for any utilities and services (excluding telephone) to be paid by the resident. Adjusted income shall be as defined in 24 C.F.R. 5.609 (or any successor regulation) using assumptions provided by HUD. The initial maximum monthly rents and utility allowances for the Low and Moderate Income Units are set forth in Exhibit B attached hereto.

Annually as part of the annual report required under Subsection 2(c) below, the Project Sponsor shall submit to the Municipality and DHCD a proposed schedule of monthly rents and utility allowances for all Low and Moderate Income Units in the Project. Such schedule shall be subject to the approval of the Municipality and DHCD for compliance with the requirements of this Section. Rents for Low and Moderate Income Units shall not be increased without the Municipality's and DHCD's prior approval of either (i) a specific request by the Project Sponsor for a rent increase or (ii) the next annual schedule of rents and allowances. Notwithstanding the foregoing, rent increases shall be subject to the provisions of outstanding leases and shall not be implemented without at least 30 days' prior written notice by the Project Sponsor to all affected tenants.

(c) Throughout the term of this Agreement, the Project Sponsor shall annually determine whether the tenant of each Low and Moderate Income Unit remains an Eligible Tenant. This determination shall be reviewed by the Municipality and certified to DHCD as provided in section 2(e), below. Any Low and Moderate Income Unit occupied by an Eligible Tenant at the commencement of occupancy shall be deemed a Low and Moderate Income Unit so long as (i) such unit continues to be rent restricted and (ii) the tenant's income does not exceed 140% of the Maximum Income. If the tenant's income exceeds 140% of the Maximum Income at the time of annual eligibility determination, his/her unit shall be deemed a Low and Moderate Income Unit until the next available unit with the same or greater number of bedrooms which is not a Low and Moderate Income Unit is rented to an Eligible Tenant.

(d) The Project Sponsor shall enter into a written lease with each tenant of a Low and Moderate Income Unit which shall be for a minimum period of one year and which provides that the tenant shall not be evicted for any reason other than a substantial breach of a material provision of such lease.

(e) Throughout the term of this Agreement, the Chief Elected Official shall annually certify in writing to DHCD that each of the Low and Moderate Income Units continues to be Low and Moderate Income Unit as provided in section 2(c), above; and that the Project and the Low and Moderate Income Units have been maintained in a manner consistent with the Regulations and Guidelines and this Agreement.

3. Upon issuance of a building permit for the Project, the Project will be included in the Subsidized Housing Inventory as that term is described in 760 CMR 31.04(1).

4. All of the Units in the Project will be deemed low and moderate income housing and continue to be included in the Subsidized Housing Inventory in accordance with 760 CMR 45.06(3) for as long as the following three conditions are met: (1) this Agreement remains in full force and effect and neither the Municipality nor the Project Sponsor are in default hereunder; (2) the Project and each of the Low and Moderate Income Units continue to comply with the Regulations and the Guidelines as the same may be amended from time to time; and (3) each Low and Moderate Income Unit remains a Low and Moderate Income Unit as provided in section 2, above.

5. [Intentionally omitted.]

6. Prior to marketing or otherwise making available for rental any of the Low and Moderate Income Units, the Project Sponsor must obtain DHCD's approval of a marketing plan (the "Marketing Plan") for the Low and Moderate Income Units. Such Marketing Plan must describe the tenant selection process for the Low and Moderate Income Units and must set forth a plan for affirmative marketing of Low and Moderate Income Units to minority households as more particularly described in the Regulations and Guidelines. At the option of the Municipality, the Marketing Plan may also include a preference for local residents for up to seventy percent (70%) of the Low and Moderate Income Units, subject to all provisions of the Regulations and Guidelines. When submitted to DHCD for approval, the Marketing Plan should be accompanied by a letter from the Chief Elected Official of the Municipality (as that term is defined in the Regulations) which states that the tenant selection and local preference (if any) aspects of the Marketing Plan have been approved by the Municipality and which states that the Municipality will perform any aspects of the Marketing Plan which are set forth as responsibilities of the Municipality in the Marketing Plan. The Marketing Plan must comply with the Regulations and Guidelines and with all other applicable statutes, regulations and executive orders, and DHCD directives reflecting the agreement between DHCD and the U.S. Department of Housing and Urban Development in the case of NAACP, Boston Chapter v. Kemp. If the Project is located in the Boston Standard Metropolitan Statistical Area, the Project Sponsor must list all Low and Moderate Income Units with the City of Boston's MetroList

(Metropolitan Housing Opportunity Clearing Center), at Boston City Hall, Fair Housing Commission, Suite 966, One City Hall Plaza, Boston, MA 02201 (671-635-3321). All costs of carrying out the marketing Plan shall be paid by the Project Sponsor. A failure to comply with the Marketing Plan by the Project Sponsor or by the Municipality shall be deemed to be a default of this Agreement. The Project Sponsor agrees to maintain for five years following the initial rental of the last Low and Moderate Income Unit and for five years following all future rentals of the Low and Moderate Income Units, a record of all newspaper advertisements, outreach letters, translations, leaflets, and any other outreach efforts (collectively "Marketing Documentation") as described in the Marketing Plan as approved by DHCD which may be inspected at any reasonable time by DHCD upon reasonable advance notice to the Project Sponsor. All Marketing Documentation must be approved by DHCD prior to its use by the Project Sponsor or the Municipality. The Project Sponsor and the Municipality agree that if at any time prior to or during the process of marketing the Low and Moderate Income Units, DHCD determines that the Project Sponsor, or the Municipality with respect to aspects of the Marketing Plan that the Municipality has agreed to be responsible for, has not adequately complied with the approved Marketing Plan, that the Project Sponsor or Municipality as the case may be, shall conduct such additional outreach or marketing efforts as shall be reasonably determined by DHCD.

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

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

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

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

- (a) The Project Sponsor (i) is a non-profit corporation duly organized under the laws of the Commonwealth of Massachusetts, and is qualified to transact business

under the laws of this State, (ii) has the power and authority to own its properties and assets and to carry on its business as now being conducted, and (iii) has the full legal right, power and authority to execute and deliver this Agreement.

- (b) The execution and performance of this Agreement by the Project Sponsor (i) will not violate or, as applicable, has not violated any provision of law, rule or regulation, or any order of any court or other agency or governmental body, and (ii) will not violate or, as applicable, has not violated any provision of any indenture, agreement, mortgage, mortgage note, or other instrument to which the Project Sponsor is a party or by which it or the Project is bound, and (iii) will not result in the creation or imposition of any prohibited encumbrance of any nature.
- (c) The Project Sponsor will, at the time of execution and delivery of this Agreement, have good and marketable ground lessee interest in the Project Site free and clear of any lien or encumbrance (subject to encumbrances created pursuant to this Agreement, or other encumbrances which do not interfere with the use of the Project, including mortgages referred to in paragraph 19, below).
- (d) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the actual knowledge of the Project Sponsor, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted (and as now contemplated by this Agreement) or would materially adversely affect its financial condition.

11. Except for the rental of Units to Eligible Tenants as permitted by the terms of this Agreement, the Project Sponsor shall not lease, transfer, exchange or mortgage the Project without the prior written consent of DHCD and the Municipality, which shall not be unreasonably withheld, conditioned or delayed, and which shall be deemed granted if DHCD, or the Municipality, as the case may be, does not deliver to the Project Sponsor a written decision on the Project Sponsor's written consent request within ten (10) business days of the Project Sponsor's delivery of such request. Notwithstanding the foregoing, the following transfers shall not require DHCD or Municipality consent: (i) a transfer to an entity the majority of which is owned by the Project Sponsor, or which is controlled by the Project Sponsor; or (ii) a successor entity to the Project Sponsor by reason of merger, consolidation or corporate reorganization.

12. (a) The Project Sponsor represents, warrants, and agrees that if the Low and Moderate Income Units, or any part thereof, shall be damaged or destroyed or if the Low and Moderate Income Units shall be condemned or acquired for public use, the Project Sponsor (subject to the approval of the lender(s) which has provided financing) will use its commercially reasonable efforts to repair and restore the Low and Moderate Income Units to substantially the same condition as existed prior to the event causing such damage or destruction, or to relieve the condemnation, and thereafter to operate the Low and Moderate Income Units in accordance with this Agreement.

(b) Unless required by law or pursuant to a condemnation or eminent domain, the Project Sponsor shall not demolish any part of the Project or substantially subtract from any real or personal property of the Project or knowingly permit the use of any residential rental Unit for any purpose other than rental housing during the term of the Agreement.

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

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

DHCD:

Department of Housing and Community Development
100 Cambridge Street, 3rd Floor
Boston, MA 02114
Attention: Local Initiative Program Director

Municipality:

Town of Lincoln
The Lincoln Town Office Building
16 Lincoln Road
Lincoln, MA 01773
Attention: Housing Program Director

Project Sponsor:

The Groves Apartments – Deaconess, Inc.
c/o New England Deaconess Association
80 Deaconess Road
Concord, MA 01742
Attention: President

15. (a) This Agreement and all of the covenants, agreements and restrictions contained herein shall be deemed to be an affordable housing restriction as that term is defined in G.L. c. 184, § 31 and as that term is used in G.L. c.184, § 26, 31, 32 and 33. This Agreement is made for the benefit of DHCD, and DHCD shall be deemed to be the holder of the affordable housing restriction on the Project created by this Agreement. DHCD has determined that the acquiring of such affordable housing restriction on the Project is in the public interest. The term

of this Agreement, the rental restrictions, and other requirements provided herein shall be perpetual, provided however, that this Agreement shall terminate if the Project is acquired by foreclosure or by instrument in lieu of foreclosure 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 lender, provided that the holder of the mortgage gives DHCD and the Municipality prior written notice of the mortgagee's intention to foreclose upon the Project or to accept an instrument in lieu of foreclosure. Such notice shall be delivered within the timeframe provided in such mortgagee's loan documents applicable to the Project, which in no event shall be less than thirty (30) days prior to such intention to foreclose or to accept an instrument in lieu of foreclosure. Notwithstanding the foregoing, this Agreement shall not terminate if an acquisition pursuant to a foreclosure or an instrument in lieu of foreclosure is part of an arrangement with the Project Sponsor or a related person or entity, a purpose of which is to terminate this Agreement and the restrictions set forth herein.

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

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

17. (a) The Project Sponsor and the Municipality each covenant and agree to give DHCD written notice of any default, violation or breach of the obligations of the Project Sponsor or the Municipality hereunder (with a copy to the other party to this Agreement) within seven (7) days of first discovering such default, violation or breach (a "Default Notice"). If DHCD becomes aware of a default, violation, or breach of obligations of the Project Sponsor or the Municipality hereunder without receiving a Default Notice from Project Sponsor or the Municipality, DHCD shall give a notice of such default, breach or violation to the offending party (with a copy to the other party to this Agreement) (the "DHCD Default Notice"). If any such default, violation, or breach is not cured to the reasonable satisfaction of DHCD or if the Project Sponsor or the municipality has not commenced and diligently prosecuted the cure of same within thirty (30) days after receiving notice thereof, then at DHCD's option, and without further notice, DHCD may either terminate this Agreement, or DHCD may apply to any state or federal court for specific performance of this Agreement, or DHCD may lawfully exercise any

other remedy at law or in equity or take any other action as may be necessary or desirable to correct non-compliance with this Agreement.

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

(c) The Project Sponsor acknowledges that the primary purpose for requiring compliance by the Project Sponsor with the restrictions provided herein is to create and maintain long-term affordable rental housing, and by reason thereof the Project Sponsor agrees that DHCD or the Municipality shall be entitled for any breach of the provisions hereof, and in addition to all other remedies provided by law or in equity, to enforce the specific performance by the Project Sponsor of its obligations under this Agreement in a state court of competent jurisdiction. The Project Sponsor further specifically acknowledges that the beneficiaries of its obligations hereunder cannot be adequately compensated by monetary damages in the event of any default hereunder. In the event of a breach of this Agreement, the Project Sponsor shall reimburse DHCD for all reasonably documented costs and reasonable attorney's fees associated with such breach.

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

19. The Project Sponsor is the tenant under a ground lease of the Project Site from The Groves in Lincoln-Deaconess, Inc. (the "Ground Lessor") as landlord and fee owner of the Project Site, dated November 1, 2007, notice of which is recorded with the Middlesex South District Registry of Deeds simultaneously herewith. The Ground Lessor hereby joins in the grant of this Agreement and agrees, for itself and its successors and assigns, to be bound by all of the terms and conditions hereof for the term of this Agreement, whether or not said Ground Lease is terminated for any reason, to the same extent as if the Ground Lessor were the named Project Sponsor hereunder.

Attachments: Exhibit A - Legal Property Description
Exhibit A-1 - Site Plan Showing Project Site
Exhibit B - Rents for Low and Moderate Income Units

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

THE GROVES APARTMENTS - DEACONESS, INC.

By: [Signature]
Name: Herbert Taylor
Title: president

COMMONWEALTH OF MASSACHUSETTS)
COUNTY OF Middlesex)

On this 9th day of October, 2007, before me, the undersigned notary public, personally appeared Herbert Taylor, proved to me through satisfactory evidence of identification, which were known, 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.

[Signature]
(official signature and seal of notary)
My commission expires: Richard P. Calvert
Notary Public
My Comm. Expires June 18, 2010

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

By: [Signature]

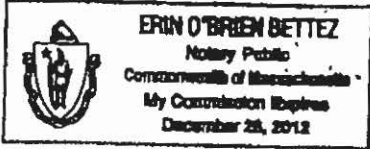
Name: Catherine Racer
Title: Associate Director and duly authorized designer of Francena Brooks

COMMONWEALTH OF MASSACHUSETTS)

COUNTY OF Suffolk)

On this 30th day of October, 2007, before me, the undersigned notary public, personally appeared Catherine Racer, proved to me through satisfactory evidence of identification, which were personal knowledge, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that [he/she]she signed it voluntarily for its stated purpose.

[Signature: Erin O'Brien Bettez]
(official signature and seal of notary)
My commission expires: _____



TOWN OF LINCOLN


By: Gary A. Taylor
Name: Gary A. Taylor
Title: Chairman, Board of Selectman
(Chief Elected Official)

COMMONWEALTH OF MASSACHUSETTS)

COUNTY OF Middlesex)
OCTOBER

On this 10 day of September, 2007, before me, the undersigned notary public, personally appeared GARY TAYLOR, proved to me through satisfactory evidence of identification, which were personally known to me, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that [he/she] he signed it voluntarily for its stated purpose.

Anita M. Scheipers
(official signature and seal of notary)
My commission expires: _____

 ANITA M. SCHEIPERS
Notary Public
Commonwealth of Massachusetts
My Commission Expires
July 26, 2013

JOINDER PARTY

The Groves in Lincoln-Deaconess, Inc., a Massachusetts non-profit corporation, fee owner of the Groves in Lincoln Site, hereby joins this Regulatory Agreement to evidence that it shall be bound by the terms of Section 19 herein.

THE GROVES IN LINCOLN-DEACONESS, INC.

By: Herbert Taylor
Name: Herbert Taylor
Title: President

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF Middlesex, ss. _____, 2007

On this 9th day of October, 2007, before me, the undersigned notary public, personally appeared Herbert Taylor, proved to me through satisfactory evidence of identification, which were Known, to be the person whose name is signed on the preceding document, as _____ of _____, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

Richard P. Calvert
Notary Public
Print Name: Richard P. Calvert
My Commission Expires: Notary Public
My Comm. Expires June 18, 2010

CONSENT TO REGULATORY AGREEMENT

Re:

The Groves Apartments
Lincoln, MA
The Groves Apartments - Deaconess, Inc.

The Undersigned being the holder of a mortgage on the above described Project recorded with the Registry of Deeds in Book 50307, Page 497, hereby consents to the execution and recording of this Agreement and to the terms and conditions hereof.

SOVEREIGN BANK
By Heather Sarach
(Name of Lender)
Name: Heather Sarach
Title: Vice President

COMMONWEALTH OF MASSACHUSETTS

COUNTY OF Suffolk, ss.

November 1, 2007

On this 1st day of November, 2007, before me, the undersigned notary public, personally appeared Heather Sarach, proved to me through satisfactory evidence of identification, which were personal knowledge, to be the person whose name is signed on the preceding document, as Vice President of Sovereign Bank, and acknowledged to me that he/she signed it voluntarily for its stated purpose.

Notary Public
Print Name:
My Commission Expires:

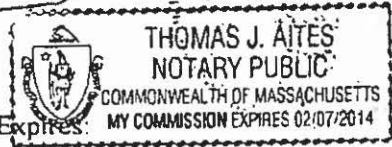


EXHIBIT A

Re:

The Groves Apartments
Lincoln, MA
The Groves Apartments – Deaconess, Inc.

Property Description of the Project Site

The Project Site is shown on Exhibit A-1, and is described in that certain Ground Lease dated November 1, 2007 by and between The Groves in Lincoln-Deaconess, Inc. and the Project Sponsor and recorded with the Middlesex South District Registry of Deeds simultaneously herewith.

The Project Site is a portion of the Groves in Lincoln Site, which is more particularly described below:

Legal description of Main Parcel:

PARCEL 1- 9 Cambridge Turnpike

A certain parcel of land with the buildings thereon situated on Cambridge Turnpike, Lincoln, Middlesex County, Massachusetts being shown as Lot A-2 and Lot B-1 on plan entitled "Plan of Land in Lincoln, Mass., prepared for William M. & Deborah Kanzer" dated August 13, 1977 prepared by Drake Associates, Inc. and recorded with Middlesex South Registry of Deeds as Plan No. 607 of 1999 in Book 30270, Page 221.

PARCEL 2- 11 Cambridge Turnpike

The land with the buildings thereon in Lincoln, Middlesex County, Massachusetts, being shown as Lots A-1 and B-2 on a plan entitled "Plan of Land in Lincoln, Mass. Prepared for William M. and Deborah Kanzer, June 5, 1997, Drake Associates, Inc., Civil Engineers Land Surveyors" recorded with Middlesex South Registry of Deeds as Plan No. 607 of 1999 and being more particularly described as follows:

Northeasterly by Cambridge Turnpike, 300.54 feet and 3.30 feet;

- Southeasterly,
Southwesterly &
Southeasterly by land now or formerly of Bunsai Gakuen Boston Institute of
Intercultural Communication, Inc., as shown on said plan, 206.00 feet
33.00 feet and 27.71 feet;
- Southwesterly by Lot B-1 and Lot A-2 as shown on said plan, 69.92 feet and 48.25 feet;
- Southeasterly by Lot A-2 as shown on said plan 19.94 feet and 56.86 feet; and
- Northwesterly by land now or formerly of Bunsai Gakuen Boston Institute of
Intercultural Communication, Inc. 180.00 feet.

PARCEL 3- 15 Cambridge Turnpike

A certain parcel of land with improvements thereon situated in Lincoln, Middlesex County, Massachusetts being shown as a parcel of land containing an area of 40,100 square feet of land; on a plan entitled "A compiled plan of land in Lincoln, Mass.," scale one inch equals forty feet; dated May 24, 1955: Albert A. Miller and Wilbur C. Nylander, Civil Engineers and Surveyors; which plan is recorded with Middlesex South District Registry of Deeds as Plan Number 1429 of 1955 in Book 8527, Page 307, bounded and described as follows:

- Northwesterly by a fifty (50) foot wide right of way, as shown on said plan, by two
distances, measuring respectively, one hundred forty five (145) feet and
one hundred fifteen (115) feet;
- Northeasterly by Lot 1C, as shown on said plan, ninety (90) feet;
- Southeasterly by Lot 1A, as shown on said plan, one hundred (100) feet;
- Northeasterly by Lot 1A, as shown on said plan, sixty-five (65) feet;
- Southeasterly by land of Maurice A. Leslie et ux, as shown on said plan, one hundred
fifty-five (155) feet;
- Southwesterly by land of Maurice A. Leslie et ux, as shown on said plan, one hundred
eighty-five (185) feet.

PARCEL 4- 17 Cambridge Turnpike

The land in Concord and Lincoln, Middlesex County, Massachusetts, together with the buildings and improvements thereon, described in a plan entitled "Plan of Land in Concord and Lincoln, Mass.", dated October 15, 1970, by Albert A. Miller and Wilbur C. Nylander, recorded with Middlesex South District Registry of Deeds in Book 11923, Page 464, more particularly bounded and described as follows:

- | | |
|---------------|---|
| Northeasterly | by Concord Turnpike, shown on said plan as "Cambridge to Concord Highway", by two courses, measuring one hundred fifty two and 71/100 (152.71) feet and three hundred twenty five and 27/100 (325.27) feet, respectively; |
| Southeasterly | by land of Cecil Mills and John Gilbert, according to said plan, four hundred ninety two and 79/100 (492.79) feet; |
| Northeasterly | again by said land of John Gilbert, according to said plan, one hundred forty five and 00/100 (145.00) feet; |
| Southeasterly | by other land of the Order of St. Anne, according to said plan, twenty three and 78/100 (23.78) feet; |
| Northeasterly | again by said land of the Order of St. Anne, and land of Paul M. & Elizabeth M. Leslie, according to said plan, two hundred thirty five and 00/100 (235.00) feet; |
| Northwesterly | by said land of Leslie, one hundred fifty five (155.00) feet; |
| Southwesterly | again by said land of Leslie, sixty five (65.00) feet; |
| Northwesterly | again by said land of Leslie, ninety seven and 12/100 (97.12) feet; |
| Northeasterly | by other land of the Order of St. Anne, according to said plan, ninety nine and 77/100 (99.77) feet; |
| Northwesterly | again by said land of the Order of St. Anne, two hundred seventy eight (278.00) feet, more or less; |
| Northeasterly | by said Cambridge to Concord Highway, one hundred five and 03/100 (105.03) feet; |

- Southeasterly by land of J. Neil & Mary F. Morrissey and Jacob & Inez Yagjian, by three courses measuring eight hundred seventy two and 80/100 (872.80) feet, four hundred eighty seven and 05/100 (487.05) feet; and thirteen (13) feet, more or less, according to said plan;
- Southwesterly by Sawmill Brook, as shown on said plan, eight hundred ninety (890.00) feet, more or less;
- Southeasterly by land now or formerly of Jessie Pavlo, according to said plan, five hundred eighty eight (588.00) feet, more or less;
- Southwesterly by Sandy Pond Road, sixty and 93/100 (60.93) feet;
- Northwesterly by land of Bruno Nesto, according to said plan, five hundred ninety and 81/100 (590.81) feet;
- Southwesterly again by said land of Nesto and by land of James W. and Mary G. Spindler, according to said plan, in two courses measuring three hundred two and 37/100 (302.37) feet, and two hundred twenty five (225.00) feet, respectively;
- Northwesterly by land now or formerly of Harvey D. Crosby, according to said plan four hundred ninety three and 73/100 (493.73) feet;
- Southwesterly again by said land of Crosby, sixty and 56/100 (60.56) feet;
- Northwesterly again by said land of Crosby, six hundred forty six and 31/100 (646.31) feet.

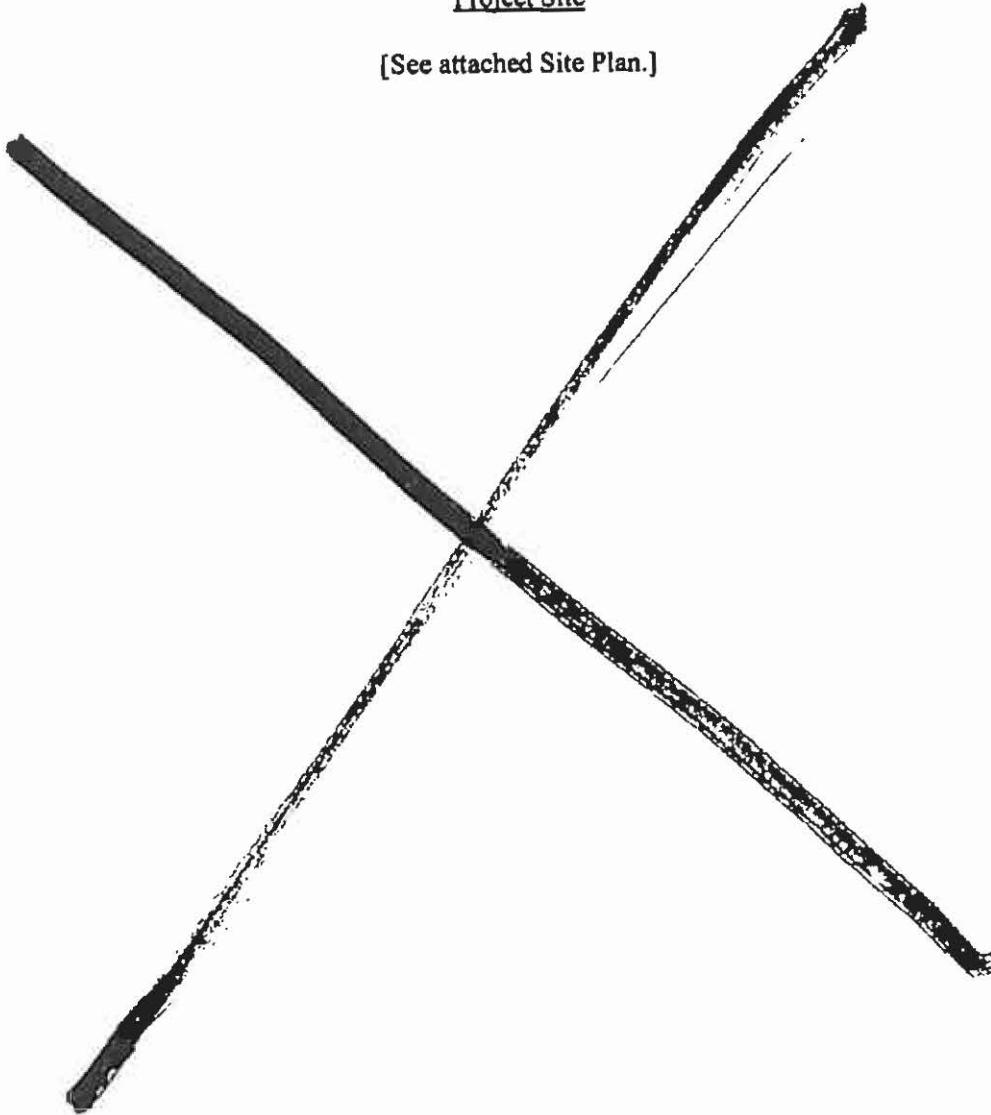
Together with the other land shown on said plan as being of The Order of St. Anne, to wit, all of the Grantor's right, title and interest in and to the right of way shown on said plan and also shown on the plan entitled "Plan of Land in Lincoln, Mass., dated May 9, 1968 by Albert A. Miller and Wilbur C. Nylander, recorded with said Deeds in Book 11508, Page 21, and all of the right, title and interest of the Grantor in and to the land abutting the Cambridge to Concord Highway shown on said plan dated October 15, 1970, recorded in said Deeds in Book 11923, Page 464 as of the Order of St. Anne, and also shown on said plan dated May 9, 1968, recorded in said Deeds in Book 11508, Page 21 as included in the land granted to the Grantor by deed of Maurice A. Leslie and Annie M. Leslie, dated May 16, 1968, recorded in said Deeds in Book 11508, Page 21.

Note: As hereinafter used "recorded" shall mean "recorded with the Middlesex South District Registry of Deeds".

EXHIBIT A-1

Project Site

[See attached Site Plan.]



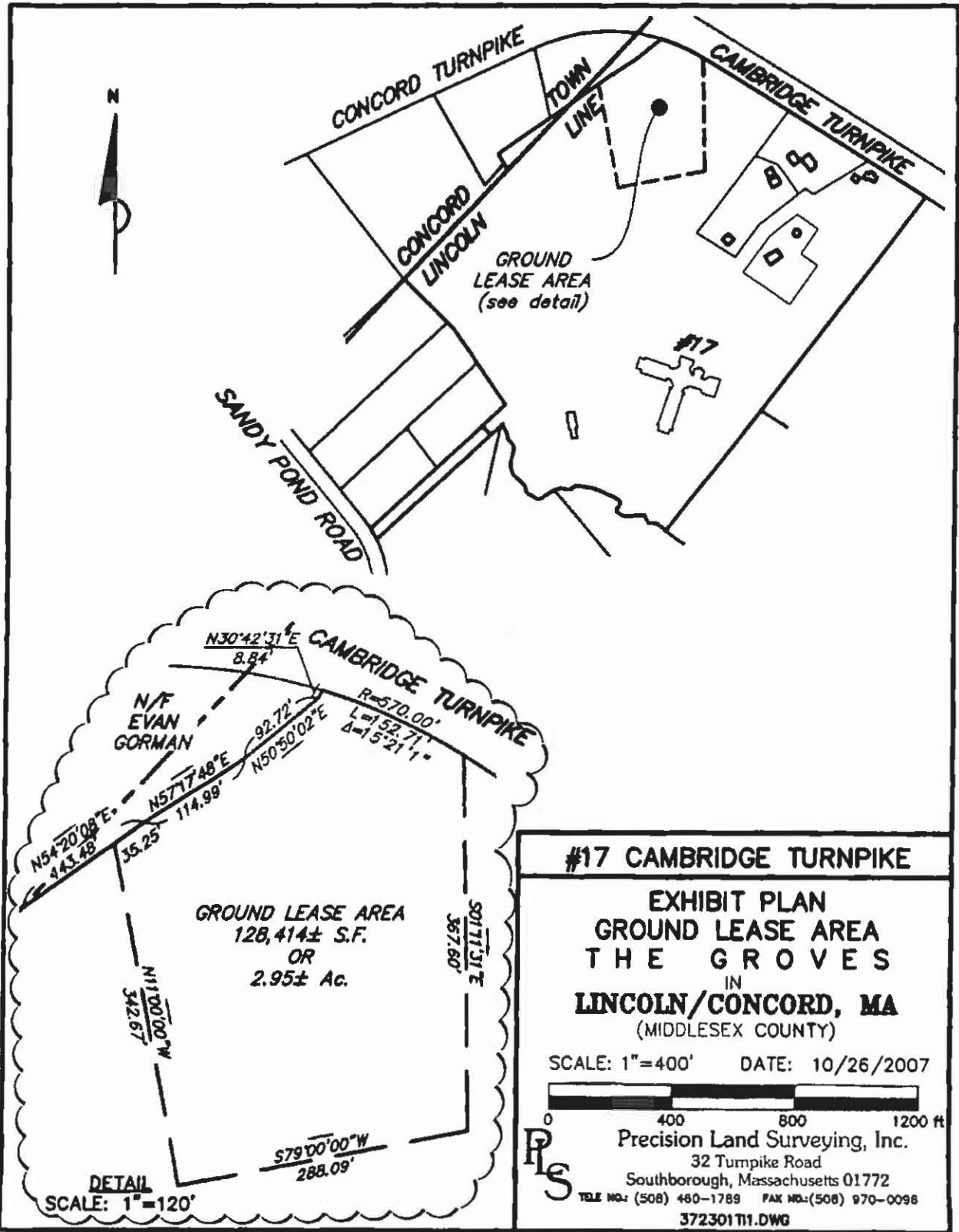


EXHIBIT B

Re:

The Groves Apartments
Lincoln, MA
The Groves Apartments – Deaconess, Inc.

Initial Maximum Rents and Utility Allowances for Low and Moderate Income Units

	<u>Rents</u>	<u>Utility Allowances</u>	<u>Net Rent</u>
One bedroom units	\$1,324.00*	\$120.00	\$1,204.00
Two bedroom units	\$1,488.00*	\$153.00	\$1,335.00

*2007 Maximum rents at 80% of median income for the HUD Boston SMSA.

Eugene C. Burns
Attest Middlesex S. Register

