



REGULATORY AGREEMENT

This Regulatory Agreement (the "Agreement") is made this 2nd day of November, 2017 by the **Lexington Housing Authority**, a public body, corporate and politic organized and existing under the laws of the Commonwealth of Massachusetts, with an address of 1 Countryside Village, Lexington, Massachusetts 02420 ("LHA") and the **Town of Lexington**, a municipal corporation duly organized under the laws of the Commonwealth of Massachusetts, with an address of 1625 Massachusetts Avenue, Lexington, Massachusetts 02420 (the "Town"), acting by and through its Board of Selectmen.

WHEREAS:

- A. Pine Grove Village Cooperative Corporation (the "Co-op") is a 16-unit residential cooperative intended for persons of low and moderate income, permitted under a comprehensive permit issued pursuant to M.G.L. Chapter 40B (the "Comprehensive Permit"), and originally financed by the Massachusetts Housing Finance Agency ("MassHousing").
- B. The Co-op intends to convert to a condominium form of ownership (the "Condo") with the approval and financial participation of the Town and MassHousing.
- C. The LHA intends to purchase five (5) occupied residential rental units ("LHA Units") from the Co-op. The LHA Units are identified as Units 1, 10, 12, 15, 16 at the Pine Grove Village located at 1-16 Judges Road in Lexington MA 02421 (the "Development") located on land more particularly described on Exhibit A attached hereto (the "Property").
- D. The LHA intends to purchase the LHA Units subject to current leases and a Massachusetts Rental Voucher Program project-based contract or other rent subsidy contracts currently in effect at the Property, including project-based or tenant-based Section 8 vouchers, if any (the "Subsidy Contracts"), and lease the LHA Units in accordance with this Agreement.

NOW THEREFORE, in consideration of the agreements and covenants hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LHA and the Town hereby agree and covenant as follows:

1. To the maximum extent permitted by applicable law, the Comprehensive Permit, the Subsidy Contracts and any other regulatory agreements or similar restrictions affecting the LHA Units, throughout the term of this Agreement, the LHA shall reserve, market and lease, as "low or moderate income housing," as that term is defined in M.G.L. c. 40B, § 20, one hundred percent (100%) of the LHA Units to individuals and families earning not more than eighty percent (80%) of the applicable area median income ("AMI"), adjusted for household size, as determined by the U.S. Department of Housing and Urban Development ("HUD") and this Agreement. The LHA Units, as restricted hereunder, shall also be referred to as the Affordable Units (the "Affordable Units").

2. The term of this Agreement shall commence as of the date the LHA Units are purchased by LHA from the Co-op and shall continue in perpetuity as may be permitted by law,

subject to the provisions of this Agreement. In entering into this Agreement, the parties intend for the restrictions, rights and obligations herein to be perpetual. To that end, if for any reason this Agreement or any of the restrictions, rights or obligations contained herein shall be deemed subject to sun-setting provisions, invalid, terminated, void or voidable on any grounds, or other principles requiring duration less than perpetual, then LHA and its successors, assigns and transferees shall carry out all reasonable necessary measures made at the Town request to extend, adopt and renew the terms of this Agreement and otherwise to ensure that the Town holds in perpetuity the rights and restrictions set forth herein for the benefit of the Town in a manner consistent with the terms and intent of this Agreement.

3. For so long as this Agreement is in effect, the annual rental expense for each of the LHA Units shall be equal to the gross rent plus allowances for all tenant-paid utilities (including tenant-paid heat, hot water and electricity) and shall not exceed thirty percent (30%) of eighty percent (80%) of AMI, adjusted for household size (the "Maximum Rent"). The Maximum Rent shall be determined on an annual basis by LHA in accordance with the rental determination regulations adopted by MassHousing, (or its successor agency), as the same may be amended from time to time, and any policy regulations promulgated thereunder. If MassHousing (or its successor agency) ceases to promulgate any such regulations, then the Maximum Rent shall be determined based on substitute regulations and requirements of the Department of Housing and Community Development ("DHCD") and if no such regulations or requirements are available, on substitute regulations of a federal or state governmental agency providing subsidies for low or moderate income housing as shall be reasonably determined by LHA, in order to ensure the continued availability of the LHA Units for the purposes specified herein and in the Comprehensive Permit for the entire term of this Agreement.

4. LHA will advise the Town of any revisions to the designation of any LHA Units on an annual basis and will provide an annual filing to the Town with respect to the Development consisting of a current rent roll, a schedule of proposed rents, the number of occupants in each household and the income of each household. If the Town fails to respond to a submission of the proposed schedule of rents for the LHA Units within thirty (30) days of the Town's receipt thereof, the Town shall be deemed to have approved the submission.

5. Leases and occupancy agreements for LHA Units shall meet the requirements of the Comprehensive Permit, this Agreement, and all applicable guidelines. LHA shall enter into a lease with each tenant for a minimum term of one year. Such leases shall contain clauses, among others, wherein each resident of such LHA Unit agrees and certifies compliance with the accuracy of information provided by the resident.

6. LHA, at the time of initial rental and on each anniversary of the rental of an LHA Unit during the term of such rental, will verify the income of each household in accordance with the applicable Subsidy Contract as applicable and maintain on file all income verification documentation and calculations.

7. If, after initial occupancy, the income of a household occupying one of the LHA Units increases and, as a result of such increase, exceeds the maximum income permitted hereunder for such household, LHA shall not be in default hereunder so long as either (i) the household's income does not exceed one hundred forty percent (140%) of the maximum income

permitted (in which case the unit in question shall continue to be counted as an Affordable Unit), or (ii) LHA endeavors to return the unit in question to an Affordable Unit within a twelve-month period however, that the LHA shall not be required to terminate the tenancy or not renew the lease due to such tenant's income in excess of 140% of the maximum income permitted. If a unit no longer qualifies as an LHA Unit due to an increase in the income of the household occupying such unit to an amount in excess of one hundred forty percent (140%) of the maximum income permitted hereunder for such household, LHA will notify the Town and then may charge a market rental rate for such unit (determined based on the then-current average of available units for rent of similar size, based on MLS/Zillow/Trulia or similar listing service) and the excess rent collected above the approved Maximum Rent shall be paid by the LHA to the Town for deposit into a special account for affordable housing purposes. Furthermore, household size standards for "over-housing" shall not apply to tenants in occupancy in the Property on the date of this Agreement.

8. In fulfilling its obligations under this Agreement, LHA will recommend tenants from the LHA in accordance with the Tenant Selection Plan. The LHA will not unreasonably refuse occupancy to any prospective tenants so referred who met the requirements of any applicable Tenant Selection Plan. In marketing and renting the LHA Units, LHA shall comply with any applicable Tenant Selection Plan and Affirmative Fair Housing Marketing Plan, approved by the Town, which plans, as the same may be amended, are incorporated herein by reference with the same force and effect as if set out in this Agreement. Such plans may be established and updated in accordance with all applicable guidelines now or then in effect. Notwithstanding the foregoing, in no event shall this Agreement require LHA to take any action which would result in a violation of the federal Fair Housing Act or any other applicable federal, state or local law, rule, ordinance, regulation or requirement or which is inconsistent with any applicable guidelines, rules or regulations or the Comprehensive Permit, any Subsidy Contract or any applicable regulatory agreement or other restriction. Without limiting the generality of the foregoing, there shall be no discrimination upon the basis of race, creed, color, religion, disability, sex, sexual orientation, national origin, age familial status, or any other basis prohibited or restricted by law in the lease, use or occupancy of the Development.

9. LHA will obtain, at the time of initial rental of an LHA Unit and on each anniversary of the rental during the term of such rental, and maintain on file Certifications of Tenant Eligibility with respect to the LHA Units in substantially the form that is used for other LHA units. Such Certifications shall be filed with the Town. LHA shall make good faith efforts to verify that the income provided by an applicant in an income certification is accurate.

10. The Town Manager of Lexington shall represent the interests of the Town concerning the enforcement of the terms and conditions of this Agreement. As such, the Town Manager and any person(s) designated by the Town Manager (whether such person(s) are employees of the Town or agents acting on behalf of the Town Manager or the Town) shall be the person authorized to monitor compliance by LHA with the terms and conditions of this Agreement. LHA will maintain complete and accurate records pertaining to the LHA Units, and during reasonable business hours and upon reasonable notice, will permit the Town Manager, or the Town Manager's designee(s), to inspect the books and records of LHA pertaining to the LHA Units.

11. 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.

12. 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, or by reputable overnight courier (such as Federal Express), to the parties hereto at the addressee set forth below, or to such other place as a party may from time to time designate by written notice:

To Lexington Housing Authority:

Lexington Housing Authority
1 Countryside Lane
Lexington, MA 02420

Attention: Executive Director

To Town:

Town of Lexington
1625 Massachusetts Avenue
Lexington, MA 02420

Attention: Director of Planning

13. 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 M.G.L. c. 184, § 31 and as that term is used in M.G.L. c.184, § 26, 31, 32 and 33, in perpetuity. This Agreement is made for the benefit of the Town and the Town shall be deemed to be the holder of the affordable housing restriction created by this Agreement. The Town has determined that the acquiring of such affordable housing restriction is in the public interest.

14. LHA intends, declares and covenants on behalf of itself and its successors and assigns, and the parties hereto agree (i) that this Agreement and the covenants, agreements and restrictions contained herein shall be and are covenants running with the land, encumbering the Development for the term of this Agreement accepted by the Town by its execution of this Agreement, and are binding upon LHA's successors in title, (ii) are not merely personal covenants of LHA, and (iii) shall bind LHA, its successors and assigns for the term of the Agreement, and shall inure to the benefit of the parties hereto and their respective successors and assigns. LHA 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 privileges of estate are also deemed to be satisfied in full. LHA shall cause this Agreement to be recorded in the Registry. LHA shall pay all fees and charges incurred in connection with such recording or filing.

15. If any default, violation or breach by LHA is not cured within ninety (90) days after notice to LHA thereof (or such longer period of time as is reasonably necessary to cure such a

default so long as LHA is diligently and continuously prosecuting such a cure), then the Town may take one or more of the following steps: (a) by mandamus or other suit, action or other proceeding at law or in equity, require LHA to perform its obligations under this Agreement; (b) have access to, and inspect, examine and make copies of all of the books and records of LHA pertaining to the Development; or (c) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of LHA under this Agreement. If the Town brings any claim to enforce this Agreement, and the Town finally prevails in such claim, LHA shall reimburse the Town for its reasonable attorneys' fees and expenses incurred in connection with such claim.

16. Recognizing that each party may find it necessary to establish to third parties, such as accountants, banks, potential or existing mortgagees, potential purchasers or the like, the then current status of performance hereunder, either party on the request of the other party made from time to time, will promptly furnish to the requesting party a statement of the status of any matter pertaining to this Agreement, including, without limitation, acknowledgments that (or the extent to which) each party is in compliance with its obligations under the terms of this Agreement.

17. If the Development, or any part thereof, shall be damaged or destroyed or shall be condemned or acquired for public use, LHA shall have the right, but not the obligation, to repair and restore the Development 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 Development in accordance with the terms of this Agreement. Notwithstanding the foregoing, in the event of a casualty in which some but not all of the buildings in the Development are destroyed, if such destroyed buildings are not restored by Developer, Developer shall be required to maintain 100% of the total number of remaining rental units in the Development as Affordable Units.

(Signatures on following page)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as a sealed instrument as of the date first above written.

Lexington Housing Authority

By: Carleen B. Foley
Its Executive Director
Hereunto duly authorized
Carleen B. Foley

COMMONWEALTH OF MASSACHUSETTS

County of Middlesex, ss.

On this 16 day of November, 2017, before me, the undersigned notary public, Carleen B. Foley personally appeared, proved to me through satisfactory evidence of identification, which was: at least one current document issued by a federal or state government agency bearing the photographic image of the signatory's face and signature, the oath or affirmation of a credible witness unaffected by the document or transaction who is personally known to me and who personally knows the signatory, or identification of the signatory based on my personal knowledge of the identity of the signatory, 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 Executive Director of the Lexington Housing Authority, a body politic and corporate organized and operated under the laws of the Commonwealth of Massachusetts.

Katharine M. Kirby
Notary Public
My Commission Expires: 8/24/18
Katharine M. Kirby

TOWN:

Town of Lexington

By: Carl Valente
Carl Valente
Its Town Manager
Hereunto duly authorized

COMMONWEALTH OF MASSACHUSETTS

County of Middlesex, ss.

On this 27th day of November, 2017, before me, the undersigned notary public, Carl F. Valente personally appeared, proved to me through satisfactory evidence of identification, which was: [] at least one current document issued by a federal or state government agency bearing the photographic image of the signatory's face and signature, [] the oath or affirmation of a credible witness unaffected by the document or transaction who is personally known to me and who personally knows the signatory, or [] identification of the signatory based on my personal knowledge of the identity of the signatory, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose, as Town manager for the Town of Lexington, a municipality incorporated in Massachusetts.

Catherine B. Severance
Notary Public
Catherine B. Severance
Notary Public
My commission expires: 4/4/19

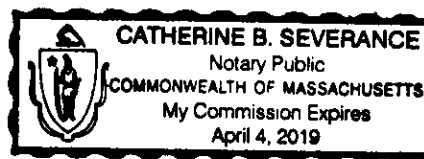


Exhibit A
Legal Description

A certain parcel of land and the improvements thereon 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 the land of the Lexington Home for Aged People, which point marks the northwesterly corner of said parcel; and

Thence running by Worthen Road

North 62-40-48 East three hundred forty-five (341.00)

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
JULY 1, 1975 BY ALBERT A. MILLER & WILBUR HYLANDER, CIVIL ENGINEERS
& SURVEYORS AND RECORDED WITH MIDDLESEX SOUTH DISTRICT
REGISTRY OF DEEDS IN BOOK 12864 ON PAGE 152, AND CONTAINS,
ACCORDING TO SAID PLAN 97.884 SQUARE FEET, BE SAID CONTENTS
MEASUREMENT MORE OR LESS. SAID PARCEL IS ALSO SHOWN AS LOT A-1 ON
THE SITE PLAN ENTITLED "CONDOMINIUM SITE PLAN FOR THE PINE GROVE
VILLAGE CONDOMINIUM LOCATED AT 1 JUDGES ROAD LEXINGTON, MA BY
BOSTON SURVEY, INC. DATED JUNE 21, 2017 RECORDED HEREWITH**