



AFFORDABLE HOUSING RESTRICTION (RENTAL)

Property Address: 18 Springs Road, Bedford, Massachusetts

PATRIOT PLACE, LLC, a Massachusetts limited liability company, with an address of 17 North Road, Bedford, Massachusetts 01730 (collectively, with its successors and/or assigns, the "**Grantor**"), the owner of the land and improvements thereon located at 18 Springs Road, Bedford, Massachusetts, as more particularly described on Exhibit A attached hereto (the "**Property**"), grants, with quitclaim covenants, to BEDFORD HOUSING TRUST, INC., a Massachusetts non-profit corporation with an address of 12 Mudge Way, Box 1-9, Bedford, Massachusetts 01730 (collectively, with its successors and/or assigns, the "**Grantee**"), exclusively for the purpose of ensuring retention of housing for occupancy by low and moderate income persons and families, the following described Affordable Housing Restriction affecting the Property.

The Grantor intends to construct a building containing ten (10) residential apartment units on the Property along with related improvements, including, without limitation, driveways, open parking areas, underground utilities and landscaping (the "**Project**").

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

1. The purpose of this Affordable Housing Restriction is to assure that the improvements to be constructed on the Property will be retained as affordable housing for occupancy by low and moderate income families (all as defined below) as provided herein, and to provide a uniform plan for the administration and enforcement of covenants and restrictions imposed herein.

2. The Grantor 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 (i) shall be and are covenants running with the Property, encumbering the Property for the term set forth in Section 6 below, 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 Grantees and to any past, present or prospective resident at the Property). The Grantor acknowledges that Grantee is providing a loan to the Grantor in the original principal amount of \$192,500.00 loan from Grantee (the "**Loan**"), the proceeds of which are to be used to finance construction of the Project. This Affordable Housing Restriction shall continue in full force and effect for its stated term regardless of the prior repayment of the Loan.

3. 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 any and all requirements of the laws of The Commonwealth of Massachusetts to be satisfied in order for the terms and provisions of this Affordable Housing Restriction to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full and that any requirements of privity of estate are intended to be satisfied, or in the alternative, that an equitable servitude has been created to insure that this Affordable Housing Restriction runs with the land.

4. 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

Please return to:

Nancy I. Bueweiss, General Counsel
 Massachusetts Housing Partnership Fund Board
 160 Federal Street, Boston, MA 02110

18 Springs Rd., Bedford

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. For purposes of this Affordable Housing Restriction, the term "**Affordable Unit**" shall mean a unit at the Project that is rented to and occupied by a Family (as defined below) with income at or below eighty percent (80%) of the median income for the area in which the Property is located, adjusted for household size, as determined by the United States Department of Housing and Urban Development ("**HUD**"). Each unit in the Project shall meet the housing quality standards set forth in the regulations of the Department of Housing and Urban Development as 24 C.F.R. §982.401 or any successor thereto and the Borrower shall ensure that all Affordable Units shall be of comparable quality to the other units of the Project, and, to the greatest extent practicable, shall be dispersed evenly throughout the Project. If the Project is comprised of more than one building, each building shall have a proportionate share of Affordable Housing Units. Further, the construction of the Project shall meet all applicable codes, regulations, statutes and zoning ordinances of the Town of Bedford and all applicable codes, regulations, and statutes of The Commonwealth of Massachusetts.

6. For a period of forty (40) years following completion of the Project, which shall in no event occur later than twelve (12) months after the date hereof, at least seven (7) of the ten (10) housing units to be constructed on the Property shall be rented exclusively to Families whose annual incomes are equal to or less than eighty percent (80%) of median area income, adjusted for household size, as determined by HUD (the "**Occupancy Requirements**"). A "**Family**" is defined as one or more individuals occupying a unit and satisfying the standards adopted by HUD for the so-called Section 8 program under the United States Housing Act of 1937, as amended, and the regulations promulgated thereunder (the "**Section 8 Program**"). A Family's annual income will be the anticipated total income from all sources received by the Family head and spouse (even if temporarily absent) and by each additional member of the Family (other than children under the age of 18 years), including all net income derived from assets for the 12-month period following the effective date of certification of income. Annual income shall be determined in a manner consistent with the Section 8 Program; annual income specifically includes and excludes certain types of income as set forth in, and shall be determined in accordance with the regulations promulgated under the Section 8 Program (or any successor regulations). Alternatively, a Family's income may be determined utilizing the adjusted gross income figure from Internal Revenue Service Form 1040 (not 1040EZ) so long as the Form 1040 is less than six months old.

7. 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 Project or in connection with the employment or application for employment of persons for the operation and management of the Project. The Borrower shall not discriminate against, or refuse to lease, rent or otherwise make available units in the Project 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 Program tenant-based assistance program because of the status of the prospective tenant as a holder of such certificate, voucher or comparable HOME Program tenant-based assistance document.

8. The annual rental expense for each Affordable Unit, including the provision of heat, electricity and hot water, shall not exceed thirty percent (30%) of the applicable income limit for the Affordable Unit, adjusted for household size, assuming that a unit which does not have a separate bedroom is occupied by one individual, and that a unit which has one or more separate bedrooms is occupied by 1.5 individuals for each separate bedroom. However, the maximum annual rent for any Affordable Unit shall not fall below the rent level set at the time that the Project is first occupied in

accordance with this Agreement. Notwithstanding the above, if an Affordable Unit has a subsidy commitment through the Section 8 Program, or any comparable rental assistance program, then the maximum rent shall be that permitted by the Section 8 Program, or the comparable program. If, after initial occupancy of an Affordable Unit, the income of a tenant residing in an Affordable Unit increases, and as a result of such increase, exceeds one hundred forty percent (140%) of the maximum income permitted hereunder for such a tenant, at the expiration of the applicable lease term, the rent restrictions shall no longer apply.

9. The Grantor represents, warrants and covenants that the determination of whether a Family occupying an Affordable Unit meets the income requirements set forth herein shall be made by the Grantor at the time of leasing of a unit in the Project and thereafter at least annually on the basis of the current income of such Family. The Grantor shall maintain as part of its Project records copies of all leases of Affordable Units and all initial and annual income certifications by residents of Affordable Units. Within sixty (60) days after the end of each calendar year, the Grantor shall provide to the Grantee an annual report consisting of certifications regarding the annual and monthly gross and adjusted income of each Family occupying an Affordable Unit. With respect to Families who moved into Affordable Units 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 at the Project. Such annual reports shall be in a form approved by the Grantee and shall contain such supporting documentation as the Grantee shall reasonably require. In addition to the foregoing, the Grantor shall keep such additional records and prepare and submit to the Grantee such additional reports as the Grantee may deem necessary to ensure compliance with the requirements of this Affordable Housing Restriction

10. Annually as part of the annual reports required under Section 9 above, the Grantor shall submit to the Grantee a proposed schedule of monthly rents and monthly allowances for utilities and services for all of the Affordable Units. The rent schedule shall include the maximum rents applicable to the Affordable Units as well as the actual rents charged to Families residing in the Affordable Units. Such schedule shall be subject to the approval of the Grantee for compliance with the requirements of this Affordable Housing Restriction. All 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 Grantor to all affected tenants.

11. The Grantor shall not include in any lease for a unit in the Project any of the following provisions:

- (i) 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.
- (ii) 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 applicable law.
- (iii) 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.
- (iv) Agreement of the tenant that the Grantor may institute a lawsuit without notice to the tenant.

- (v) 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.
- (vi) Agreement by the tenant to waive any right to a trial by jury.
- (vii) 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.
- (viii) Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding brought by the Grantor against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

12. The Grantor may not sell, transfer or exchange all or any portion of the Project without the Grantee's prior written consent and shall not transfer or pledge in the aggregate a majority of the beneficial ownership or control of the Grantor, without the prior written consent of the Grantee, which consent may be granted or withheld in its sole judgment.

13. The Grantor shall not demolish any part of the Project or substantially subtract from any real or personal property of the Project except in conjunction with renovation or rehabilitation of the Project or construction of a new project on the Property, in either case subject to the prior written consent of the Grantee, which consent may be granted or withheld in the Grantee's sole judgment. The Grantor shall not permit the use of any residential unit for any purpose other than rental housing to eligible tenants in accordance with the provisions of this Affordable Housing Restriction.

14. The Grantor represents, warrants and agrees that if the Project, or any part thereof, shall be damaged or destroyed, the Grantor (subject to the approval of the Grantee) will use its best efforts to repair and restore the Project 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 Project shall thereafter continue to operate in accordance with the terms of this Affordable Housing Restriction.

15. Any use of the Property or activity thereon which is inconsistent with the purpose of this Affordable Housing Restriction is expressly prohibited. The Grantor hereby grants to the Grantee and its duly authorized representatives the right to enter the Property (a) at reasonable times and in a reasonable manner for the purpose of inspecting the Project to determine compliance with this Affordable Housing Restriction or any other agreement between the Grantor and the Grantee, 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.

16. The rights hereby granted shall include the right of the Grantee to enforce this Affordable Housing Restriction by appropriate legal proceedings and to obtain injunctive and other equitable relief against any violations, and shall be in addition to, and not in limitation of, any other rights and remedies available to the Grantee. The Grantor covenants and agrees to reimburse the Grantee for 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. By its acceptance of this Affordable Housing Restriction, the Grantee does not undertake any liability or obligation relating to the condition of the Property or the Project. If any provision of this Affordable Housing Restriction shall to any extent be held invalid, the remainder shall not be affected.

17. The Grantee 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 Grantee as its attorney-in-fact to execute, acknowledge and deliver any such instruments on its behalf. Without limiting the foregoing, the Grantor agrees to execute any such instruments upon request. The benefits of this Affordable Housing Restriction shall be in gross and shall be assignable by the Grantee. The Grantor and the Grantee 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.

18. Notwithstanding anything herein to the contrary, but subject to the next succeeding paragraph hereof, if the holder of record 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 institutional lender shall acquire the Property by reason of foreclosure or similar remedial action under the provisions of such mortgage or upon conveyance of the Property in lieu of foreclosure, and provided that the holder of such mortgage has given the Grantee not less than sixty (60) days' prior written notice of its intention to foreclose upon its mortgage or to accept a conveyance of the Property in lieu of foreclosure, then the rights and restrictions herein contained shall not apply to such holder upon such acquisition of the Property or to any purchaser of the Property from such holder, and such Property shall, subject to the next two succeeding sentences, thereafter be free from all such rights and restrictions. The rights and restrictions contained herein shall not lapse if the Property is acquired through foreclosure or deed in lieu of foreclosure by (i) Grantor, (ii) any person with a direct or indirect financial interest in Grantor, (iii) any person related to a person described in clause (ii) by blood, adoption or marriage, (iv) any person who is or at any time was a business associate of a person described in clause (ii), and (v) any entity in which any of the foregoing have a direct or indirect financial interest (each a "Related Party"). Furthermore, if the Property is subsequently acquired by a Related Party during the period in which this Affordable Housing Restriction would have remained in effect but for the provisions of this Section, this Affordable Housing Restriction shall be revived and shall apply to the Property as though it had never lapsed.

In the event such holder conducts a foreclosure or other proceeding enforcing its rights under such mortgage and the Property is sold for a price in excess of the sum of the outstanding principal balances of all notes secured by mortgages of the Property plus all future advances, accrued interest and all reasonable costs and expenses which the holders thereof are entitled to recover pursuant to the terms of such mortgages, such excess shall be paid to the Grantee in consideration of the loss of the value and benefit of the rights and restrictions herein contained and released by the Grantee pursuant to this Section in connection with such proceeding (provided, that in the event that such excess shall be so paid to the Grantee by such holder, the Grantee shall thereafter indemnify, to the extent permitted by law, such holder against loss or damage to such holder resulting from any claim made by the mortgagor of such mortgage to the extent that such claim is based upon payment of such excess by such holder to the Grantee in accordance herewith, provided that such holder shall give the prompt notice of any such claim and shall not object to intervention by the Grantee in any proceeding relating thereto). To the extent the Grantor possesses any interest in any amount which would otherwise be payable to the Grantee under this paragraph, to the full extent permissible by law, the Grantor hereby assigns its interest in such amount to said holder for payment to the Grantee.

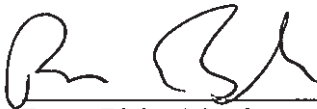
19. All notices, demands, and other communications which any party hereto may be required or may desire to give hereunder shall be in writing and given by hand delivery, by federal express, express mail, or any other nationally recognized overnight delivery service; by telecopier (provided a copy is also sent via first class mail); or by certified or registered first class mail, return receipt requested,

postage prepaid; and addressed as specified in the first paragraph hereof. Each of the foregoing addresses may be changed upon ten (10) days' prior written notice given by any of the foregoing prescribed methods. All notices shall be deemed to have been given, delivered, and received on the earlier of (i) actual receipt; or (ii) the tender of delivery by one of the above prescribed methods during normal business hours at the specified address.

20. This Affordable Housing Restriction (i) may not be amended, nor may any obligation hereunder be waived or released, without first obtaining the written consent of the Lenders, which consent shall not be unreasonably withheld or delayed, and (ii) may be executed by one or more of the parties in any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

Executed as an instrument under seal as of the 22 day of ~~October~~ ^{November}, 2004.

PATRIOT PLACE, LLC

By: 
Bruce Blake, Member
Hereunto duly authorized

Middlesex, ss.

COMMONWEALTH OF MASSACHUSETTS

On this 22nd day of ~~October~~ ^{November}, 2004, before me, the undersigned notary public, personally appeared Bruce Blake, as Member of Patriot Place, LLC (Borrower described above), and proved to me through satisfactory evidence of identification, which was a Massachusetts drivers license, 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.


Notary Public
My Commission Expires:

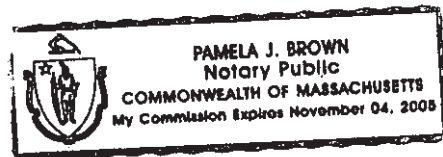


EXHIBIT A

Property Description

The land and structures in the Town of Bedford, Middlesex County, Massachusetts located at 18 Springs Road more specifically bounded and described as follows:

- NORTHERLY by land n/f of Peter C. Grey (also known as Lot 41) One Hundred fifty-six and 05/100 feet (156.05');
- WESTERLY by land n/f of Francis L. and Helen A. Ahern (also known as Lot 33) and Robert W. and Julia F. Brand (also known as Lot 34) One Hundred Sixty and 55/100 feet (160.55');
- SOUTHERLY by land n/f B&D Realty Trust (also known as Lot 38) One Hundred fifty-seven and 44/100 feet (155.44');
- EASTERLY by Springs Road, a public way, One Hundred fifty-eight and 13/100 feet (158.13')

Said lot being the same land as shown as Lot C on a plan entitled "Plan of Land Bedford Mass, 14 Springs Road" prepared by Commonwealth Engineering , Inc. dated June 13, 1997, endorsed by the Bedford Planning Board on October 6, 1997 and recorded in Middlesex County South District Registry of Deeds as Plan No. 1081 of 1997 Recorded in Book 27752 Page 515.

*T. R deed
recorded
herein*

John P. Brown
Asst. Middlesex S. Registrar