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AFFORDABLE HOUSING RESTRICTION

**TOWN OF LINCOLN
Home Investment Partnerships Program**

This Affordable Housing Restriction is made as of this 8th day of April 2013 by and between the Town of Lincoln acting by and through its Board of Selectmen (the "Town" or "Grantor") and the Trustees of the Town of Lincoln Affordable Housing Trust (the "Trust" or Holder") both having the usual place of business at Lincoln Town Hall, 16 Lincoln Road, P.O. Box 6353, Lincoln, MA 01773.

Background

A. The Town is obtaining funds under the terms of the HOME Program Mutual Cooperation Agreement by and between the municipalities of the WestMetro HOME Consortium ("Consortium") and the Town, dated July 1, 2010 executed pursuant to the Cranston-Gonzalez National Affordable Housing Act of 1991 in connection with the rehabilitation and improvement of the single family four bedroom unit (the "Project") located at the Sunnyside Lane affordable housing complex owned by the Town having an address of 30 Sunnyside Road, Lincoln, Middlesex County, Massachusetts described in Deed recorded with Middlesex South District Registry of Deeds in Book 42211, Page 256 and on Exhibit A attached hereto and made a part hereof (the "Property").

B. The Town has executed a HOME Funding Agreement (the "Agreement") with the Trust and the Town of Lincoln Housing Commission (the "Commission") in connection with the Loan, including this Affordable Housing Restriction for the disbursement of \$74,010 ("HOME Funds") for the Project.

C. Pursuant to the Agreement, the Town has agreed to rent the Property at reduced rents to Low Income Families, as defined and described herein.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town as the Grantor agrees that the Affordable Housing Restriction shall encumber the Property.

The terms of this Affordable Housing Restriction, authorized by G.L. c. 184, §§31-33 and otherwise by law, are as follows:

1. Purposes. The purpose of this Affordable Housing Restriction is to assure that the Property will be retained as affordable housing for occupancy by Low Income Families, as defined herein.

2. Scope. The Grantor intends, declares and covenants, on behalf of itself and its successors and assigns, that the covenants and restrictions set forth in this Affordable Housing Restriction regulating and restricting the use, occupancy and transfer of the Property

(collectively, the "Affordability Restrictions") (i) shall be and are covenants running with the Property, encumbering the Property for a term of twenty (20) years after the date hereof, binding upon the Grantor's successors in title and all subsequent owners of the Property, (ii) are not merely personal covenants of the Grantor, and (iii) shall bind the Grantor and its successors and assigns (and the benefits shall inure to the Holder and to any past, present or prospective tenant of the Property). The Grantor acknowledges that the HOME Funds that it has and will receive for the Project includes certain program restrictions more fully set forth in Paragraph 7 hereof (the "Restrictions"). This Affordable Housing Restriction and the Restrictions contained herein shall continue in force for their stated term regardless of any payment or repayment of the HOME Funds in connection with which the Restrictions were imposed.

3. Duration Not Limited. This Affordable Housing Restriction is intended to be construed as an affordable housing restriction as defined in Section 31 of Chapter 184 of the Massachusetts General Laws which has the benefit of Section 32 of said Chapter 184, such that the restrictions contained herein shall not be limited in duration by any rule or operation of law. The Grantor hereby agrees that this Affordable Housing Restriction satisfies in full any and all requirements of the laws of the Commonwealth of Massachusetts such that it constitutes deed restrictions and covenants running with the land and that any requirements of privity of estate are deemed to be satisfied in full, or in the alternative, that an equitable servitude has been created to insure that this Affordable Housing Restriction runs with the land. This Affordable Housing Restriction and all of the agreements, restrictions, rights and covenants contained herein shall also be deemed to be "other restrictions held by any governmental body" pursuant to M.G.L. c. 184, § 26 such that the restrictions contained herein shall be enforceable for its full term and not be limited in duration by any contrary rule or operation of law, and in any event shall be enforceable for a term of at least 15 years.

4. Subsequent Conveyances. Each and every contract, deed or other instrument hereafter executed conveying the Property or portion thereof shall expressly provide that such conveyance is subject to this Affordable Housing Restriction, provided, however, that the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Property or portion thereof provides that such conveyance is subject to this Affordable Housing Restriction.

5. Permitted Use. The Property shall be used for single family rental housing (the "Unit") and shall be subject to the occupancy restrictions set forth herein (the "HOME Assisted Unit"). The Grantor shall not permit the use of the Unit for any purpose other than rental housing. The Unit shall (i) contain complete facilities for living, sleeping, eating, cooking and sanitation which are to be used on other than a transient basis and (ii) meet the housing quality standards set forth in the regulations of the United States Department of Housing and Urban Development ("HUD") at 24 C.F.R. §982.401 or any successor thereto, the accessibility requirements at 24 C.F.R. Part 8 or any successor thereto (which implement Section 504 of the Rehabilitation Act of 1973) and, if applicable, the design and construction requirement of 24 C.F.R. §100.205 or any successor thereto (which implement the Fair Housing Act).

6. Tenant Selection.

(a) Nondiscrimination. The Grantor shall not discriminate on the basis of race, creed, color, sex, age, handicap, marital status, sexual preference, national origin or any other basis prohibited by law in the lease, use and occupancy of the HOME Assisted Unit or in connection with the employment or application for employment of persons for the operation and management of the HOME Assisted Unit. The Grantor shall not discriminate against, or refuse to lease, rent or otherwise make available the HOME Assisted Unit to, a holder of a certificate or voucher under the Federal Rental Certificate Program or the Federal Rental Voucher Program (24 C.F.R. Part 982) or a holder of a comparable document evidencing participation in a HOME tenant-based assistance program because of the status of the prospective tenant as a holder of such certificate, voucher or comparable HOME tenant-based assistance document.

(b) Selection Policies. The Grantor shall adopt and submit to the Holder for approval resident selection policies and criteria acceptable to the Holder that:

- (i) Are consistent with the purpose of providing housing for Low Income Families as defined below and required herein;
- (ii) Are reasonably related to HOME Program eligibility of prospective tenants and to the prospective tenants' ability to perform the obligations of the Grantor's form lease;
- (iii) Give reasonable consideration to the housing needs of Families (as defined below) that would have preference under Section 6(c)(4)(A) of the United States Housing Act of 1937 (42 U.S.C. §1437 et seq.); and
- (iv) Provide for (x) the selection of residents from a written waiting list in the chronological order of their application, insofar as practicable and (y) the prompt written notification to any rejected applicant of the grounds for any rejection.

The Grantor shall also provide the Holder with an affirmative marketing plan acceptable to the Holder. The affirmative marketing plan must comply with all applicable statutes, regulations and executive orders, and with the HOME Program affirmative marketing requirements. The approved marketing plan and the approved resident selection policies and criteria shall be adhered to in every respect.

7. Occupancy Restrictions.

(a) Low Income Unit: The HOME Assisted Unit shall be leased exclusively to Low Income Families. The monthly rent charged to a Low Income Family occupying the HOME Assisted Unit shall not exceed the lesser of Fair Market Rent or an amount equal to (x) one-twelfth of thirty percent (30%) of the adjusted income of a family whose annual income equals 65% of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the Unit. In determining the maximum monthly rent that may be charged for a unit, GRANTEE must subtract a monthly allowance for any utilities and services to

be paid by the tenant. A Family who resides in the HOME Assisted Unit, who qualified as a Low Income Family at the time of such Family's initial occupancy and whose Household Income exceeds eighty percent (80%) of the Family-size Adjusted AMI, shall, from and after the expiration of the then-current term of such Family's lease, no longer be treated as an income-qualified Family and must pay, as monthly rent, the Over-income Rent.

(b) Applicable Lease Term, Change of Status. References in the foregoing provisions of the "then-current term of such Family's lease" shall refer to the term of the lease or occupancy agreement in effect on the date of the required delivery of the income certification that reflects (or that, if duly delivered, would have reflected) the applicable increase in such Family's income. If, with the Holder's consent, the Grantor does not require that a lease be signed for the HOME Assisted Unit (e.g., a property providing short-term transitional housing), the provisions set forth above shall apply, except that the applicable date on which a Family's income-qualified status and/or applicable rent restriction is modified shall be the first day of the month that is at least thirty (30) days following the date of the required delivery of the income certification that reflects (or that, if duly delivered, would have reflected) the applicable increase in such Family's income.

(c) Federal or State Rental Subsidy. If the HOME Assisted Unit receives federal or state project-based rental subsidy and the occupying Family qualifies as a Low Income Family and pays as a contribution towards rent not more than thirty percent (30%) of one-twelfth of the Family's Household Income, then the maximum rent (i.e., tenant contribution plus rental subsidy) is the rent allowable under the federal or state rental subsidy program.

(d) Definitions.

"Area" shall mean the Boston-Cambridge-Quincy Metropolitan Statistical Area or successor area as established by HUD.

"Bedroom Adjusted AMI" applicable to the Unit shall mean the median income for the Area, with adjustments for the number of bedrooms in such Unit, as determined from time to time by HUD pursuant to Section 8 of the United States Housing Act of 1937, as amended. For purposes of adjustments for the number of bedrooms in a Unit, a Unit that does not have a separate bedroom is assumed to be occupied by one individual and a Unit with one or more separate bedrooms is deemed assumed to be occupied by 1.5 individuals for each bedroom (with the total number of individuals rounded up).

"Fair Market Rent" shall mean the fair market rent for existing housing for comparable units in the Area as established by HUD under regulations promulgated at 24 C.F.R. §888.111 (or successor regulations).

"Family" shall have the meaning set forth in 24 C.F.R. §5.403 (or any successor regulation). Notwithstanding the foregoing, a household comprised of a full-time student or students shall not qualify as a Family except as permitted under the federal low-

income housing tax credit program pursuant to Section 42(i)(3)(D) of the Internal Revenue Code of 1986, as amended.

"Family-size Adjusted AMI" shall mean the median income for the Area, adjusted for family size, as determined from time to time by HUD pursuant to Section 8 of the United States Housing Act of 1937, as amended.

"Household Income" shall mean a Family's adjusted annual income determined in the manner set forth in 24 C.F.R. §5.609 (or any successor regulations).

"HUD" shall mean the United States Department of Housing and Urban Development.

"Low Income Family" shall mean a Family whose Household Income is less than or equal to sixty percent (60%) of the Family-size Adjusted AMI.

"Over-income Rent" shall mean, for a particular over-income Family, a monthly rent equal to the lesser of (x) one-twelfth of thirty percent (30%) of the Family's Household Income as recertified annually or (y) the comparable market rent for the Family's Unit.

8. Income Certifications. The Grantor represents, warrants and covenants that the determination of whether a Family occupying the HOME Assisted Unit meets the income requirements set forth herein shall be made by Grantor at the time of leasing of the HOME Assisted Unit and thereafter at least annually on the basis of the current income of such Family. In initially verifying a Family's income, the Grantor shall examine the source documents evidencing annual income (e.g., wage statements, interest statements, unemployment compensation statements) for the Family. Grantor shall maintain as part of its records copies of all leases of the HOME Assisted Unit and all initial and annual income certifications by tenants of HOME Assisted Unit. Within sixty (60) days after the end of each calendar year, the Grantor shall provide to the Holder annual reports consisting of certifications regarding the annual and monthly gross and adjusted income of each Family occupying the HOME Assisted Unit. With respect to Families who moved to the HOME Assisted Unit in the prior year, the annual report shall also include certifications regarding the annual and monthly gross and adjusted incomes of such Families at the time of their initial occupancy of the HOME Assisted Unit. The annual reports shall be in a form approved by the Holder and shall contain such supporting documentation as the Holder shall reasonably require. In addition to the foregoing, Grantor shall keep such additional records and prepare and submit to the Holder such additional reports as the Holder may deem necessary to ensure compliance with the requirements of this Affordable Housing Restriction and of the HOME Program.

9. Rent Schedule. Initial monthly rents and monthly allowances for utilities and services for all HOME Assisted Units shall be as set forth in Exhibit B attached hereto. Annually as part of the annual reports required under Section 8 above, Grantor shall submit to the Holder a proposed schedule of monthly rents and monthly allowances for utilities and services for the HOME Assisted Unit. The rent schedule shall include the maximum rents applicable to the HOME Assisted Unit under Section 7 above. Such schedule shall be subject to the approval of the Holder for compliance with their requirements in Section 7 above. Rent

increases shall be subject to the provisions of outstanding leases and shall not be implemented without at least thirty (30) days' prior written notice by Grantor to all affected tenants.

10. Lease Form. The Grantor shall not include in any lease for the HOME Assisted Unit any of the following provisions:

(a) Agreement by the tenant to be sued, to admit guilt or to a judgment in favor of the Grantor in a lawsuit brought in connection with the lease.

(b) Agreement by the tenant that the Grantor may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the unit after the tenant has moved out of the unit. The Grantor may dispose of such personal property in accordance with state law.

(c) Agreement by the tenant not to hold the Grantor or the Grantor's agents legally responsible for any action or failure to act, whether intentional or negligent.

(d) Agreement of the tenant that the Grantor may institute a lawsuit without notice to the tenant.

(e) Agreement by the tenant that the Grantor may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.

(f) Agreement by the tenant to waive any right to a trial by jury.

(g) Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease.

(h) Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the Grantor against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

All leases for HOME Assisted Units shall be on a form reasonably approved by the Holder, shall be for terms of not less than one (1) year, unless by mutual agreement between the tenant and Grantor, and shall require tenants to provide information required for the Grantor to meet its reporting requirements hereunder. Grantor may not terminate the tenancy or refuse to renew the lease of an occupant of the HOME Assisted Unit except (i) for serious or repeated violation of the terms and conditions of the lease; (ii) for violations of applicable federal, state or local law; (iii) for completion of the tenancy period for transitional housing; (iv) if renewal of the lease would violate the terms of this Affordable Housing Restriction or (v) for other good cause. Any termination or refusal to renew must be preceded by not less than thirty (30) days by Grantor's service on the tenant of a written notice specifying the grounds for the action.

11. Transfer Restriction, Right of First Refusal. The Grantor may not sell, transfer or exchange (collectively, "Transfer") all or any of the Property without the Holder's prior written consent. The Property shall not be converted to a condominium or cooperative form of ownership, without the prior written consent of the Holder.

When the Grantor (which includes any successor in title) proposes to Transfer the Property, or any portion thereof, the Grantor shall notify the Holder in writing of the Grantor's intention to so Transfer the Property, including the proposed transferee, all consideration for the transfer, other materials terms and conditions of the transfer and a statement of the transferee's experience in owning and operating affordable housing ("Notice"). Prior to any transfer of ownership of the Property or any portion thereof, the Grantor agrees to secure from transferee a recordable written agreement stating that transferee will assume in full the Grantor's obligations and duties under this Affordable Housing Restriction.

12. No Demolition. The Grantor shall not demolish any part of any of the Property or substantially subtract from any real or personal property included within any of the Property except in conjunction with renovation or rehabilitation of the HOME Assisted Unit or construction of a new project on any of the Property, in either case subject to the prior written consent of the Holder, which consent may be granted or withheld in the Holder's sole judgment.

13. Casualty. The Grantor represents, warrants and agrees that if any of the Property, or any part thereof, shall be damaged or destroyed, the Grantor (subject to the approval of the lender(s) providing financing) shall use its best efforts to repair and restore the HOME Assisted Unit to substantially the same condition as existed prior to the event causing such damage or destruction, and the Grantor represents, warrants and agrees that the HOME Assisted Unit shall thereafter continue to operate in accordance with the terms of this Affordable Housing Restriction.

14. Other Federal Requirements; Inspection. Any use of any of the Property or activity thereon which is inconsistent with the purpose of this Affordable Housing Restriction is expressly prohibited. Grantor shall carry out each activity provided for in this Agreement in compliance with (x) all applicable federal laws and regulations described in 24 CFR §92.350 (nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; and drug-free workplace), §92.353 (displacement, relocation, and acquisition), §92.355 (lead-based paint) and §92.356 (conflict of interest). Grantor hereby grants to the Holder and its duly authorized representatives the right to enter any of the Property (a) at reasonable times and in a reasonable manner for the purpose of inspecting the Property to determine compliance with this Affordable Housing Restriction or any other agreement between Grantor and such the Holder and (b) after 30 days prior written notice, to take any reasonable and appropriate action under the circumstances to cure any violation of the provisions of this Affordable Housing Restriction. The notice referred to in clause (b) shall include a clear description of the course and approximate cost of the proposed cure.

15. Enforcement. The Holder shall have the right to monitor and enforce compliance with the Affordability Restrictions as set forth in this Affordable Housing Restriction and the rights hereby granted shall include the right of the Holder to enforce this Affordable Housing

Restriction by appropriate legal proceedings and to obtain injunctive and other equitable relief against any violations of the Affordability Restrictions, including without limitation relief requiring restoration of the Property to its condition prior to any such violation (it being agreed that the Holder will have no adequate remedy at law), and shall be in addition to, and not in limitation of, any other rights and remedies available to the Holder. Grantor covenants and agrees to reimburse the Holder, as the case may be, all reasonable costs and expenses (including without limitation reasonable counsel fees) incurred in enforcing this Affordable Housing Restriction or in taking reasonable measures to cure any violation hereof, provided that a violation of this Affordable Housing Restriction is acknowledged by Grantor or determined by a court of competent jurisdiction to have occurred. By its acceptance of this Affordable Housing Restriction, the Holder does not undertake any liability or obligation relating to the condition of any of the Property. If any provision of this Affordable Housing Restriction shall to any extent be held invalid, the remainder shall not be affected.

16. Further Assurances. The Holder is authorized to record or file any notices or instruments appropriate to assuring the enforceability of this Affordable Housing Restriction; and the Grantor on behalf of itself and its successors and assigns appoints the Holder its attorney-in-fact to execute, acknowledge and deliver any such instruments on its behalf. Without limiting the foregoing, the Grantor and its successors and assigns agree to execute any such instruments upon request. The benefits of this Affordable Housing Restriction shall be in gross and shall be assignable by the Holder. The Grantor and the Holder intend that the restrictions arising hereunder take effect upon the date hereof, and to the extent enforceability by any person ever depends upon the approval of governmental officials, such approval when given shall relate back to the date hereof regardless of the date of actual approval or the date of filing or recording of any instrument evidencing such approval.

17. Notices. Any notice, request or other communication which either party hereto may be required or may desire to give hereunder shall be made in writing, and shall be deemed to have been properly given if hand delivered, if sent by recognized overnight courier, receipt confirmed, or if mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed to Town Hall, 16 Lincoln Road, P.O. Box 6353, Lincoln, MA 01773 or such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice. A notice sent by certified or registered mail shall be deemed given three days after mailing; a notice sent by overnight courier shall be deemed given one day after deposit with such courier; and a notice delivered by hand shall be deemed given upon receipt.

18. Amendment; Termination; Waiver; Counterparts. The Holder may with Grantor's consent, at any time, modify or amend the Affordability Restrictions, and the Grantor and the Holder agree to execute any documents required to effectuate such action. The Holder may unilaterally and at its option, at any time, subordinate, terminate or discharge the Affordability Restrictions, and the Grantor and the Holder agree to execute any documents required to effectuate such action. The Grantor hereby irrevocably appoints the Holder or any agent designated by the Holder as its true and lawful attorney-in-fact, with full power of substitution, to execute, acknowledge, and deliver any such documents on behalf of the Grantor which the Grantor fails or refuses to do.

Nothing contained herein is intended to or shall impair the obligations of the Grantor to the Holder. Except as otherwise provided herein, the right of the Holder to enforce the provisions of this Affordable Housing Restriction shall not at any time be prejudiced or impaired (i) by any act or failure to act on the part of the Holder, including, without limitation, any forbearance, waiver, consent, compromise, amendment, extension or renewal with respect to Grantor's obligations to the Holder or (ii) by noncompliance by the Grantor with the terms of this Affordable Housing Restriction. This Affordable Housing Restriction may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

No documentary stamps are required since this Affordable Housing Restriction is not being purchased by the Holder.

[Signature Pages to Follow]

Witness our hands and seals as of the date first written above.

GRANTOR:

TOWN OF LINCOLN
By its Board of Selectmen

[Handwritten signatures of three individuals over three horizontal lines]

COMMONWEALTH OF MASSACHUSETTS

County of Middlesex ss.,

April 8, 2013

Then personally appeared the above-named Peter Braun, René Fredriksen and D. Noah Eckhouse as stated above, and proved to me through satisfactory evidence of identification, which was personally known to me to be the person who name is signed on the preceding or attached document and acknowledged to me that he/she signed it voluntarily for its stated purpose as Selectman of the Town of Lincoln.

[Handwritten signature of Notary Public]

Notary Public
My Commission Expires:



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

HOLDER:

TOWN OF LINCOLN AFFORDABLE HOUSING TRUST

By its Trustees

Pamela a. gallup
BJ Scheff
Peter B. von Merten

COMMONWEALTH OF MASSACHUSETTS

County of Middlesex, ss.

4/5, 2013

Pamela Gallup, BJ Scheff
Peter B. von Merten

Then personally appeared the above-named Peter B. von Merten Trustee of the Town of Lincoln Affordable Housing Trust and proved to me through satisfactory evidence of identification, which was personally known to me to be the person who name is signed on the preceding or attached document and acknowledged to me that he signed it voluntarily for its stated purpose as Trustee.

[Signature]

Notary Public
My Commission Expires:


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

EXHIBIT A

Description of the Property

A parcel of land with the buildings thereon situated in Lincoln, Middlesex County, Massachusetts comprising of the December 16, 1970 State Highway Order of Taking Layout of Route #2A at Sunnyside Lane bounded and described as follows:

SOUTHEASTERLY	by Sunnyside Lane, 132.08 feet; thence
SOUTHWESTERLY	by land now or formerly of the Commonwealth of Massachusetts, 297.55 feet; thence
NORTHWESTERLY	by land now or formerly of the Town of Lincoln, 176.65 feet; and
NORTHEASTERLY	by land now or formerly of Wei Ying Chu, 285.53 feet.

Said parcel consisting of 1.05 acres more or less according to the Plan.

EXHIBIT B

Rent Schedule

High HOME Program Rent
4 Bedroom - \$1,786.00