

UNIT DEED RIDER
[WITHOUT RENTAL]

MASSACHUSETTS HOUSING PARTNERSHIP FUND BOARD, as agent for the
MASSACHUSETTS DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT (HOUSING STABILIZATION FUND PROGRAM)

MASSACHUSETTS AFFORDABLE HOUSING TRUST FUND

(annexed to and made part of that certain unit deed for Unit
_____ (the "Deed") from Essex Pond LLC ("Grantor") to
_____ ("Grantee") dated _____.)

BACKGROUND

A. The Massachusetts Housing Partnership Fund Board, utilizing the proceeds of an award from The Commonwealth of Massachusetts, acting by and through the Department of Housing and Community Development ("DHCD") under the Housing Stabilization Fund created under Chapter 494 of the Massachusetts Acts and Resolves of 1993 entitled: "An Act Providing for Housing Preservation and Neighborhood Development," has provided financing in the amount of \$975,000.00 (the "DHCD Assistance Amount") to the Grantor in connection with the rehabilitation of the property, which has been converted into a Condominium of which the unit described below is a part, known as Pond View Village I Leasehold Condominium (the "Property");

B. The Commonwealth of Massachusetts, acting by and through the Department of Housing and Community Development under the Affordable Housing Trust Fund Statute, M.G.L. c. 121D (the "AHTF"), by the Massachusetts Housing Finance Agency as administrator, has provided financing in the amount of \$1,000,000.00 (the "AHTF Assistance Amount" and, together with the DHCD Assistance Amount, the "Assistance Amount") to the Grantor in connection with the rehabilitation of the Property.

C. As a result of such financial assistance, Grantor is conveying the Condominium unit in Pond View Village I Leasehold Condominium (the "Unit") to the Grantee at a consideration which is less than the fair market value of the Unit;

D. In consideration of the granting of such financial assistance, DHCD and AHTF have required that the Grantor impose a deed restriction on the Grantee providing for recapture of the financial subsidy in certain circumstances.

NOW THEREFORE, as future consideration from the Grantee to the Grantor and to DHCD and AHTF for the conveyance of the Unit at a discount, the Grantee hereby agrees that the Unit shall be

subject to the following rights and restrictions which are hereby imposed for the benefit of, and shall be enforceable by DHCD and AHTF, and their respective successors, assigns, agents and designees.

1. Right of Refusal/Recapture: If the Grantee shall desire to sell, dispose of or otherwise convey the Unit, or any portion thereof prior to the fiftieth anniversary of the date of this Deed Rider, the Grantee shall notify DHCD and AHTF in writing of the Grantee's intention so to convey the Unit ("Notice"). The Notice shall be accompanied by an appraisal of the fair market value of the Unit (assuming the Unit is free of all restrictions set forth herein) acceptable to DHCD and AHTF prepared by a real estate appraiser acceptable to DHCD and AHTF and qualified to appraise property for secondary mortgage markets and recognized as utilizing acceptable professional appraisal standards in Massachusetts. DHCD and AHTF shall thereafter have the right, exercisable by written notice ("DHCD's Notice") or "AHTF's Notice", as the case may be) given to Grantee within thirty (30) days after the giving of the Notice by the Grantee, to purchase the Unit at the Base Price (as defined below) and/or to proceed to locate an eligible purchaser of the Unit. For the purposes of this Deed Rider, an "eligible purchaser" shall, prior to the fortieth anniversary of the date hereof, mean a family whose annual income is less than eighty percent (80%) of the median income for the Area (as defined below) based on family size as determined by the U.S. Department of Housing and Urban Development ("HUD"), and who is ready and willing to purchase the Unit within ninety (90) days after the Grantee gives the Notice. After the fortieth anniversary of the date hereof, the definition of an "eligible purchaser" shall be deemed modified to raise the income limit to one hundred percent (100%) of the median income for the Area. A "Family" is defined as one or more individuals satisfying the standards adopted by HUD for the so-called Section 8 Program under the United States Housing Act of 1937 and promulgated at 24 C.F.R. §5.403 (or any successor regulation). The "Area" is defined as the Boston MSA. A Family's annual income shall 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 specifically includes and excludes certain types of income as set forth in, and shall be determined in accordance with, 24 C.F.R. §5.609 (or any successor regulations).

The "Base Price" shall equal the sum of (v) the cost of the appraisal delivered with the Notice, (w) the purchase price paid by the Owner, (x) the documented total cost of capital improvements made by the Owner, which costs shall be subject to

approval by DHCD and AHTF, in DHCD's and AHTF's sole discretion, at the time of the sale or transfer, (y) excise taxes incurred by the Owner in connection with the sale of the Unit, and (z) a return on the Owner's investment equal to the product of (i) the sum of the Owner's original downpayment plus one-half of the aggregate of regular principal payments made by the Owner on the allowable secured debt on the Unit multiplied by (ii) a fraction, the numerator of which shall be the Price Index for the last month preceding the Notice minus the Price Index for the month preceding the Owner's purchase of the Unit and the denominator of which shall be the Price Index for the month preceding the Owner's purchase of the Unit. The "Price Index" shall mean the "Consumer Price Index for Urban Wage Earners and Clerical Workers, All Items (November 1982=100)" published by the Bureau of Labor Statistics of the United States Department of Labor or any comparable successor or substitute index designated by DHCD appropriately adjusted. In the event the Price Index ceases to use the November 1982 index of 100 as the basis of calculation or if a substantial change is made in the terms or number of items contained in the Price Index, then the Price Index shall be adjusted to the figure that would have been arrived at had the manner of computing the Price Index in effect at the date of this Deed Rider not been changed.

In the event either DHCD or AHTF, within thirty (30) days after the date the Notice is given, notifies the Grantee that it is proceeding to locate an eligible purchaser, DHCD or AHTF, as the case may be, may locate an eligible purchaser within ninety (90) days after the date the Notice is given. Such eligible purchaser shall purchase the Unit at the Base Price within one hundred thirty-five (135) days after the date the Notice is given. If more than one eligible purchaser is located by DHCD or AHTF, DHCD or AHTF, as the case may be, shall conduct a lottery or other like procedure in DHCD's and AHTF's sole discretion to determine which eligible purchaser shall be entitled to the conveyance of the Unit. If for any reason an eligible purchaser is unprepared to close within the required time set forth above, DHCD and AHTF shall also have the right to purchase the Unit at the Base Price within such required time.

If DHCD or AHTF elects to purchase the Unit, the Closing (as defined below) shall occur within 90 days after the date the Notice is given.

If both DHCD and AHTF elect to purchase the Unit or locate an interested buyer, DHCD shall have the right to effectuate such election on behalf of both parties.

If neither DHCD nor AHTF timely elects to purchase the Unit and/or to locate an eligible purchaser, the Grantee may convey the Unit to any third party at a fair market value, free and

clear of all restrictions set forth in this Deed Rider. If either DHCD or AHTF fails to locate an eligible purchaser within ninety (90) days after the Notice is given and DHCD or AHTF, as the case may be, does not purchase the Unit within said period, then following expiration of ninety (90) days after the Notice is given by the Grantee, the Grantee may convey the Unit to any third party at fair market value, free and clear of all restrictions contained in his Deed Rider. If an eligible purchaser is found by DHCD or AHTF and neither such eligible purchaser nor DHCD or AHTF purchases the Unit within the required time (one hundred thirty-five (135) days after the Notice is given), then the Grantee may convey the Unit to any third party at fair market value, free and clear of all restrictions set forth in this Deed Rider. The sales price to a third party shall be subject to DHCD's and AHTF's approval, with due consideration given to the value set forth in the appraisal accompanying the Notice. DHCD's and AHTF's approval of the sale price shall be evidenced by its issuance of a Compliance Certificate (as defined below). Upon the recording of a Compliance Certificate, the provisions of this Deed Rider shall terminate.

All conveyances hereunder shall be by a good and sufficient quitclaim deed conveying good and clear record and marketable title to the Unit free and clear of all encumbrances except: (i) such taxes for the then current year as are not due and payable on the date of delivery of the deed, (ii) any lien for municipal betterments assessed after the date of the Notice, (iii) provisions of local building and zoning laws, (iv) all easements, restrictions, covenants and agreements of record specified in the Deed from Grantor to Grantee, and (v) such additional easements, restrictions, covenants and agreements of record as to which the transferee consents, such consent not to be unreasonably withheld or delayed. In addition, any conveyance to an eligible purchaser prior to the first bona fide transfer of the Unit after the fortieth anniversary of the date hereof shall be made subject to all the terms and conditions of this Deed Rider and a conveyance to an eligible purchaser that is the first bona fide transfer of the Unit after the fortieth anniversary of the date hereof, shall be made subject to the recapture provisions in the last paragraph of this Section 1 and to the terms and condition of Sections 2 through 14 of this Deed Rider.

Said deed shall be delivered and the purchase price paid (the "Closing") at the Registry of Deeds in the County where the Unit is located, or at the option of the transferee, exercised by written notice to the Grantee at least five (5) days prior to the delivery of the deed, at such other place as the transferee may designate in said Notice. Any transferee other than an eligible purchaser shall have the right to name a nominee at least five (5) days prior to the delivery of the deed. The Closing shall occur at such time and on such date as shall be specified in a

written notice from the eligible purchaser (or DHCD if DHCD is purchasing the Unit or AHTF if AHTF is purchasing the Unit) to the Grantee, which date shall be at least five (5) days after the date on which such notice is given, and within the relevant time period specified herein for Closing.

To enable Grantee to make conveyance as herein provided, Grantee may if he or she so desires at the time of delivery of the deed, use the purchase money or any portion thereof to clear the title of any or all encumbrances or interests; all instruments so procured to be recorded simultaneously with the delivery of said deed.

Water and sewer use charges, condominium common charges and taxes for the then current tax period shall be apportioned and fuel value shall be adjusted as of the date of Closing and the net amount thereof shall be added to or deducted from, as the case may be, the purchase price payable by the transferee.

Full possession of the Unit free from all occupants is to be delivered at the time of the Closing, the Unit to be then in the same condition as it is in on the date hereof, reasonable wear and tear excepted.

If Grantee shall be unable to give title or to make conveyance as above stipulated, or if any change of condition in the Unit not included in the above exception shall occur, then Grantee shall be given a reasonable time not to exceed thirty (30) days after the date on which the Closing was to have occurred in which to remove any defect in title or to restore the Unit to the condition hereby provided for. The Grantee shall use best efforts to remove any such defects in title whether voluntary or involuntary and to restore the Unit to the extent permitted by insurance proceeds or condemnation award. The Closing shall occur fifteen (15) days after notice by Grantee that such defect has been cured or that the Unit has been so restored. The transferee shall have the election, at either the original or any extended time for performance, to accept such title as the Grantee can deliver to the Unit in its then condition and to pay therefor the purchase price without deduction, in which case the Grantee shall convey such title, except that in the event of such conveyance in accordance with the provisions of this clause, if the Unit shall have been damaged by fire or casualty insured against or if a portion of the Unit shall have been taken by a public authority, then the Grantee shall, unless the Grantee has previously restored the Unit to its former condition, either:

(a) pay over or assign to the transferee on delivery of the deed, all amounts recovered or recoverable on account of

such insurance or condemnation award, less any amounts reasonably expended by the Grantee for any partial restoration, or

(b) if a holder of a mortgage on the Unit shall not permit the insurance proceeds or the condemnation award or a part thereof to be used to restore the Unit to its former condition or to be so paid over or assigned, give to the transferee a credit against the purchase price, on delivery of the deed, equal to said amounts so retained by the holder of the said mortgage less any amounts reasonably expended by the Grantee for any partial restoration.

Simultaneously with any sale or transfer of the Unit to a third party, an allocable amount of the "Recapture Amount" shall be immediately and directly paid to each of DHCD and AHTF as set forth below. The "Recapture Amount" shall equal the greater of (x) the Assistance Amount reduced by one fiftieth for each full year elapsed from the date of this Deed Rider until the date of such sale or transfer and (y) fifty percent (50%) of the amount by which the Net Proceeds (as defined below) exceed the sum of the Owner's downpayment for the Unit plus the total amount of principal payments made by the Owner on any allowable secured debt on the Unit plus the documented total cost of capital improvements made by the Owner to the Unit, which costs shall be subject to approval by DHCD and AHTF, in DHCD's and AHTF's sole discretion, at the time of the sale or transfer. In no event, however, will the Recapture Amount be greater than the amount (the "Net Proceeds") by which the resale price of the Unit exceeds the sum of the total amount of allowable secured debt on the Unit plus broker's fees, recording costs, appraisal costs and excise taxes incurred by the Owner in connection with the sale of the Unit. DHCD and AHTF shall share the Recapture Amount if any, on a pari passu basis. Upon receipt of the Recapture Amount, if any, DHCD and AHTF shall issue to the purchaser a certificate in recordable form (the "Compliance Certificate") indicating DHCD's and AHTF's receipt of the Recapture Amount, if applicable, or indicating that no Recapture Amount is payable. This Compliance Certificate may be recorded in the appropriate Registry of Deeds or registered with the appropriate Registry District of the Land court and such Compliance Certificate may be relied upon by third parties as constituting conclusive evidence that the allocable share of such Recapture Amount, if any, has been paid to DHCD and AHTF, or that no Recapture Amount is payable, provided that the consideration recited in the deed or other instrument conveying the Unit upon such sale shall not be greater than the consideration stated in the Compliance Certificate.

2. Resale and Transfer Restrictions: Except as otherwise stated herein, the Unit or any interest therein shall not at any time prior to the fiftieth anniversary of this Deed Rider be sold by Grantee or by a successor owner, and no attempted sale shall

be valid, unless either the Recapture Amount is paid by the transferor to DHCD and AHTF and DHCD and AHTF execute and deliver a Compliance Certificate as described in Section 1, or, if the Unit is conveyed to an eligible purchaser, a certificate (the "Eligible Purchaser Certificate") is obtained and recorded, signed and acknowledged by DHCD and AHTF, which Eligible Purchaser Certificate refers to the Unit, the transferor, the eligible purchaser and the sale price and states that the proposed conveyance, sale or transfer of the Unit to the eligible purchaser is in compliance with the rights, restrictions, and covenants contained in this Deed Rider. Notwithstanding the foregoing, the provisions of this Deed Rider shall lapse upon the recording of a Compliance Certificate.

Within ten (10) days of the closing of the conveyance of the Unit from Grantor to Grantee, the Grantor shall deliver to DHCD and AHTF a true and certified copy of the Deed of the Unit as recorded, together with information as to the place of recording thereof in the public records. Failure of the Grantor to comply with the preceding sentence shall not affect the validity of such conveyance.

3. Principal Residence; Restrictions Against Leasing and Junior Encumbrances: The Unit shall be used as the principal residence of Grantee. The Unit shall not be leased, refinanced, encumbered (voluntarily or otherwise) or mortgaged without the prior written consent of DHCD and AHTF, provided, however that this provision shall not apply to a first mortgage granted in connection with this conveyance. Any rents, profits, or proceeds from a transaction described in the last preceding sentence which has not received the prior written consent of DHCD and AHTF shall be paid to and be the property of DHCD and AHTF.

4. Rights of Mortgagees: 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 or its successors or assigns shall acquire the Unit by reason of foreclosure or similar remedial action under the provisions of such mortgage or upon conveyance of the Unit in lieu of foreclosure and provided that the holder of such mortgage has given DHCD and AHTF not less than sixty (60) days' prior written notice of its intention to foreclose upon its mortgage or to accept a conveyance of the Unit in lieu of foreclosure, the rights and restrictions herein contained shall not apply to such holder upon such acquisition of the Unit, to any purchaser of the Unit at a foreclosure sale conducted by such holder, or to any purchaser of the Unit from such holder, and such Unit shall, subject to the next two succeeding sentences, thereupon and thereafter be free from all

such rights and restrictions. The rights and restrictions contained herein shall not lapse if the Unit is acquired through foreclosure or deed in lieu of foreclosure by (i) Grantee, (ii) any person with a direct or indirect financial interest in Grantee, (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 Premises are subsequently acquired by a Related Party during the period in which this Deed rider would have remained in effect but for the provisions of this Section, this Deed Rider shall be revived and shall apply to the Unit 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 Unit is sold for a price in excess of the sum of the outstanding principal balance of the note secured by such mortgage plus all future advances, accrued interest and all reasonable costs and expenses which the holder is entitled to recover pursuant to the terms of the mortgage, such excess up to the Assistance Amount shall be paid to DHCD and AHTF on a pari passu basis in consideration of the loss of the value and benefit of the rights and restrictions herein contained held by DHCD and AHTF and released by DHCD and AHTF pursuant to this Section in connection with such proceeding (provided, that in the event that such excess (up to the Assistance Amount) shall be so paid to DHCD and AHTF by such holder, DHCD and AHTF shall thereafter indemnify 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 DHCD and AHTF in accordance herewith, provided that such holder shall give DHCD and AHTF prompt notice of any such claim and shall not object to intervention by DHCD and AHTF in any proceeding relating thereto). To the extent the Grantee possesses any interest in any amount which would otherwise be payable to DHCD and AHTF under this paragraph, to the full extent permissible by law, the Grantee hereby assigns its interest in such amount to said holder for payment to DHCD and AHTF.

5. Covenants to Run With the Unit: This Deed Rider and all of the agreements, restrictions, rights and covenants 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. This Deed Rider shall terminate (a) upon the recording of a Compliance Certificate, or (b) upon the fiftieth anniversary of this Deed Rider, provided that no violation of this Deed Rider has occurred prior thereto.

The Grantee intends, declares and covenants on behalf of itself and its successors and assigns (i) that this Deed Rider and the covenants, agreements, rights and restrictions contained herein shall be and are covenants running with the land, encumbering the Unit for the term of this Deed Rider, and are binding upon the Grantee's successors in title, (ii) are not merely personal covenants of the Grantee, and (iii) shall bind the Grantee, its successors and assigns and inure to the benefit of DHCD and AHTF and their respective successors and assigns for the term of the Deed Rider. Grantee 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 Deed Rider 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. Grantee hereby grants to DHCD and AHTF the right to enter upon the Unit for the purpose of enforcing any and all of the restrictions, covenants and agreements herein contained.

Without limitation on any other rights or remedies of DHCD and AHTF and their agents, successors, designees and assigns, (x) any sale or other transfer or conveyance of the Unit in violation of the provisions of this Deed Rider, shall, to the maximum extent permitted by law, be voidable by DHCD and AHTF or their agents, successors, designees and assigns by suit in equity to enforce such rights, restrictions, covenants, and agreements and (y) any sale, transfer, conveyance or use of the Unit in violation of the provisions of this Deed Rider shall give rise to an obligation on the part of Grantee to repay to DHCD and AHTF the entire Assistance Amount. The rights hereby granted to DHCD and AHTF shall be in addition to and not in limitation of any other rights and remedies available to DHCD and AHTF for enforcement of the restrictions, rights, covenants and agreements set forth in this Deed Rider.

6. Notice: Any notices, demands or requests that may be given under this Deed Rider shall be sufficiently served if given in writing and by hand delivery or posted in the United States mail by registered or certified mail, if addressed to DHCD at the Department of Housing and Community Development, 100 Cambridge Street, Suite 300, Boston, Massachusetts 02114, Attention: Housing Stabilization Fund Program Director, if addressed to AHTF at MassHousing, One Beacon Street, Boston, Massachusetts 02108, Attention: General Counsel, or if addressed to the Grantee at the Unit, or such other addresses as may be specified by any party by such notice. Any such notice, demand or request shall be deemed to have been given on the date it is hand delivered or mailed.

7. Further Assurances: The Grantee agrees from time to time, as may be reasonably required by DHCD or AHTF, to provide

DHCD and AHTF with a written statement, signed and, if requested, acknowledged, setting forth the occupancy of the Unit and information concerning the resale of the Unit.

8. Waiver: Nothing contained herein shall limit the rights of DHCD or AHTF to release or waive, from time to time, in whole or in part, any of the rights, restrictions, covenants or agreements contained herein with respect to the Unit. Any such release or waiver must be made in writing and must be executed by an authorized official of DHCD and AHTF.

9. Severability: If any provisions hereof or the application thereof to any person or circumstance shall come, to any extent, to be invalid or unenforceable, the remainder hereof, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and enforced to the fullest extent permitted by law.

Executed as a sealed instrument this _____ day of _____, 20__.

Grantor:

ESSEX POND LLC

By _____

Duly Authorized

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss.

On this _____ day of _____, 2008, before me, the undersigned notary public, personally appeared _____, Authorized Signatory of Essex Pond LLC, proved to me through satisfactory evidence of identification, which was personal knowledge of the undersigned, 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:

Notary Seal

Grantee:

COMMONWEALTH OF MASSACHUSETTS

County of Essex, ss.

On this _____ day of _____, 20__, before me, the undersigned notary public, personally appeared _____ and _____ (name of document signer), proved to me through satisfactory evidence of identification, which was [government issued ID or personal knowledge] _____, to be the people whose names are signed on the preceding or attached document, and acknowledged to me that they signed it voluntarily for its stated purpose.

Notary Public
My commission expires: